2015-2016

HOUSE
RULES, CALENDAR, AND OPERATIONS

MINUTES

House Committee on Rules, Calendar, and Operations of the House
Wednesday, March 11, 2015 at 8:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 8:00 AM on March 11, 2015 in Room 1228/1327 of the Legislative Building. Representatives Carney, Cotham, Davis, Fraley, Goodman, Hastings, L. Johnson, Lewis, Saine, Szoka, Tine, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 157 Amend Environmental Laws. (Representatives McElraft, Catlin) Representative Torbett was recognized for a motion that the House Proposed Committee Substitute be placed before the committee. The motion passed. Discussion and debate. Representative Carney spoke on the bill. Representative McElraft spoke on the bill. Representative Torbett spoke on the bill. Representative Davis spoke on the bill. The chair recognized Jennifer McGinnis to explain the bill. Mick Abraczinskas from the North Carolina Department of Environment and Natural Resources, Division of Air Quality confirmed that the Department was fine with language in the PCS. Representative Torbett made a motion for a favorable report to the House Proposed Committee Substitute and an unfavorable report to the original bill. The vote was called and the motion passed.

The meeting adjourned at 8:12 AM.

David R. Lewis

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, March 11, 2015
TIME: **8:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 157	Amend Environmental Laws.	Representative McElraft Representative Catlin

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:59 PM on Tuesday, March 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

Grace Rogers (Rep. David Lewis)

From: Mark Coggins (Rep. David Lewis)
Sent: Tuesday, March 10, 2015 06:01 PM
To: Rep. Pat McElraft; Rep. Rick Catlin
Cc: Nancy Fox (Rep. Pat McElraft); Laura Holt-Kabel (Rep. Rick Catlin)
Subject: <NCGA> House Rules, Calendar, and Operations of the House Committee Meeting Notice for Wednesday, March 11, 2015 at 8:00 AM
Attachments: Add Meeting to Calendar_LINC_.ics

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, March 11, 2015
TIME: **8:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 157	Amend Environmental Laws.	Representative McElraft Representative Catlin

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:59 PM on Tuesday, March 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

ATTENDANCE

Rules, Calendar, and Operations of the House

(Name of Committee)

DATES	3/10														
Rep. David Lewis	✓														
Rep. Leo Daughtry															
Rep. Ted Davis	✓														
Rep. Paul Stam															
Rep. John Torbett	✓														
Rep. John Blust															
Rep. Jamie Boles															
Rep. Justin Burr															
Rep. Becky Carney	✓														
Rep. Tricia Cotham	✓														
Rep. Elmer Floyd															
Rep. John Fraley	✓														
Rep. Ken Goodman	✓														
Rep. Larry Hall															
Rep. Edward Hanes															
Rep. Kelly Hastings	✓														
Rep. Darren Jackson															
Rep. Linda Johnson	✓														
Rep. Robert Reives															
Rep. George Robinson															
Rep. Jason Saine	✓														
Rep. Jacqueline Schaffer															
Rep. John Szoka	✓														
Rep. Paul Tine	✓														

HOUSE BILL 157:
Amend Environmental Laws

2015-2016 General Assembly

Committee:	House Rules	**Date:**	March 11, 2015
Introduced by:	Reps. McElraft, Catlin	**Prepared by:**	Jeff Hudson Jennifer McGinnis Committee Counsel
Analysis of:	Second Edition		

SUMMARY: House Bill 157 would amend various environmental laws.

BILL ANALYSIS:

Part I. Interstate Mining Compact Clarification

North Carolina, along with 21 other states, is a member of the Interstate Mining Compact Commission.

Section 1 would authorize the Governor to send an official from the Department of Environment and Natural Resources (DENR) to act on the Governor's behalf at meetings of the Commission.

Part I. Recycled and Recovered Materials

Section 2(a) would exclude steel slag that is a product of the electric arc furnace steelmaking process from the definition of solid waste, provided that the slag is sold and distributed in the stream of commerce for consumption, use, or further processing into another desired commodity and is managed as an item of commercial value in a controlled manner and not as a discarded material or in a manner constituting disposal.

Section 2(b) would clarify requirements for "recovered materials" under the statutes governing the management of solid waste. Under current law, if a material qualifies as "recovered material," it is not subject to regulation as solid waste. The PCS would amend the existing qualifications as follows:

- Provides that materials that are accumulated speculatively (as that term is defined under federal law) do not qualify as a recovered material, and are subject to regulation as solid waste.
- Requires that a recovered material must be managed as a valuable commodity in a manner consistent with the desired use or end use.
- Specifies that *75%* of the recovered material stored at a facility at the beginning of a calendar year must be removed from the facility through sale, use, or reuse by the end of the same year. Current law requires that a ***"majority"*** of the material be removed within the year period.
- Requires that operations that process recovered material be conducted in a manner to ensure that recovered material or by-products from processing of the material are not discharged, deposited, injected, dumped, spilled, leaked, or placed into or upon any land or water, emitted into the air, otherwise enter the environment, or pose a threat to public health and safety.
- Requires that the recovered material must not contain significant concentrations of foreign constituents that render it unserviceable or inadequate for sale, or its intended use or reuse.

Section 2(c) would add provisions specifying that construction and demolition debris and garbage diverted from the waste stream or collected as source separated material are subject to solid waste permits for transfer, treatment, and processing in a permitted solid waste management facility.

Section 2(d) would modernize definitions included in the statutes governing management of discarded computer equipment and televisions.

Section 2(e) would require facilities that recover or recycle discarded computer equipment, televisions, or other electronic devices to register annually with DENR.

Section 2(f) would allow moneys in the White Goods Management Account (consisting of revenues from a tax[1] imposed on new white goods[2]) to be used for the management of discarded electronic devices. Under current law, 72% of the net tax proceeds are distributed among the counties on a per capita basis, and counties are only permitted to use these funds to manage discarded white goods.

Part III. Coal Ash Management Technical Corrections and Amendments

Clarify Implementing Agencies

The Coal Ash Management Act of 2014 is implemented by several different State agencies, including the Coal Ash Management Commission, the Environmental Management Commission, and the Utilities Commission.

Sections 3.1(a), (b), and (c); 3.6; and 3.7 would amend several sections of the Coal Ash Management Act of 2014 to clarify which State agencies are responsible for implementing various provisions of the Act.

Technical Corrections

Section 3.2 would correct an incorrect statutory cross reference.

Section 3.3 would repeal an unnecessary reporting deadline.

Structural Fill Moratorium Clarifications

The Coal Ash Management Act of 2014 placed a moratorium on the use of coal combustion products as structural fill until August 1, 2015, in order to allow DENR, the Environmental Management Commission, and the General Assembly time to review and evaluate the use of coal combustion residuals as structural fill. The Act included two exceptions to the moratorium: structural fill projects that include many of the requirements for solid waste landfills and structural fill projects that are the base of a concrete or asphalt paved road.

Section 3.4(a) would make a correction to the exceptions to the structural fill moratorium to clarify that all of the listed requirements apply.

Section 3.4(b) would make a technical correction to the effective date of the moratorium on the use of coal combustion products as structural fill.

Sections 3.4(a) and (b) would be retroactively effective to September 20, 2014, and apply to the use of coal combustion products as structural fill contracted on or after that date.

Clarify Authority of Secretary of Environment and Natural Resources

---

[1] The rate of the privilege tax and the excise tax is three dollars ($3.00) for each new white good sold.
[2] White goods include refrigerators, ranges, water heaters, freezers, unit air conditioners, washing machines, dishwashers, clothes dryers, and other similar domestic and commercial large appliances.

Section 3.5 would clarify that certain responsibilities related to corrective action are under the authority of the Secretary of Environment and Natural Resources.

Part IV. Change Name of Ecosystem Enhancement Program to Division of Mitigation Services

The Ecosystem Enhancement Program is a program within DENR that implements programs to protect and mitigate impacts to wetlands and streams.

Sections 4.1 through 4.7 would change the name of the Ecosystem Enhancement Program to the Division of Mitigation Services.

Part V. Energy Policy Council Amendments

The Energy Policy Council is a State agency located within DENR that was created to advise and make recommendations on increasing domestic energy exploration, development, and production within the State and region to promote economic growth and job creation to the Governor and the General Assembly.

Section 5 would provide that the Secretary of Environment and Natural Resources, the Secretary of Commerce, and the Lieutenant Governor may appoint designees to represent them on the Energy Policy Council. Section 5 would also provide that a member of the Energy Policy Council will be automatically removed if he or she fails to attend three successive meetings without just cause and would allow the Governor to remove any member of the Council for misfeasance, malfeasance, or nonfeasance.

Part VI. Clarify Rulemaking Directive

Section 6 would clarify that the Environmental Management Commission would only be required to adopt a rule on air toxics from drilling operations if it determined that the State's current air toxics program, and any applicable federal regulations adopted by the State by reference, were inadequate. Current law provides that the Commission must adopt rules on regulation of air toxics from drilling operations.

EFFECTIVE DATE: Except as otherwise provided, this act would become effective when it becomes law.

HOUSE BILL 157:
Amend Environmental Laws

2015-2016 General Assembly

Committee:	House Rules	**Date:**	March 11, 2015
Introduced by:	Reps. McElraft, Catlin	**Prepared by:**	Jeff Hudson Jennifer McGinnis Committee Counsel
Analysis of:	Second Edition		

SUMMARY: House Bill 157 would amend various environmental laws.

BILL ANALYSIS:

Part I. Interstate Mining Compact Clarification

North Carolina, along with 21 other states, is a member of the Interstate Mining Compact Commission.

Section 1 would authorize the Governor to send an official from the Department of Environment and Natural Resources (DENR) to act on the Governor's behalf at meetings of the Commission.

Part I. Recycled and Recovered Materials

Section 2(a) would exclude steel slag that is a product of the electric arc furnace steelmaking process from the definition of solid waste, provided that the slag is sold and distributed in the stream of commerce for consumption, use, or further processing into another desired commodity and is managed as an item of commercial value in a controlled manner and not as a discarded material or in a manner constituting disposal.

Section 2(b) would clarify requirements for "recovered materials" under the statutes governing the management of solid waste. Under current law, if a material qualifies as "recovered material," it is not subject to regulation as solid waste. The PCS would amend the existing qualifications as follows:

- Provides that materials that are accumulated speculatively (as that term is defined under federal law) do not qualify as a recovered material, and are subject to regulation as solid waste.
- Requires that a recovered material must be managed as a valuable commodity in a manner consistent with the desired use or end use.
- Specifies that ***75%*** of the recovered material stored at a facility at the beginning of a calendar year must be removed from the facility through sale, use, or reuse by the end of the same year. Current law requires that a ***"majority"*** of the material be removed within the year period.
- Requires that operations that process recovered material be conducted in a manner to ensure that recovered material or by-products from processing of the material are not discharged, deposited, injected, dumped, spilled, leaked, or placed into or upon any land or water, emitted into the air, otherwise enter the environment, or pose a threat to public health and safety.
- Requires that the recovered material must not contain significant concentrations of foreign constituents that render it unserviceable or inadequate for sale, or its intended use or reuse.

Section 2(c) would add provisions specifying that construction and demolition debris and garbage diverted from the waste stream or collected as source separated material are subject to solid waste permits for transfer, treatment, and processing in a permitted solid waste management facility.

Section 2(d) would modernize definitions included in the statutes governing management of discarded computer equipment and televisions.

Section 2(e) would require facilities that recover or recycle discarded computer equipment, televisions, or other electronic devices to register annually with DENR.

Section 2(f) would allow moneys in the White Goods Management Account (consisting of revenues from a tax[1] imposed on new white goods[2]) to be used for the management of discarded electronic devices. Under current law, 72% of the net tax proceeds are distributed among the counties on a per capita basis, and counties are only permitted to use these funds to manage discarded white goods.

Part III. Coal Ash Management Technical Corrections and Amendments

Clarify Implementing Agencies

The Coal Ash Management Act of 2014 is implemented by several different State agencies, including the Coal Ash Management Commission, the Environmental Management Commission, and the Utilities Commission.

Sections 3.1(a), (b), and (c); 3.6; and 3.7 would amend several sections of the Coal Ash Management Act of 2014 to clarify which State agencies are responsible for implementing various provisions of the Act.

Technical Corrections

Section 3.2 would correct an incorrect statutory cross reference.

Section 3.3 would repeal an unnecessary reporting deadline.

Structural Fill Moratorium Clarifications

The Coal Ash Management Act of 2014 placed a moratorium on the use of coal combustion products as structural fill until August 1, 2015, in order to allow DENR, the Environmental Management Commission, and the General Assembly time to review and evaluate the use of coal combustion residuals as structural fill. The Act included two exceptions to the moratorium: structural fill projects that include many of the requirements for solid waste landfills and structural fill projects that are the base of a concrete or asphalt paved road.

Section 3.4(a) would make a correction to the exceptions to the structural fill moratorium to clarify that all of the listed requirements apply.

Section 3.4(b) would make a technical correction to the effective date of the moratorium on the use of coal combustion products as structural fill.

Sections 3.4(a) and (b) would be retroactively effective to September 20, 2014, and apply to the use of coal combustion products as structural fill contracted on or after that date.

Clarify Authority of Secretary of Environment and Natural Resources

---

[1] The rate of the privilege tax and the excise tax is three dollars ($3.00) for each new white good sold.
[2] White goods include refrigerators, ranges, water heaters, freezers, unit air conditioners, washing machines, dishwashers, clothes dryers, and other similar domestic and commercial large appliances.

Section 3.5 would clarify that certain responsibilities related to corrective action are under the authority of the Secretary of Environment and Natural Resources.

Part IV. Change Name of Ecosystem Enhancement Program to Division of Mitigation Services

The Ecosystem Enhancement Program is a program within DENR that implements programs to protect and mitigate impacts to wetlands and streams.

Sections 4.1 through 4.7 would change the name of the Ecosystem Enhancement Program to the Division of Mitigation Services.

Part V. Energy Policy Council Amendments

The Energy Policy Council is a State agency located within DENR that was created to advise and make recommendations on increasing domestic energy exploration, development, and production within the State and region to promote economic growth and job creation to the Governor and the General Assembly.

Section 5 would provide that the Secretary of Environment and Natural Resources, the Secretary of Commerce, and the Lieutenant Governor may appoint designees to represent them on the Energy Policy Council. Section 5 would also provide that a member of the Energy Policy Council will be automatically removed if he or she fails to attend three successive meetings without just cause and would allow the Governor to remove any member of the Council for misfeasance, malfeasance, or nonfeasance.

Part VI. Clarify Rulemaking Directive

Section 6 would clarify that the Environmental Management Commission would only be required to adopt a rule on air toxics from drilling operations if it determined that the State's current air toxics program, and any applicable federal regulations adopted by the State by reference, were inadequate. Current law provides that the Commission must adopt rules on regulation of air toxics from drilling operations.

EFFECTIVE DATE: Except as otherwise provided, this act would become effective when it becomes law.

NEW

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 157
Committee Substitute Favorable 3/10/15
PROPOSED COMMITTEE SUBSTITUTE H157-CSRI-2 [v.1]
3/10/2015 5:38:34 PM

Short Title: Amend Environmental Laws. (Public)

Sponsors:

Referred to:

March 5, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

The General Assembly of North Carolina enacts:

PART I. INTERSTATE MINING COMPACT CLARIFICATION

SECTION 1. G.S. 74-37 reads as rewritten:

"**§ 74-37. Compact enacted into law.**

The Interstate Mining Compact is hereby enacted into law and entered into by this State with all other jurisdictions legally joining therein in the form substantially as follows:

INTERSTATE MINING COMPACT

...

Article V. The Commission

(a) There is hereby created an agency of the party states to be known as the "Interstate Mining Commission," hereinafter called "the Commission." The Commission shall be composed of one commissioner from each party state who shall be Governor thereof. Pursuant to the laws of his party state, each Governor shall have the assistance of an advisory body (including membership from mining industries, conservation interests, and such other public and private interests as may be appropriate) in considering problems relating to mining and in discharging his responsibilities as the commissioner of his state on the Commission. In any instance where a Governor is unable to attend a meeting of the Commission or perform any other function in connection with the business of the Commission, he shall designate an alternate, from among the members of the advisory body required by this ~~paragraph~~, paragraph or an official of the state environmental protection agency with responsibility for protecting and restoring lands affected by mining, who shall represent him and act in his place and stead. The designation of an alternate shall be communicated by the Governor to the Commission in such manner as its bylaws may provide.

(b) The commissioners shall be entitled to one vote each on the Commission. No action of the Commission making a recommendation pursuant to Article IV-3, IV-7, and IV-8 or requesting, accepting or disposing of funds, services, or other property pursuant to this paragraph, Articles V (g), V (h), or VII shall be valid unless taken at a meeting at which a majority of the total number of votes on the Commission is cast in favor thereof. All other action shall be by a majority of those present and voting: Provided that action of the Commission shall be only at a meeting at which a majority of the commissioners, or their alternates, is present. The Commission may establish and maintain such facilities as may be

necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

(c) The Commission shall have a seal.

(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman, and a treasurer. The Commission shall appoint an executive director and fix his duties and compensation. Such executive director shall serve at the pleasure of the Commission. The executive director, the treasurer, and such other personnel as the Commission shall designate shall be bonded. The amount or amounts of such bond or bonds shall be determined by the Commission.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director with the approval of the Commission, shall appoint, remove or discharge such personnel as may be necessary for the performance of the Commission's functions, and shall fix the duties and compensation of such personnel.

(f) The Commission may establish and maintain independently or in conjunction with a party state, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old age and survivor's insurance provided that the Commission takes such steps as may be necessary pursuant to the laws of the United States, to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as it may deem appropriate.

(g) The Commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation.

(h) The Commission may accept for any of its purposes and functions under this Compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the Commission pursuant to this paragraph or services borrowed pursuant to paragraph (g) of this Article shall be reported in the annual report of the Commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant or services borrowed and the identity of the donor or lender.

(i) The Commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The Commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

(j) The Commission annually shall make to the Governor, legislature and advisory body required by Article V (a) of each party state a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been made by the Commission. The Commission may make such additional reports as it may deem desirable.

...."

PART II. RECYCLED AND RECOVERED MATERIALS

SECTION 2.(a) G.S. 130A-290(a) reads as rewritten:

"**§ 130A-290. Definitions.**

(a) Unless a different meaning is required by the context, the following definitions shall apply throughout this Article:

...

(35) "Solid waste" means any hazardous or nonhazardous garbage, refuse or sludge from a waste treatrnent plant, water supply treatment plant or air pollution control facility, domestic sewage and sludges generated by the

treatment thereof in sanitary sewage collection, treatment and disposal systems, and other material that is either discarded or is being accumulated, stored or treated prior to being discarded, or has served its original intended use and is generally discarded, including solid, liquid, semisolid or contained gaseous material resulting from industrial, institutional, commercial and agricultural operations, and from community activities. Notwithstanding sub-sub-subdivision b.3. of this subdivision, the term includes coal combustion residuals. The term does not include:

a. Fecal waste from fowls and animals other than humans.

b. Solid or dissolved material in:

1. Domestic sewage and sludges generated by treatment thereof in sanitary sewage collection, treatment and disposal systems which are designed to discharge effluents to the surface waters.

2. Irrigation return flows.

3. Wastewater discharges and the sludges incidental to and generated by treatment which are point sources subject to permits granted under Section 402 of the Water Pollution Control Act, as amended (P.L. 92-500), and permits granted under G.S. 143-215.1 by the Commission, including coal combustion products. However, any sludges that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

c. Oils and other liquid hydrocarbons controlled under Article 21A of Chapter 143 of the General Statutes. However, any oils or other liquid hydrocarbons that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

d. Any source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. § 2011).

e. **(Effective until August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining and Energy Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

e. **(Effective August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

f. Recovered material.

g. Steel slag that is a product of the electric arc furnace steelmaking process; provided, that such steel slag is sold and distributed in the stream of commerce for consumption, use, or further processing into another desired commodity and is managed as an item of commercial value in a controlled manner and not as a discarded material or in a manner constituting disposal.

...."

SECTION 2.(b) G.S. 130A-309.05 reads as rewritten:

"**§ 130A-309.05. Regulated wastes; certain exclusions.**

(a) Notwithstanding other provisions of this Article, the following waste shall be regulated pursuant to this Part:

(1) Medical waste; and

(2) Ash generated by a solid waste management facility from the burning of solid waste.

(b) Ash generated by a solid waste management facility from the burning of solid waste shall be disposed of in a properly designed solid waste disposal area that complies with standards developed by the Department for the disposal of the ash. The Department shall work with solid waste management facilities that burn solid waste to identify and develop methods for recycling and reusing incinerator ash or treated ash.

(c) Recovered material is not subject to regulation as solid waste under this Article. In order for a material that would otherwise be regulated as solid waste to qualify as a recovered material, the Department may require any person who owns or has control over the material to demonstrate that the material meets the requirements of this subsection. In order to protect public health and the environment, the Commission may adopt rules to implement this subsection. Materials that are accumulated speculatively, as that term is defined under 40 Code of Federal Regulations § 261 (July 1, 2014 Edition), shall not qualify as a recovered material, and shall be subject to regulation as solid waste. In order to qualify as a recovered ~~material:~~material, the material shall be managed as a valuable commodity in a manner consistent with the desired use or end use, and all of the following conditions shall be met:

(1) ~~A majority~~ Seventy-five percent (75%), by weight or volume, of the recovered material stored at a facility at the beginning of a calendar year commencing January 1, shall be ~~sold, used, or reused within one year;~~removed from the facility through sale, use, or reuse by December 31 of the same year.

(2) The recovered material or the products or by-products of operations that process recovered material shall not be discharged, deposited, injected, dumped, spilled, leaked, or placed into or upon any land or water so that the products or by-products or any constituent thereof may enter other lands or be emitted into the air or discharged into any waters including groundwaters, or otherwise enter the environment or pose a threat to public health and ~~safety; and~~safety. Facilities that process recovered material shall be operated in a manner to ensure compliance with this subdivision.

(3) The recovered material shall not be a hazardous waste or have been recovered from a hazardous waste.

(4) The recovered material shall not contain significant concentrations of foreign constituents that render it unserviceable or inadequate for sale, or its intended use or reuse."

SECTION 2.(c) G.S. 130A-294 is amended by adding two new subsections to read:

"**§ 130A-294. Solid waste management program.**

...

(t) Construction and demolition debris diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection.

(u) Garbage diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection."

SECTION 2.(d) G.S. 130A-309.131 reads as rewritten:

"**§ 130A-309.131. Definitions.**

As used in this Part, the following definitions apply:

(1) Business entity. – Defined in G.S. 55-1-40(2a).

(2) Computer equipment. – Any ~~desktop~~ computer, ~~notebook computer,~~ monitor or video display unit for a computer system, and the ~~keyboard, mice, other~~ peripheral ~~equipment,~~ equipment except keyboards and mice, and a printing device such as a printer, a scanner, a combination print-scanner-fax machine, or other device designed to produce hard paper copies from a computer. Computer equipment does not include an automated typewriter, professional workstation, server, ICI device, ICI system, mobile telephone, portable handheld calculator, portable digital assistant (PDA), MP3 player, or other similar device; an automobile; a television; a household appliance; a large piece of commercial or industrial equipment, such as commercial medical equipment, that contains a cathode ray tube, a cathode ray tube device, a flat panel display, or similar video display device that is contained within, and is not separate from, the larger piece of equipment, or other medical devices as that term is defined under the federal Food, Drug, and Cosmetic Act.

...

(6) ~~Desktop computer.~~ Computer. – An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:

a. Performs logical, arithmetic, and storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.

b. Is not designed to exclusively perform a specific type of limited or specialized application.

c. Achieves human interface through a ~~stand-alone~~ keyboard, ~~stand-alone monitor or other~~ display unit, and ~~a stand-alone~~ mouse or other pointing device.

d. Is designed for a single user.

~~e. Has a main unit that is intended to be persistently located in a single location, often on a desk or on the floor.~~

...

(9a) Electronic device. – Machinery that is powered by a battery or an electrical cord.

...

~~(11) Notebook computer. An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:~~

~~a. Performs logical, arithmetic, or storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.~~

~~b. Is not designed to exclusively perform a specific type of limited or specialized application.~~

~~c. Achieves human interface through a keyboard, video display greater than four inches in size, and mouse or other pointing device, all of which are contained within the construction of the unit that comprises the computer.~~

~~d. Is able to be carried as one unit by an individual.~~

~~e. Is able to use external power, internal power, or batteries for a power source.~~

~~Notebook computer includes those that have a supplemental stand-alone interface device attached to the notebook computer. Notebook computer does not include a portable handheld calculator, a PDA, or similar specialized device. A notebook computer may also be referred to as a laptop computer.~~

...."

SECTION 2.(e) Part 2H of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-309.142. Registration of facilities recovering or recycling electronics required.**

Facilities that recover or recycle covered devices or other electronic devices diverted from the waste stream for transfer, treatment, or processing shall register annually with the Department on or before August 1 of each year upon such form as the Department may prescribe."

PART III. COAL ASH MANAGEMENT TECHNICAL CORRECTIONS AND AMENDMENTS

SECTION 3.1.(a) G.S. 130A-309.201 reads as rewritten:

"**§ 130A-309.201. Definitions.**

Unless a different meaning is required by the context, the definitions of G.S. 130A-290 and the following definitions apply throughout this Part:

...

(7) "Commission" means the ~~Environmental~~ Coal Ash Management Commission.

...."

SECTION 3.1.(b) G.S. 130A-309.205 is amended by adding a new subsection to read:

"**§ 130A-309.205. Local ordinances regulating management of coal combustion residuals and coal combustion products invalid; petition to preempt local ordinance.**

...

(a1) As used in this section, "Commission" means the Environmental Management Commission.

...."

SECTION 3.1.(c) G.S. 130A-309.220 reads as rewritten:

"**§ 130A-309.220. Design, construction, and siting requirements for projects using coal combustion products for structural fill.**

(a) Design, Construction, and Operation of Structural Fill Sites. –

...

(6) The coal combustion product structural fill project shall be effectively maintained and operated to ensure no violations of groundwater standards adopted by the Environmental Management Commission pursuant to Article 21 of Chapter 143 of the General Statutes due to the project.

...."

SECTION 3.2. Section 3(c) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(c)** The impoundments identified in subsection (b) of this section shall be closed as follows:

...

(3) If restoration of groundwater quality is degraded as a result of the impoundment, corrective action to restore groundwater quality shall be implemented by the owner or operator as provided in ~~G.S. 130A-309.204.~~ G.S. 130A-309.211."

SECTION 3.3. Section 3(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(f)** This section is effective when it becomes law. G.S. 130A-309.202, as enacted by Section 3(a) of this act, is repealed June 30, 2030. Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, applies to the use of coal combustion products as structural fill contracted for on or after that date. ~~The first report due under G.S. 130A-309.210, as enacted by Section 3(a) of this act, is due November 1, 2014.~~ Members to be appointed pursuant to G.S. 130A-309.202(b), as enacted by Section 3(a) of this act, shall be appointed no later than October 1, 2014."

SECTION 3.4.(a) Section 4(b) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(b)** Coal combustion products may be used as structural fill for any of the following types of projects:

(1) A project where the structural fill is used with a base liner, leachate collection system, cap liner, ~~or~~ groundwater monitoring ~~system~~ system, and where the constructor or operator establishes financial assurance, as required by G.S. 130A–309.217.

(2) As the base or sub-base of a concrete or asphalt paved road constructed under the authority of a public entity."

SECTION 3.4.(b) Section 4(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(f)** This section is effective when it becomes law and applies to the use of coal combustion ~~residuals~~ products as structural fill contracted for on or after that date."

SECTION 3.4.(c) This section is effective retroactively to September 20, 2014, and applies to the use of coal combustion products as structural fill contracted for on or after that date.

SECTION 3.5. G.S. 143-215.1(k) reads as rewritten:

"(k) Where operation of a disposal system permitted under this section results in exceedances of the groundwater quality standards at or beyond the compliance boundary, the Commission shall require the permittee to undertake corrective action, without regard to the date that the system was first permitted, to restore the groundwater quality by assessing the cause, significance, and extent of the violation of standards and submit the results of the investigation and a plan and proposed schedule for corrective action to the ~~Director or the Director's designee.~~Secretary. The permittee shall implement the plan as approved by, and in accordance with, a schedule established by the ~~Director or the Director's designee.~~Secretary. In establishing a schedule the ~~Director or the Director's designee~~Secretary shall consider any reasonable schedule proposed by the permittee."

SECTION 3.6. G.S. 62-302.1 reads as rewritten:

"**§ 62-302.1. Regulatory fee for combustion residuals surface impoundments.**

...

(c) When Due. – The fee shall be paid in quarterly installments. The fee is payable to the Coal Ash Management Commission on or before the 15th of the second month following the end of each quarter. Each public utility subject to this fee shall, on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the Coal Ash Management Commission. The report shall state the public utility's total North Carolina jurisdictional revenues for the preceding quarter and shall be accompanied by any supporting documentation that the Coal Ash Management Commission may by rule require. Receipts shall be reported on an accrual basis.

(d) Use of Proceeds. – A special fund in the Office of State Treasurer and the Coal Ash Management Commission is created. The fees collected pursuant to this section and all other funds received by the Coal Ash Management Commission shall be deposited in the Coal Combustion Residuals Management Fund. The Fund shall be placed in an interest-bearing account, and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund shall only be spent pursuant to appropriation by the General Assembly. The Coal Ash Management Commission shall be subject to the provisions of the State Budget

Act, except that no unexpended surplus of the Coal Combustion Residuals Management Fund shall revert to the General Fund. All funds credited to the Fund shall be used only to pay the expenses of the Coal Ash Management Commission and the Department of Environment and Natural Resources in providing oversight of coal combustion residuals.

(e) Recovery of Fee. – The North Carolina Utilities Commission shall not allow an electric public utility to recover this fee from the retail electric customers of the State."

SECTION 3.7. G.S. 113-415 reads as rewritten:

"**§ 113-415. Conflicting laws.**

No provision of this Article shall be construed to repeal, amend, abridge or otherwise affect the authority and responsibility (i) vested in the Environmental Management Commission by Article 7 of Chapter 87 of the General Statutes, pertaining to the location, construction, repair, operation and abandonment of wells; (ii) vested in the Environmental Management Commission related to the control of water and air pollution as provided in Articles 21 and 21A of Chapter 143 of the General Statutes; (iii) vested in the Department and the ~~Environmental Management~~ Commission for Public Health by Article 10 of Chapter 130A of the General Statutes pertaining to public water-supply requirements; or (iv) vested in the Environmental Management Commission related to the management of solid and hazardous waste as provided in Article 9 of Chapter 130A of the General Statutes."

PART IV. CHANGE NAME OF ECOSYSTEM ENHANCEMENT PROGRAM TO DIVISION OF MITIGATION SERVICES

SECTION 4.1. G.S. 143-214.8 reads as rewritten:

"**§ 143-214.8. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: established.**

The ~~Ecosystem Enhancement Program~~Division of Mitigation Services is established within the Department of Environment and Natural Resources. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be developed by the Department as a nonregulatory statewide ~~ecosystem enhancement~~mitigation services program for the acquisition, maintenance, restoration, enhancement, and creation of wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall consist of the following components:

(1) Restoration and perpetual maintenance of wetlands.
(2) Development of restoration plans.
(3) Landowner contact and land acquisition.
(4) Evaluation of site plans and engineering studies.
(5) Oversight of construction and monitoring of restoration sites.
(6) Land ownership and management.
(7) Mapping, site identification, and assessment of wetlands functions.
(8) Oversight of private wetland mitigation banks to facilitate the components of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services."

SECTION 4.2. G.S. 143-214.9 reads as rewritten:

"**§ 143-214.9. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: purposes.**

The purposes of the ~~program~~ Division of Mitigation Services are as follows:

(1) To restore wetlands functions and values across the State to replace critical functions lost through historic wetlands conversion and through current and future permitted impacts. It is not the policy of the State to destroy upland habitats unless it would further the purposes of the ~~Wetlands Restoration Program.~~Division of Mitigation Services.

(2) To provide a consistent and simplified approach to address mitigation requirements associated with permits or authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344.
(3) To streamline the wetlands permitting process, minimize delays in permit decisions, and decrease the burden of permit applicants of planning and performing compensatory mitigation for wetlands losses.
(4) To increase the ecological effectiveness of compensatory mitigation.
(5) To achieve a net increase in wetland acres, functions, and values in each major river basin.
(6) To foster a comprehensive approach to environmental protection."

SECTION 4.3. G.S. 143-214.10 reads as rewritten:

"**§ 143-214.10. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: development and implementation of basinwide restoration plans.**

Develop Basinwide Restoration Plans. – The Department shall develop basinwide plans for wetlands and riparian area restoration with the goal of protecting and enhancing water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities within each of the 17 major river basins in the State. The Department shall develop and implement a basinwide restoration plan for each of the 17 river basins in the State in accordance with the basinwide schedule currently established by the Division of Water Resources."

SECTION 4.4. G.S. 143-214.11 reads as rewritten:

"**§ 143-214.11. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: compensatory mitigation.**

(a) Definitions. – The following definitions apply to this section:
(1) Compensatory mitigation. – The restoration, creation, enhancement, or preservation of jurisdictional waters required as a condition of a permit issued by the Department or by the United States Army Corps of Engineers.
(1a) Compensatory mitigation bank. – A private compensatory mitigation bank or an existing local compensatory mitigation bank.
(1b) Existing local compensatory mitigation bank. – A mitigation bank operated by a unit of local government that is a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.
(2) Government entity. – The State and its agencies and subdivisions, or the federal government. "Government entity" does not include a unit of local government unless the unit of local government was a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.
(3) Hydrologic area. – An eight-digit Cataloging Unit designated by the United States Geological Survey.
(4) Jurisdictional waters. – Wetlands, streams, or other waters of the State or of the United States.
(4a) Mitigation banking instrument. – The legal document for the establishment, operation, and use of a mitigation bank.
(4b) Private compensatory mitigation bank. – A site created by a private compensatory mitigation provider and approved for mitigation credit by State and federal regulatory authorities through execution of a mitigation banking instrument. No site owned by a government entity or unit of local government shall be considered a "private compensatory mitigation bank."
(5) Unit of local government. – A "local government," "public authority," or "special district" as defined in G.S. 159-7.

(b) Department to Coordinate Compensatory Mitigation. – All compensatory mitigation required by permits or authorizations issued by the Department or by the United States Army Corps of Engineers shall be coordinated by the Department consistent with the basinwide restoration plans and rules developed by the Environmental Management Commission. All compensatory mitigation, whether performed by the Department or by permit applicants, shall be consistent with the basinwide restoration plans. All compensatory mitigation shall be consistent with rules adopted by the Commission for wetland and stream mitigation and for protection and maintenance of riparian buffers.

(c) Compensatory Mitigation Emphasis on Replacing Ecological Function Within Same River Basin. – The emphasis of compensatory mitigation is on replacing functions within the same river basin unless it is demonstrated that restoration of other areas would be more beneficial to the overall purposes of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services.

(d) Compensatory Mitigation Options Available to Government Entities. – A government entity may satisfy compensatory mitigation requirements by the following actions, if those actions are consistent with the basinwide restoration plans and also meet or exceed the requirements of the Department or of the United States Army Corps of Engineers, as applicable:

(1) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12.

(2) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(3) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation.

(4) Preparing and implementing a compensatory mitigation plan.

(d1) Compensatory Mitigation Options Available to Applicants Other than Government Entities. – An applicant other than a government entity may satisfy compensatory mitigation requirements by the following actions, if those actions meet or exceed the requirements of the United States Army Corps of Engineers:

(1) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation. This option is only available in a hydrologic area where there is at least one compensatory mitigation bank that has been approved by the United States Army Corps of Engineers.

(2) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12. – This option is only available to an applicant who demonstrates that the option under subdivision (1) of this subsection is not available.

(3) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(4) Preparing and implementing a compensatory mitigation plan.

(e) Payment Schedule. – A standardized schedule of compensatory mitigation payment amounts shall be established by the Commission. Compensatory mitigation payments shall be made by applicants to the Ecosystem Restoration Fund established in G.S. 143-214.12. The monetary payment shall be based on the ecological functions and values of wetlands and

streams permitted to be lost and on the cost of restoring or creating wetlands and streams capable of performing the same or similar functions, including directly related costs of wetland and stream restoration planning, long-term monitoring, and maintenance of restored areas. Compensatory mitigation payments for wetlands shall be calculated on a per acre basis. Compensatory mitigation payments for streams shall be calculated on a per linear foot basis.

(f) Mitigation Banks. – State agencies and mitigation banks shall demonstrate that adequate, dedicated financial surety exists to provide for the perpetual land management and hydrological maintenance of lands acquired by the State as mitigation banks, or proposed to the State as privately operated and permitted mitigation banks.

(g) Payment for Taxes. – A State agency acquiring land to restore, enhance, preserve, or create wetlands must also pay a sum in lieu of ad valorem taxes lost by the county in accordance with G.S. 146-22.3.

(h) Sale of Mitigation Credits by Existing Local Compensatory Mitigation Bank. – An existing local compensatory mitigation bank shall comply with the requirements of Article 12 of Chapter 160A of the General Statutes applicable to the disposal of property whenever it transfers any mitigation credits to another person.

(i) The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall exercise its authority to provide for compensatory mitigation under the authority granted by this section to use mitigation procurement programs in the following order of preference:

(1) Full delivery/bank credit purchase program. – The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall first seek to meet compensatory mitigation procurement requirements through the ~~Program's~~ Division's full delivery program or by the purchase of credits from a private compensatory mitigation bank.

(2) Existing local compensatory mitigation bank credit purchase program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) of this subsection shall be procured from an existing local compensatory mitigation bank, provided that the credit purchase is made to mitigate the impacts of a project located within the mitigation bank service area and hydrologic area of the existing local compensatory mitigation bank.

(3) Design/build program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) or (2) of this subsection shall be procured under a program in which ~~Ecosystem Enhancement Program~~the Division of Mitigation Services contracts with one private entity to lead or implement the design, construction, and postconstruction monitoring of compensatory mitigation at sites obtained by the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. Such a program shall be considered the procurement of compensatory mitigation credits.

(4) Design-bid-build program. – Any compensatory mitigation procurement requirements that are not fulfillable under either subdivision (1) or (2) of this subsection may be procured under the ~~Ecosystem Enhancement Program's~~Division of Mitigation Services' design-bid-build program. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services may utilize this program only when procurement under subdivision (1) or (2) of this subsection is not feasible. Any mitigation site design work currently being performed through contracts awarded under the design-bid-build program shall be allowed to continue as scheduled. Contracts for construction of projects with a design already approved by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be awarded by

the ~~Ecosystem Enhancement Program~~Division of Mitigation Services by issuing a Request for Proposal (RFP). Only contractors who have prequalified under procedures established by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be eligible to bid on ~~Ecosystem Enhancement Program~~Division of Mitigation Services construction projects. Construction contracts issued under this subdivision shall be exempt from the requirements of Article 8B of Chapter 143 of the General Statutes.

(j) The regulatory requirements for the establishment, operation, and monitoring of a compensatory mitigation bank or full delivery project shall vest at the time of the execution of the mitigation banking instrument or the award of a full delivery contract."

SECTION 4.5. G.S. 143-214.12 reads as rewritten:

"**§ 143-214.12. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: Ecosystem Restoration Fund.**

(a) Ecosystem Restoration Fund. – The Ecosystem Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Ecosystem Restoration Fund shall provide a repository for monetary contributions and donations or dedications of interests in real property to promote projects for the restoration, enhancement, preservation, or creation of wetlands and riparian areas and for payments made in lieu of compensatory mitigation as described in subsection (b) of this section. No funds shall be expended from this Fund for any purpose other than those directly contributing to the acquisition, perpetual maintenance, enhancement, restoration, or creation of wetlands and riparian areas in accordance with the basinwide plan as described in G.S. 143-214.10. The cost of acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3 when the Department is the State agency making the acquisition.

(a1) The Department may distribute funds from the Ecosystem Restoration Fund directly to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A recipient of funds under this subsection shall grant a conservation easement in the real property or interest in real property acquired with the funds to the Department in a form that is acceptable to the Department. The Department may convey real property or an interest in real property that has been acquired under the ~~Ecosystem Enhancement Program~~ Division of Mitigation Services to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A grantee of real property or an interest in real property under this subsection shall grant a conservation easement in the real property or interest in real property to the Department in a form that is acceptable to the Department.

(b) Authorized Methods of Payment. – A person subject to a permit or authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 may contribute to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services in order to comply with conditions to, or terms of, the permit or authorization if participation in the ~~Ecosystem Enhancement Program~~Division of Mitigation Services will meet the mitigation requirements of the United States Army Corps of Engineers. The Department shall, at the discretion of the applicant, accept payment into the Ecosystem Restoration Fund in lieu of other compensatory mitigation requirements of any authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 if the contributions will meet the mitigation requirements of the United States Army Corps of Engineers. Payment may be made in the form of monetary contributions according to a fee schedule established by the Environmental Management

Commission or in the form of donations of real property provided that the property is approved by the Department as a suitable site consistent with the basinwide wetlands restoration plan.

(c) Accounting of Payments. – The Department shall provide an itemized statement that accounts for each payment into the Fund. The statement shall include the expenses and activities financed by the payment."

SECTION 4.6. G.S. 143-214.13 reads as rewritten:

"**§ 143-214.13. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: reporting requirement.**

(a) The Department of Environment and Natural Resources shall report each year by November 1 to the Environmental Review Commission and to the Joint Legislative Commission on Governmental Operations regarding its progress in implementing the ~~Ecosystem Enhancement Program~~Division of Mitigation Services and its use of the funds in the Ecosystem Restoration Fund. The report shall document statewide wetlands losses and gains and compensatory mitigation performed under G.S. 143-214.8 through G.S. 143-214.12. The report shall also provide an accounting of receipts and disbursements of the Ecosystem Restoration Fund, an analysis of the per-acre cost of wetlands restoration, and a cost comparison on a per-acre basis between the State's ~~Ecosystem Enhancement Program~~Division of Mitigation Services and private mitigation banks. The Department shall also send a copy of its report to the Fiscal Research Division of the General Assembly.

(b) The Department shall maintain an inventory of all property that is held, managed, maintained, enhanced, restored, or used to create wetlands under the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. The inventory shall also list all conservation easements held by the Department. The inventory shall be included in the annual report required under subsection (a) of this section."

SECTION 4.7. G.S. 143-214.14 reads as rewritten:

"**§ 143-214.14. Cooperative State-local coalition water quality protection plans.**

(a) Definitions. – The following definitions apply in this section:

(1) "Basin" means a river basin as defined in G.S. 143-215.22G or any subbasin or segment thereof.

(2) "Coalition plan" means a water quality protection plan developed by a coalition of local governments for water quality protection of a basin.

(3) "Local government" means a city, county, special district, authority, or other political subdivision of the State.

(4) "Water quality protection" means management of water use, quantity, and quality.

(b) Legislative Findings. – This section establishes a framework to encourage State-local pollutant reduction strategies for basins under the supervision and coordination of the Commission. The General Assembly finds that:

(1) Water quality conditions and sources of water contamination may vary from one basin to another.

(2) Water quality conditions and sources of water contamination may vary within a basin.

(3) Some local governments have demonstrated greater capacity than others to protect and improve water quality conditions.

(4) In some areas of the State artificial alteration of watercourses by surface water impoundments or other means may have a significant effect on water quality.

(5) Imposition of standard basinwide water quality protection requirements and strategies may not equitably address the varying conditions and needs of all areas.

(6) There is a need to develop distinct approaches to address water quality protection in basins in the State, drawing upon the resources of local governments and the State, under the supervision and coordination of the Commission.

(c) Legislative Goals and Policies. – It is the goal of the General Assembly that, to the extent practicable, the State shall adopt water quality protection plans that are developed and implemented in cooperation and coordination with local governments and that the State shall adopt water quality protection requirements that are proportional to the relative contributions of pollution from all sources in terms of both the loading and proximity of those sources. Furthermore, it is the goal of the General Assembly to encourage and support State-local partnerships for improved water quality protection through the provision of technical and financial assistance available through the Clean Water Management Trust Fund, the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services, the Ecosystem Restoration Fund, water quality planning and project grant programs, the State's revolving loan and grant programs for water and wastewater facilities, other funding sources, and future appropriations. The Commission shall implement these goals in accordance with the standards, procedures, and requirements set out in this section.

(d) The Commission may, as an alternative method of attaining water quality standards in a basin, approve a coalition plan proposed by a coalition of local governments whose territorial area collectively includes the affected basin in the manner provided by this section. The Commission may approve a coalition plan proposed by a coalition of local governments whose territorial area or water quality protection plan does not include all of an affected basin if the Commission determines that the omission will not adversely affect water quality.

(e) A coalition of local governments choosing to propose a coalition plan to the Commission shall do so through a nonprofit corporation the coalition of local governments incorporates with the Secretary of State.

(f) The Commission may approve a coalition plan only if the Commission first determines that:

(1) The basin under consideration is an appropriate unit for water quality planning.

(2) The coalition plan meets the requirements of subsection (g) of this section.

(3) The coalition of local governments has formed a nonprofit corporation pursuant to subsection (e) of this section.

(4) The coalition plan has been approved by the governing board of each local government that is a member of the coalition of local governments proposing the coalition plan.

(5) The coalition plan will provide a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices in the affected basin.

(g) A coalition plan shall include all of the following:

(1) An assessment of water quality and related water quantity management in the affected basin.

(2) A description of the goals and objectives for protection and improvement of water quality and related water quantity management in the affected basin.

(3) A workplan that describes proposed water quality protection strategies, including point and nonpoint source programs, for achieving the specified goals and objectives; an implementation strategy including specified tasks, timetables for action, implementation responsibilities of State and local agencies; and sources of funding, where applicable.

(4) A description of the performance indicators and benchmarks that will be used to measure progress in achieving the specified goals and objectives, and an associated monitoring framework.

(5) A timetable for reporting to the Commission on progress in implementing the coalition plan.

(h) A coalition plan shall cover a specified period. The coalition plan may provide for the phasing in of specific strategies, tasks, or mechanisms by specified dates within the period covered by the plan. The Commission may approve one or more successive coalition plan periods. The coalition plan may include strategies that vary among the subareas or jurisdictions of the geographic area covered by the coalition plan.

(i) If a local government chooses to withdraw from a coalition of local governments or fails to implement a coalition plan, the remaining members of a coalition of local governments may prepare and submit a revised coalition plan for approval by the Commission. If the Commission determines that an approved coalition plan no longer provides a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices, the Commission may suspend or revoke its approval of the coalition plan.

(j) The Commission may approve one or more amendments to a coalition plan proposed by a coalition of local governments through its nonprofit corporation with the approval of the governing board of each local government that is a member of the coalition of local governments that proposed the coalition plan.

(k) With the approval of the Commission, any coalition of local governments with an approved coalition plan may establish and implement a pollutant trading program for specific pollutants between and among point source dischargers and nonpoint pollution sources.

(l) The Commission shall submit an annual progress report on the implementation of this section to the Environmental Review Commission on or before 1 October of each year."

PART V. ENERGY POLICY COUNCIL AMENDMENTS

SECTION 5. G.S. 113B-3 reads as rewritten:

"**§ 113B-3. Composition of Council; appointments; terms of members; removal; qualifications.**

(a) The Energy Policy Council shall consist of 13 members to be appointed as follows:

(1), (2) Repealed by Session Laws 2013-365, s. 8(c), effective July 29, 2013.

(2a) The Secretary of Environment and Natural ~~Resources.~~Resources, or the Secretary's designee.

(2b) The Secretary of ~~Commerce.~~Commerce, or the Secretary's designee.

(2c) The Lieutenant ~~Governor.~~Governor, or the Lieutenant Governor's designee.

(3) Ten public members who are citizens of the State of North Carolina and who are appointed in accordance with subsection (c) of this section.

(4) Repealed by Session Laws 2009-446, s. 4, effective August 7, 2009.

...

(d) A Council member shall be automatically removed from the Council if he or she fails to attend three successive Council meetings without just cause as determined by the remainder of the Council.

(e) The Governor shall have the power to remove any member of the Council from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973."

PART VI. CLARIFY RULEMAKING DIRECTIVE

SECTION 6.(a) G.S. 113-391(a3) reads as rewritten:

"(a3) The Environmental Management Commission shall adopt rules, after consideration of recommendations from the Mining and Energy Commission, for all of the following purposes:

(1) Stormwater control for sites on which oil and gas exploration and development activities are conducted.

(2) Regulation of toxic air emissions from drilling ~~operations.~~ operations, if it determines that the State's current air toxics program and any federal regulations governing toxic air emissions from drilling operations to be adopted by the State by reference are inadequate to protect public health, safety, welfare, and the environment. In formulating appropriate standards, the Department shall assess emissions from oil and gas exploration and development activities that use horizontal drilling and hydraulic fracturing technologies, including emissions from associated truck traffic, in order to (i) determine the adequacy of the State's current air toxics program to protect landowners who lease their property to drilling operations and (ii) determine the impact on ozone levels in the area in order to determine measures needed to maintain compliance with federal ozone standards."

SECTION 6.(b) This section is effective retroactively to July 2, 2012.

PART VII. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 7.1. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 7.2. Except as otherwise provided, this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 157
PROPOSED COMMITTEE SUBSTITUTE H157-PCS10091-SB-1

Short Title: Amend Environmental Laws. (Public)

Sponsors:

Referred to:

March 5, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

The General Assembly of North Carolina enacts:

PART I. INTERSTATE MINING COMPACT CLARIFICATION

SECTION 1. G.S. 74-37 reads as rewritten:

"**§ 74-37. Compact enacted into law.**

The Interstate Mining Compact is hereby enacted into law and entered into by this State with all other jurisdictions legally joining therein in the form substantially as follows:

INTERSTATE MINING COMPACT

...

Article V. The Commission

(a) There is hereby created an agency of the party states to be known as the "Interstate Mining Commission," hereinafter called "the Commission." The Commission shall be composed of one commissioner from each party state who shall be Governor thereof. Pursuant to the laws of his party state, each Governor shall have the assistance of an advisory body (including membership from mining industries, conservation interests, and such other public and private interests as may be appropriate) in considering problems relating to mining and in discharging his responsibilities as the commissioner of his state on the Commission. In any instance where a Governor is unable to attend a meeting of the Commission or perform any other function in connection with the business of the Commission, he shall designate an alternate, from among the members of the advisory body required by this ~~paragraph,~~paragraph or an official of the state environmental protection agency with responsibility for protecting and restoring lands affected by mining, who shall represent him and act in his place and stead. The designation of an alternate shall be communicated by the Governor to the Commission in such manner as its bylaws may provide.

(b) The commissioners shall be entitled to one vote each on the Commission. No action of the Commission making a recommendation pursuant to Article IV-3, IV-7, and IV-8 or requesting, accepting or disposing of funds, services, or other property pursuant to this paragraph, Articles V (g), V (h), or VII shall be valid unless taken at a meeting at which a majority of the total number of votes on the Commission is cast in favor thereof. All other action shall be by a majority of those present and voting: Provided that action of the Commission shall be only at a meeting at which a majority of the commissioners, or their alternates, is present. The Commission may establish and maintain such facilities as may be

necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

(c) The Commission shall have a seal.

(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman, and a treasurer. The Commission shall appoint an executive director and fix his duties and compensation. Such executive director shall serve at the pleasure of the Commission. The executive director, the treasurer, and such other personnel as the Commission shall designate shall be bonded. The amount or amounts of such bond or bonds shall be determined by the Commission.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director with the approval of the Commission, shall appoint, remove or discharge such personnel as may be necessary for the performance of the Commission's functions, and shall fix the duties and compensation of such personnel.

(f) The Commission may establish and maintain independently or in conjunction with a party state, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old age and survivor's insurance provided that the Commission takes such steps as may be necessary pursuant to the laws of the United States, to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as it may deem appropriate.

(g) The Commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation.

(h) The Commission may accept for any of its purposes and functions under this Compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the Commission pursuant to this paragraph or services borrowed pursuant to paragraph (g) of this Article shall be reported in the annual report of the Commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant or services borrowed and the identity of the donor or lender.

(i) The Commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The Commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

(j) The Commission annually shall make to the Governor, legislature and advisory body required by Article V (a) of each party state a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been made by the Commission. The Commission may make such additional reports as it may deem desirable.

...."

PART II. RECYCLED AND RECOVERED MATERIALS

SECTION 2.(a) G.S. 130A-290(a) reads as rewritten:

"**§ 130A-290. Definitions.**

(a) Unless a different meaning is required by the context, the following definitions shall apply throughout this Article:

...

(35) "Solid waste" means any hazardous or nonhazardous garbage, refuse or sludge from a waste treatment plant, water supply treatment plant or air pollution control facility, domestic sewage and sludges generated by the

treatment thereof in sanitary sewage collection, treatment and disposal systems, and other material that is either discarded or is being accumulated, stored or treated prior to being discarded, or has served its original intended use and is generally discarded, including solid, liquid, semisolid or contained gaseous material resulting from industrial, institutional, commercial and agricultural operations, and from community activities. Notwithstanding sub-sub-subdivision b.3. of this subdivision, the term includes coal combustion residuals. The term does not include:

a. Fecal waste from fowls and animals other than humans.

b. Solid or dissolved material in:

1. Domestic sewage and sludges generated by treatment thereof in sanitary sewage collection, treatment and disposal systems which are designed to discharge effluents to the surface waters.

2. Irrigation return flows.

3. Wastewater discharges and the sludges incidental to and generated by treatment which are point sources subject to permits granted under Section 402 of the Water Pollution Control Act, as amended (P.L. 92-500), and permits granted under G.S. 143-215.1 by the Commission, including coal combustion products. However, any sludges that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

c. Oils and other liquid hydrocarbons controlled under Article 21A of Chapter 143 of the General Statutes. However, any oils or other liquid hydrocarbons that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

d. Any source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. § 2011).

e. **(Effective until August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining and Energy Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

e. **(Effective August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

f. Recovered material.

g. Steel slag that is a product of the electric arc furnace steelmaking process; provided, that such steel slag is sold and distributed in the stream of commerce for consumption, use, or further processing into another desired commodity and is managed as an item of commercial value in a controlled manner and not as a discarded material or in a manner constituting disposal.

...."

SECTION 2.(b) G.S. 130A-309.05 reads as rewritten:

"**§ 130A-309.05. Regulated wastes; certain exclusions.**

(a) Notwithstanding other provisions of this Article, the following waste shall be regulated pursuant to this Part:

(1) Medical waste; and

(2) Ash generated by a solid waste management facility from the burning of solid waste.

(b) Ash generated by a solid waste management facility from the burning of solid waste shall be disposed of in a properly designed solid waste disposal area that complies with standards developed by the Department for the disposal of the ash. The Department shall work with solid waste management facilities that burn solid waste to identify and develop methods for recycling and reusing incinerator ash or treated ash.

(c) Recovered material is not subject to regulation as solid waste under this Article. In order for a material that would otherwise be regulated as solid waste to qualify as a recovered material, the Department may require any person who owns or has control over the material to demonstrate that the material meets the requirements of this subsection. In order to protect public health and the environment, the Commission may adopt rules to implement this subsection. Materials that are accumulated speculatively, as that term is defined under 40 Code of Federal Regulations § 261 (July 1, 2014 Edition), shall not qualify as a recovered material, and shall be subject to regulation as solid waste. In order to qualify as a recovered ~~material:~~material, the material shall be managed as a valuable commodity in a manner consistent with the desired use or end use, and all of the following conditions shall be met:

(1) ~~A majority~~ Seventy-five percent (75%), by weight or volume, of the recovered material stored at a facility at the beginning of a calendar year commencing January 1, shall be ~~sold, used, or reused within one year;~~removed from the facility through sale, use, or reuse by December 31 of the same year.

(2) The recovered material or the products or by-products of operations that process recovered material shall not be discharged, deposited, injected, dumped, spilled, leaked, or placed into or upon any land or water so that the products or by-products or any constituent thereof may enter other lands or be emitted into the air or discharged into any waters including groundwaters, or otherwise enter the environment or pose a threat to public health and ~~safety; and~~safety. Facilities that process recovered material shall be operated in a manner to ensure compliance with this subdivision.

(3) The recovered material shall not be a hazardous waste or have been recovered from a hazardous waste.

(4) The recovered material shall not contain significant concentrations of foreign constituents that render it unserviceable or inadequate for sale, or its intended use or reuse."

SECTION 2.(c) G.S. 130A-294 is amended by adding two new subsections to read:

"**§ 130A-294. Solid waste management program.**

...

(t) Construction and demolition debris diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection.

(u) Garbage diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection."

SECTION 2.(d) G.S. 130A-309.131 reads as rewritten:

"**§ 130A-309.131. Definitions.**

As used in this Part, the following definitions apply:

(1) Business entity. – Defined in G.S. 55-1-40(2a).

(2) Computer equipment. – Any ~~desktop~~ computer, ~~notebook computer,~~ monitor or video display unit for a computer system, and the ~~keyboard, mice, other~~ peripheral ~~equipment,~~ equipment except keyboards and mice, and a printing device such as a printer, a scanner, a combination print-scanner-fax machine, or other device designed to produce hard paper copies from a computer. Computer equipment does not include an automated typewriter, professional workstation, server, ICI device, ICI system, mobile telephone, portable handheld calculator, portable digital assistant (PDA), MP3 player, or other similar device; an automobile; a television; a household appliance; a large piece of commercial or industrial equipment, such as commercial medical equipment, that contains a cathode ray tube, a cathode ray tube device, a flat panel display, or similar video display device that is contained within, and is not separate from, the larger piece of equipment, or other medical devices as that term is defined under the federal Food, Drug, and Cosmetic Act.

...

(6) ~~Desktop computer.~~ Computer. - An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:

a. Performs logical, arithmetic, and storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.

b. Is not designed to exclusively perform a specific type of limited or specialized application.

c. Achieves human interface through a ~~stand-alone~~ keyboard, ~~stand-alone monitor or other~~ display unit, and ~~a stand-alone~~ mouse or other pointing device.

d. Is designed for a single user.

~~e. Has a main unit that is intended to be persistently located in a single location, often on a desk or on the floor.~~

...

(9a) Electronic device. – Machinery that is powered by a battery or an electrical cord.

...

~~(11) Notebook computer. An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:~~

~~a. Performs logical, arithmetic, or storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.~~

~~b. Is not designed to exclusively perform a specific type of limited or specialized application.~~

~~c. Achieves human interface through a keyboard, video display greater than four inches in size, and mouse or other pointing device, all of which are contained within the construction of the unit that comprises the computer.~~

~~d. Is able to be carried as one unit by an individual.~~

~~e. Is able to use external power, internal power, or batteries for a power source.~~

~~Notebook computer includes those that have a supplemental stand-alone interface device attached to the notebook computer. Notebook computer does not include a portable handheld calculator, a PDA, or similar specialized device. A notebook computer may also be referred to as a laptop computer.~~

...."

SECTION 2.(e) Part 2H of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-309.142. Registration of facilities recovering or recycling electronics required.**

Facilities that recover or recycle covered devices or other electronic devices diverted from the waste stream for transfer, treatment, or processing shall register annually with the Department on or before August 1 of each year upon such form as the Department may prescribe."

SECTION 2.(f) G.S. 130A-309.82 reads as rewritten:

"**§ 130A-309.82. Use of disposal tax proceeds by counties.**

Article 5C of Chapter 105 of the General Statutes imposes a tax on new white goods to provide funds for the management of discarded white goods. A county must use the proceeds of the tax distributed to it under that Article for the management of discarded white ~~goods.~~goods and electronic devices, as that term is defined in G.S. 130A-309.131. The purposes for which a county may use the tax proceeds include, but are not limited to, the following:

(1) Capital improvements for infrastructure to manage discarded white ~~goods,~~ goods and electronic devices, such as concrete pads for loading, equipment essential for moving white ~~goods,~~ goods and electronic devices, storage sheds for equipment essential to white ~~goods~~ goods and electronic devices disposal management, and freon extraction equipment.

(2) Operating costs associated with managing discarded white ~~goods,~~ goods and electronic devices, such as labor, transportation, and freon extraction.

(3) The cleanup of illegal white ~~goods~~ goods and electronic devices disposal ~~sites, the cleanup of illegal disposal sites consisting of more than fifty percent (50%) discarded white goods, and, as to those illegal disposal sites consisting of fifty percent (50%) or less discarded white goods, the cleanup of the discarded white goods portion of the illegal disposal sites.~~sites.

Except as provided in subdivision (3) of this section, a county may not use the tax proceeds for a capital improvement or operating expense that does not directly relate to the management of discarded white ~~goods.~~goods or electronic devices. Except as provided in subdivision (3) of this section, if a capital improvement or operating expense is partially related to the management of discarded white ~~goods,~~ goods and electronic devices, a county may use the tax proceeds to finance a percentage of the costs equal to the percentage of the use of the improvement or expense directly related to the management of discarded white ~~goods.~~goods or electronic devices."

SECTION 2.(g) Section 2(f) becomes effective July 1, 2015.

PART III. COAL ASH MANAGEMENT TECHNICAL CORRECTIONS AND AMENDMENTS

SECTION 3.1.(a) G.S. 130A-309.201 reads as rewritten:

"**§ 130A-309.201. Definitions.**

Unless a different meaning is required by the context, the definitions of G.S. 130A-290 and the following definitions apply throughout this Part:

...

(7) "Commission" means the ~~Environmental~~ Coal Ash Management Commission.

...."

SECTION 3.1.(b) G.S. 130A-309.205 is amended by adding a new subsection to read:

"**§ 130A-309.205. Local ordinances regulating management of coal combustion residuals and coal combustion products invalid; petition to preempt local ordinance.**

...

(a1) As used in this section, "Commission" means the Environmental Management Commission.

...."

SECTION 3.1.(c) G.S. 130A-309.220 reads as rewritten:

"**§ 130A-309.220. Design, construction, and siting requirements for projects using coal combustion products for structural fill.**

(a) Design, Construction, and Operation of Structural Fill Sites. –

...

(6) The coal combustion product structural fill project shall be effectively maintained and operated to ensure no violations of groundwater standards adopted by the Environmental Management Commission pursuant to Article 21 of Chapter 143 of the General Statutes due to the project.

...."

SECTION 3.2. Section 3(c) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(c)** The impoundments identified in subsection (b) of this section shall be closed as follows:

...

(3) If restoration of groundwater quality is degraded as a result of the impoundment, corrective action to restore groundwater quality shall be implemented by the owner or operator as provided in ~~G.S. 130A-309.204.~~ G.S. 130A-309.211."

SECTION 3.3. Section 3(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(f)** This section is effective when it becomes law. G.S. 130A-309.202, as enacted by Section 3(a) of this act, is repealed June 30, 2030. Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, applies to the use of coal combustion products as structural fill contracted for on or after that date. ~~The first report due under G.S. 130A-309.210, as enacted by Section 3(a) of this act, is due November 1, 2014.~~ Members to be appointed pursuant to G.S. 130A-309.202(b), as enacted by Section 3(a) of this act, shall be appointed no later than October 1, 2014."

SECTION 3.4.(a) Section 4(b) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(b)** Coal combustion products may be used as structural fill for any of the following types of projects:

(1) A project where the structural fill is used with a base liner, leachate collection system, cap liner, ~~or~~ groundwater monitoring ~~system~~ system, and where the constructor or operator establishes financial assurance, as required by G.S. 130A–309.217.

(2) As the base or sub-base of a concrete or asphalt paved road constructed under the authority of a public entity."

SECTION 3.4.(b) Section 4(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(f)** This section is effective when it becomes law and applies to the use of coal combustion ~~residuals~~ products as structural fill contracted for on or after that date."

SECTION 3.4.(c) This section is effective retroactively to September 20, 2014, and applies to the use of coal combustion products as structural fill contracted for on or after that date.

SECTION 3.5. G.S. 143-215.1(k) reads as rewritten:

"(k) Where operation of a disposal system permitted under this section results in exceedances of the groundwater quality standards at or beyond the compliance boundary, the Commission shall require the permittee to undertake corrective action, without regard to the date that the system was first permitted, to restore the groundwater quality by assessing the cause, significance, and extent of the violation of standards and submit the results of the investigation and a plan and proposed schedule for corrective action to the ~~Director or the Director's designee.~~Secretary. The permittee shall implement the plan as approved by, and in accordance with, a schedule established by the ~~Director or the Director's designee.~~Secretary. In establishing a schedule the ~~Director or the Director's designee~~Secretary shall consider any reasonable schedule proposed by the permittee."

SECTION 3.6. G.S. 62-302.1 reads as rewritten:

"**§ 62-302.1. Regulatory fee for combustion residuals surface impoundments.**

...

(c) When Due. – The fee shall be paid in quarterly installments. The fee is payable to the Coal Ash Management Commission on or before the 15th of the second month following the end of each quarter. Each public utility subject to this fee shall, on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the Coal Ash Management Commission. The report shall state the public utility's total North Carolina jurisdictional revenues for the preceding quarter and shall be accompanied by any supporting documentation that the Coal Ash Management Commission may by rule require. Receipts shall be reported on an accrual basis.

(d) Use of Proceeds. – A special fund in the Office of State Treasurer and the Coal Ash Management Commission is created. The fees collected pursuant to this section and all other funds received by the Coal Ash Management Commission shall be deposited in the Coal Combustion Residuals Management Fund. The Fund shall be placed in an interest-bearing account, and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund shall only be spent pursuant to appropriation by the General Assembly. The Coal Ash Management Commission shall be subject to the provisions of the State Budget Act, except that no unexpended surplus of the Coal Combustion Residuals Management Fund shall revert to the General Fund. All funds credited to the Fund shall be used only to pay the expenses of the Coal Ash Management Commission and the Department of Environment and Natural Resources in providing oversight of coal combustion residuals.

(e) Recovery of Fee. – The North Carolina Utilities Commission shall not allow an electric public utility to recover this fee from the retail electric customers of the State."

SECTION 3.7. G.S. 113-415 reads as rewritten:

"**§ 113-415. Conflicting laws.**

No provision of this Article shall be construed to repeal, amend, abridge or otherwise affect the authority and responsibility (i) vested in the Environmental Management Commission by Article 7 of Chapter 87 of the General Statutes, pertaining to the location, construction, repair, operation and abandonment of wells; (ii) vested in the Environmental Management Commission related to the control of water and air pollution as provided in Articles 21 and 21A of Chapter 143 of the General Statutes; (iii) vested in the Department and the ~~Environmental Management~~ Commission for Public Health by Article 10 of Chapter 130A of the General Statutes pertaining to public water-supply requirements; or (iv) vested in the Environmental Management Commission related to the management of solid and hazardous waste as provided in Article 9 of Chapter 130A of the General Statutes."

PART IV. CHANGE NAME OF ECOSYSTEM ENHANCEMENT PROGRAM TO DIVISION OF MITIGATION SERVICES

SECTION 4.1. G.S. 143-214.8 reads as rewritten:

"§ 143-214.8. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: established.

The ~~Ecosystem Enhancement Program~~Division of Mitigation Services is established within the Department of Environment and Natural Resources. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be developed by the Department as a nonregulatory statewide ~~ecosystem enhancement~~mitigation services program for the acquisition, maintenance, restoration, enhancement, and creation of wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall consist of the following components:

(1) Restoration and perpetual maintenance of wetlands.
(2) Development of restoration plans.
(3) Landowner contact and land acquisition.
(4) Evaluation of site plans and engineering studies.
(5) Oversight of construction and monitoring of restoration sites.
(6) Land ownership and management.
(7) Mapping, site identification, and assessment of wetlands functions.
(8) Oversight of private wetland mitigation banks to facilitate the components of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services."

SECTION 4.2. G.S. 143-214.9 reads as rewritten:

"§ 143-214.9. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: purposes.

The purposes of the ~~program~~ Division of Mitigation Services are as follows:

(1) To restore wetlands functions and values across the State to replace critical functions lost through historic wetlands conversion and through current and future permitted impacts. It is not the policy of the State to destroy upland habitats unless it would further the purposes of the ~~Wetlands Restoration Program.~~Division of Mitigation Services.
(2) To provide a consistent and simplified approach to address mitigation requirements associated with permits or authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344.
(3) To streamline the wetlands permitting process, minimize delays in permit decisions, and decrease the burden of permit applicants of planning and performing compensatory mitigation for wetlands losses.
(4) To increase the ecological effectiveness of compensatory mitigation.
(5) To achieve a net increase in wetland acres, functions, and values in each major river basin.
(6) To foster a comprehensive approach to environmental protection."

SECTION 4.3. G.S. 143-214.10 reads as rewritten:

"§ 143-214.10. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: development and implementation of basinwide restoration plans.

Develop Basinwide Restoration Plans. – The Department shall develop basinwide plans for wetlands and riparian area restoration with the goal of protecting and enhancing water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities within each of the 17 major river basins in the State. The Department shall develop and implement a basinwide restoration plan for each of the 17 river basins in the State in accordance with the basinwide schedule currently established by the Division of Water Resources."

SECTION 4.4. G.S. 143-214.11 reads as rewritten:

"§ 143-214.11. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: compensatory mitigation.

(a) Definitions. – The following definitions apply to this section:

(1) Compensatory mitigation. – The restoration, creation, enhancement, or preservation of jurisdictional waters required as a condition of a permit issued by the Department or by the United States Army Corps of Engineers.

(1a) Compensatory mitigation bank. – A private compensatory mitigation bank or an existing local compensatory mitigation bank.

(1b) Existing local compensatory mitigation bank. – A mitigation bank operated by a unit of local government that is a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.

(2) Government entity. – The State and its agencies and subdivisions, or the federal government. "Government entity" does not include a unit of local government unless the unit of local government was a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.

(3) Hydrologic area. – An eight-digit Cataloging Unit designated by the United States Geological Survey.

(4) Jurisdictional waters. – Wetlands, streams, or other waters of the State or of the United States.

(4a) Mitigation banking instrument. – The legal document for the establishment, operation, and use of a mitigation bank.

(4b) Private compensatory mitigation bank. – A site created by a private compensatory mitigation provider and approved for mitigation credit by State and federal regulatory authorities through execution of a mitigation banking instrument. No site owned by a government entity or unit of local government shall be considered a "private compensatory mitigation bank."

(5) Unit of local government. – A "local government," "public authority," or "special district" as defined in G.S. 159-7.

(b) Department to Coordinate Compensatory Mitigation. – All compensatory mitigation required by permits or authorizations issued by the Department or by the United States Army Corps of Engineers shall be coordinated by the Department consistent with the basinwide restoration plans and rules developed by the Environmental Management Commission. All compensatory mitigation, whether performed by the Department or by permit applicants, shall be consistent with the basinwide restoration plans. All compensatory mitigation shall be consistent with rules adopted by the Commission for wetland and stream mitigation and for protection and maintenance of riparian buffers.

(c) Compensatory Mitigation Emphasis on Replacing Ecological Function Within Same River Basin. – The emphasis of compensatory mitigation is on replacing functions within the same river basin unless it is demonstrated that restoration of other areas would be more beneficial to the overall purposes of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services.

(d) Compensatory Mitigation Options Available to Government Entities. – A government entity may satisfy compensatory mitigation requirements by the following actions, if those actions are consistent with the basinwide restoration plans and also meet or exceed the requirements of the Department or of the United States Army Corps of Engineers, as applicable:

(1) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12.

(2) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(3) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation.

(4) Preparing and implementing a compensatory mitigation plan.

(d1) Compensatory Mitigation Options Available to Applicants Other than Government Entities. – An applicant other than a government entity may satisfy compensatory mitigation requirements by the following actions, if those actions meet or exceed the requirements of the United States Army Corps of Engineers:

(1) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation. This option is only available in a hydrologic area where there is at least one compensatory mitigation bank that has been approved by the United States Army Corps of Engineers.

(2) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12. – This option is only available to an applicant who demonstrates that the option under subdivision (1) of this subsection is not available.

(3) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(4) Preparing and implementing a compensatory mitigation plan.

(e) Payment Schedule. – A standardized schedule of compensatory mitigation payment amounts shall be established by the Commission. Compensatory mitigation payments shall be made by applicants to the Ecosystem Restoration Fund established in G.S. 143-214.12. The monetary payment shall be based on the ecological functions and values of wetlands and streams permitted to be lost and on the cost of restoring or creating wetlands and streams capable of performing the same or similar functions, including directly related costs of wetland and stream restoration planning, long-term monitoring, and maintenance of restored areas. Compensatory mitigation payments for wetlands shall be calculated on a per acre basis. Compensatory mitigation payments for streams shall be calculated on a per linear foot basis.

(f) Mitigation Banks. – State agencies and mitigation banks shall demonstrate that adequate, dedicated financial surety exists to provide for the perpetual land management and hydrological maintenance of lands acquired by the State as mitigation banks, or proposed to the State as privately operated and permitted mitigation banks.

(g) Payment for Taxes. – A State agency acquiring land to restore, enhance, preserve, or create wetlands must also pay a sum in lieu of ad valorem taxes lost by the county in accordance with G.S. 146-22.3.

(h) Sale of Mitigation Credits by Existing Local Compensatory Mitigation Bank. – An existing local compensatory mitigation bank shall comply with the requirements of Article 12 of Chapter 160A of the General Statutes applicable to the disposal of property whenever it transfers any mitigation credits to another person.

(i) The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall exercise its authority to provide for compensatory mitigation under the authority granted by this section to use mitigation procurement programs in the following order of preference:

(1) Full delivery/bank credit purchase program. – The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall first seek to meet compensatory mitigation procurement requirements through the ~~Program's~~

Division's full delivery program or by the purchase of credits from a private compensatory mitigation bank.

(2) Existing local compensatory mitigation bank credit purchase program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) of this subsection shall be procured from an existing local compensatory mitigation bank, provided that the credit purchase is made to mitigate the impacts of a project located within the mitigation bank service area and hydrologic area of the existing local compensatory mitigation bank.

(3) Design/build program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) or (2) of this subsection shall be procured under a program in which ~~Ecosystem Enhancement Program~~the Division of Mitigation Services contracts with one private entity to lead or implement the design, construction, and postconstruction monitoring of compensatory mitigation at sites obtained by the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. Such a program shall be considered the procurement of compensatory mitigation credits.

(4) Design-bid-build program. – Any compensatory mitigation procurement requirements that are not fulfillable under either subdivision (1) or (2) of this subsection may be procured under the ~~Ecosystem Enhancement Program's~~Division of Mitigation Services' design-bid-build program. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services may utilize this program only when procurement under subdivision (1) or (2) of this subsection is not feasible. Any mitigation site design work currently being performed through contracts awarded under the design-bid-build program shall be allowed to continue as scheduled. Contracts for construction of projects with a design already approved by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be awarded by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services by issuing a Request for Proposal (RFP). Only contractors who have prequalified under procedures established by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be eligible to bid on ~~Ecosystem Enhancement Program~~Division of Mitigation Services construction projects. Construction contracts issued under this subdivision shall be exempt from the requirements of Article 8B of Chapter 143 of the General Statutes.

(j) The regulatory requirements for the establishment, operation, and monitoring of a compensatory mitigation bank or full delivery project shall vest at the time of the execution of the mitigation banking instrument or the award of a full delivery contract."

SECTION 4.5. G.S. 143-214.12 reads as rewritten:

"**§ 143-214.12. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: Ecosystem Restoration Fund.**

(a) Ecosystem Restoration Fund. – The Ecosystem Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Ecosystem Restoration Fund shall provide a repository for monetary contributions and donations or dedications of interests in real property to promote projects for the restoration, enhancement, preservation, or creation of wetlands and riparian areas and for payments made in lieu of compensatory mitigation as described in subsection (b) of this section. No funds shall be expended from this Fund for any purpose other than those directly

contributing to the acquisition, perpetual maintenance, enhancement, restoration, or creation of wetlands and riparian areas in accordance with the basinwide plan as described in G.S. 143-214.10. The cost of acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3 when the Department is the State agency making the acquisition.

(a1) The Department may distribute funds from the Ecosystem Restoration Fund directly to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A recipient of funds under this subsection shall grant a conservation easement in the real property or interest in real property acquired with the funds to the Department in a form that is acceptable to the Department. The Department may convey real property or an interest in real property that has been acquired under the ~~Ecosystem Enhancement Program~~ Division of Mitigation Services to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A grantee of real property or an interest in real property under this subsection shall grant a conservation easement in the real property or interest in real property to the Department in a form that is acceptable to the Department.

(b) Authorized Methods of Payment. – A person subject to a permit or authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 may contribute to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services in order to comply with conditions to, or terms of, the permit or authorization if participation in the ~~Ecosystem Enhancement Program~~Division of Mitigation Services will meet the mitigation requirements of the United States Army Corps of Engineers. The Department shall, at the discretion of the applicant, accept payment into the Ecosystem Restoration Fund in lieu of other compensatory mitigation requirements of any authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 if the contributions will meet the mitigation requirements of the United States Army Corps of Engineers. Payment may be made in the form of monetary contributions according to a fee schedule established by the Environmental Management Commission or in the form of donations of real property provided that the property is approved by the Department as a suitable site consistent with the basinwide wetlands restoration plan.

(c) Accounting of Payments. – The Department shall provide an itemized statement that accounts for each payment into the Fund. The statement shall include the expenses and activities financed by the payment."

SECTION 4.6. G.S. 143-214.13 reads as rewritten:

"**§ 143-214.13. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: reporting requirement.**

(a) The Department of Environment and Natural Resources shall report each year by November 1 to the Environmental Review Commission and to the Joint Legislative Commission on Governmental Operations regarding its progress in implementing the ~~Ecosystem Enhancement Program~~Division of Mitigation Services and its use of the funds in the Ecosystem Restoration Fund. The report shall document statewide wetlands losses and gains and compensatory mitigation performed under G.S. 143-214.8 through G.S. 143-214.12. The report shall also provide an accounting of receipts and disbursements of the Ecosystem Restoration Fund, an analysis of the per-acre cost of wetlands restoration, and a cost comparison on a per-acre basis between the State's ~~Ecosystem Enhancement Program~~Division of Mitigation Services and private mitigation banks. The Department shall also send a copy of its report to the Fiscal Research Division of the General Assembly.

(b) The Department shall maintain an inventory of all property that is held, managed, maintained, enhanced, restored, or used to create wetlands under the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. The inventory shall also list all conservation

easements held by the Department. The inventory shall be included in the annual report required under subsection (a) of this section."

SECTION 4.7. G.S. 143-214.14 reads as rewritten:

"**§ 143-214.14. Cooperative State-local coalition water quality protection plans.**

(a) Definitions. – The following definitions apply in this section:

(1) "Basin" means a river basin as defined in G.S. 143-215.22G or any subbasin or segment thereof.

(2) "Coalition plan" means a water quality protection plan developed by a coalition of local governments for water quality protection of a basin.

(3) "Local government" means a city, county, special district, authority, or other political subdivision of the State.

(4) "Water quality protection" means management of water use, quantity, and quality.

(b) Legislative Findings. – This section establishes a framework to encourage State-local pollutant reduction strategies for basins under the supervision and coordination of the Commission. The General Assembly finds that:

(1) Water quality conditions and sources of water contamination may vary from one basin to another.

(2) Water quality conditions and sources of water contamination may vary within a basin.

(3) Some local governments have demonstrated greater capacity than others to protect and improve water quality conditions.

(4) In some areas of the State artificial alteration of watercourses by surface water impoundments or other means may have a significant effect on water quality.

(5) Imposition of standard basinwide water quality protection requirements and strategies may not equitably address the varying conditions and needs of all areas.

(6) There is a need to develop distinct approaches to address water quality protection in basins in the State, drawing upon the resources of local governments and the State, under the supervision and coordination of the Commission.

(c) Legislative Goals and Policies. – It is the goal of the General Assembly that, to the extent practicable, the State shall adopt water quality protection plans that are developed and implemented in cooperation and coordination with local governments and that the State shall adopt water quality protection requirements that are proportional to the relative contributions of pollution from all sources in terms of both the loading and proximity of those sources. Furthermore, it is the goal of the General Assembly to encourage and support State-local partnerships for improved water quality protection through the provision of technical and financial assistance available through the Clean Water Management Trust Fund, the ~~Ecosystem Enhancement Program,~~Division of Mitigation Services, the Ecosystem Restoration Fund, water quality planning and project grant programs, the State's revolving loan and grant programs for water and wastewater facilities, other funding sources, and future appropriations. The Commission shall implement these goals in accordance with the standards, procedures, and requirements set out in this section.

(d) The Commission may, as an alternative method of attaining water quality standards in a basin, approve a coalition plan proposed by a coalition of local governments whose territorial area collectively includes the affected basin in the manner provided by this section. The Commission may approve a coalition plan proposed by a coalition of local governments whose territorial area or water quality protection plan does not include all of an affected basin if the Commission determines that the omission will not adversely affect water quality.

(e) A coalition of local governments choosing to propose a coalition plan to the Commission shall do so through a nonprofit corporation the coalition of local governments incorporates with the Secretary of State.

(f) The Commission may approve a coalition plan only if the Commission first determines that:

(1) The basin under consideration is an appropriate unit for water quality planning.

(2) The coalition plan meets the requirements of subsection (g) of this section.

(3) The coalition of local governments has formed a nonprofit corporation pursuant to subsection (e) of this section.

(4) The coalition plan has been approved by the governing board of each local government that is a member of the coalition of local governments proposing the coalition plan.

(5) The coalition plan will provide a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices in the affected basin.

(g) A coalition plan shall include all of the following:

(1) An assessment of water quality and related water quantity management in the affected basin.

(2) A description of the goals and objectives for protection and improvement of water quality and related water quantity management in the affected basin.

(3) A workplan that describes proposed water quality protection strategies, including point and nonpoint source programs, for achieving the specified goals and objectives; an implementation strategy including specified tasks, timetables for action, implementation responsibilities of State and local agencies; and sources of funding, where applicable.

(4) A description of the performance indicators and benchmarks that will be used to measure progress in achieving the specified goals and objectives, and an associated monitoring framework.

(5) A timetable for reporting to the Commission on progress in implementing the coalition plan.

(h) A coalition plan shall cover a specified period. The coalition plan may provide for the phasing in of specific strategies, tasks, or mechanisms by specified dates within the period covered by the plan. The Commission may approve one or more successive coalition plan periods. The coalition plan may include strategies that vary among the subareas or jurisdictions of the geographic area covered by the coalition plan.

(i) If a local government chooses to withdraw from a coalition of local governments or fails to implement a coalition plan, the remaining members of a coalition of local governments may prepare and submit a revised coalition plan for approval by the Commission. If the Commission determines that an approved coalition plan no longer provides a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices, the Commission may suspend or revoke its approval of the coalition plan.

(j) The Commission may approve one or more amendments to a coalition plan proposed by a coalition of local governments through its nonprofit corporation with the approval of the governing board of each local government that is a member of the coalition of local governments that proposed the coalition plan.

(k) With the approval of the Commission, any coalition of local governments with an approved coalition plan may establish and implement a pollutant trading program for specific pollutants between and among point source dischargers and nonpoint pollution sources.

(l) The Commission shall submit an annual progress report on the implementation of this section to the Environmental Review Commission on or before 1 October of each year."

PART V. ENERGY POLICY COUNCIL AMENDMENTS

SECTION 5. G.S. 113B-3 reads as rewritten:

"**§ 113B-3. Composition of Council; appointments; terms of members; removal; qualifications.**

(a) The Energy Policy Council shall consist of 13 members to be appointed as follows:

(1), (2) Repealed by Session Laws 2013-365, s. 8(c), effective July 29, 2013.

(2a) The Secretary of Environment and Natural ~~Resources.~~Resources, or the Secretary's designee.

(2b) The Secretary of ~~Commerce.~~Commerce, or the Secretary's designee.

(2c) The Lieutenant ~~Governor.~~Governor, or the Lieutenant Governor's designee.

(3) Ten public members who are citizens of the State of North Carolina and who are appointed in accordance with subsection (c) of this section.

(4) Repealed by Session Laws 2009-446, s. 4, effective August 7, 2009.

...

(d) A Council member shall be automatically removed from the Council if he or she fails to attend three successive Council meetings without just cause as determined by the remainder of the Council.

(e) The Governor shall have the power to remove any member of the Council from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973."

PART VI. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 6.1. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 6.2. Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE COM SUB NO. 2, UNFAVORABLE COM SUB NO. 1

HB **157** **(CS#1)** Amend Environmental Laws.

Draft Number:	H157-PCS30077-RI-2
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	McElraft

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 3/1/15 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Joe Austin
3. Name: Martha Gadison
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

Rules — 3/11/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Matthew Dockham	NC DENR
Mike Abraczinskas	NC DENR - DAQ
Jimmy Sdrill	NCFA
Lori Ann Harris	[illegible]
Preston Howard	NCMA
Dianna Downey	PSNCUC
[illegible]	MWC
Andy Walsh	SA
Will Culpepper	MVA
Philip Barefoot	MWC
Hugh [illegible]	PC,PC

VISITOR REGISTRATION SHEET

Rules — 3-11-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bill McAulay	PSNC Energy
Grady McCallie	NC Conservation Network
Cassie Gavin	Sierra Club
Chris McClure	BP
Tommy [illegible]	NMA
David McGowan	NCPC
Carr McLamb	Troutman Sanders
Elizabeth Bise	BP
Andy Chase	KMA
Brooks Rainey Pearson	SELC
Jackson [illegible] Council	CCS

Committee on Rules, Calendar and Operations of the House
Monday, March 30, 2015 at 1:00pm
Room 1228 of the Legislative Building

MINUTES

The Committee on Rules, Calendar and Operations of the House met at 1:03 p.m. on March 30, 2015 in Room 1228 of the Legislative Building. Representatives Torbett, Tine, Johnson, L., Daughtry, Burr, Szoka, Davis, Carney, Robinson, Goodman, Floyd, Boles, Cotham, and Fraley were present. Staff present: Wendy Graff and Bill P.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 140 Lineman Appreciation Day in NC. (Representatives Hastings, Bradford, Pendleton, Farmer-Butterfield). Speaker Moore explained the bill. Representative Torbett offered an amendment. Mr. Jay Rouse from the NC Assn of Electric Co-Ops was recognized to speak on the amendment. Amendment passed. Representative Carney moved for a favorable report, as amended. Motion passed, in honor of Glenn Campbell.

HB 185 Repeal DCR's Obsolete Comms & Language.-AB. (Representatives Brown, R., Cleveland, Floyd, Riddell) Without objection, a proposed committee substitute was placed for consideration before the committee. Representative Brown explained the bill. Representative Burr offered an amendment. Amendment passed. Representative Floyd moved for a favorable report to the proposed committee substitute, as amended and unfavorable to the original bill. Motion passed.

HB 364 Clarify Laws on Exec. Orders and Appointments (Representative Lewis) Representative Daughtry chaired the meeting so that the Chair, Representative Lewis, could explain the bill. Representative Lewis explained the bill. Representative Tine moved for a favorable report. Motion passed.

There being no further business, the meeting adjourned at 1:16 p.m.

Representative David R. Lewis, Chair
Presiding

Greg Gebhardt, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, March 31, 2015
TIME: **1:00 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 140	Lineman Appreciation Day in NC.	Representative Hastings Representative Bradford Representative Pendleton Representative Farmer-Butterfield
HB 185	Repeal DCR's Obsolete Comms & Language.-AB	Representative R. Brown Representative Cleveland Representative Floyd Representative Riddell
HB 364	Clarify Laws on Exec. Orders and Appointments.	Representative Lewis

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:35 PM on Tuesday, June 09, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 140:
Lineman Appreciation Day in NC

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	March 31, 2015
Introduced by:	Reps. Hastings, Bradford, Pendleton, Farmer-Butterfield	**Prepared by:**	Wendy Graf Ray Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 140 would designate Lineman Appreciation Day on April 18 of each year in North Carolina.

BILL ANALYSIS: House Bill 140 would recognize and honor the work lineman do in North Carolina and designate Lineman Appreciation Day on April 18th of each year. Section 1 of the bill would add language designating Lineman Appreciation Day to Chapter 103 of the General Statutes.

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

O. Walker Reagan
Director

* H 1 4 0 - S M S U - 1 5 E 1 - V 1 *

Research Division
(919) 733-2578

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 140
PROPOSED COMMITTEE SUBSTITUTE H140-PCS30187-LG-1

Short Title: Lineman Appreciation Day in NC. (Public)

Sponsors:

Referred to:

March 4, 2015

A BILL TO BE ENTITLED

AN ACT DESIGNATING THE EIGHTEENTH DAY OF APRIL, 2015, AND THE SECOND MONDAY IN APRIL OF EACH YEAR THEREAFTER AS LINEMAN APPRECIATION DAY.

Whereas, the profession of linemen is steeped in personal, family, and professional tradition; and

Whereas, linemen are often the first responders during storms and other catastrophic events, working to make the scene safe for other public safety heroes; and

Whereas, linemen work with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, to keep electricity flowing; and

Whereas, linemen must often work under dangerous conditions far from their families to construct and maintain the energy infrastructure of the United States; and

Whereas, linemen put their lives on the line every day with little recognition from the community regarding the danger of their work; and

Whereas, it is appropriate to honor the brave men and women who work to keep the power on and protect public safety by designating April 18, 2015, and the second Monday in April of each year thereafter as Lineman Appreciation Day; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The eighteenth day of April, 2015, is designated as Lineman Appreciation Day in North Carolina.

SECTION 2. Chapter 103 of the General Statutes is amended by adding a new section to read:

"**§ 103-14. Lineman Appreciation Day.**

The second Monday in April of each year is designated as Lineman Appreciation Day in North Carolina."

SECTION 3. Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 140

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

H140-ASU-3 [v.1]

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

Date 3/31/ ,2015

Representative Tolbert

moves to amend the bill on page 1, lines 2-3, by rewriting the lines to read:
"AN ACT DESIGNATING THE EIGHTEENTH DAY OF APRIL, 2015, AND THE SECOND MONDAY IN APRIL OF EACH YEAR THEREAFTER AS LINEMAN APPRECIATION DAY."; and

on page 1, lines 15-16, by rewriting the lines to read:
"power on and protect the public safety by designating April 18, 2015, and the second Monday in April of each year thereafter as Lineman Appreciation Day; Now, therefore,"; and

on page 1, line 18, by rewriting the line to read:
"**SECTION 1.** The eighteenth day of April, 2015, is designated as Lineman Appreciation Day in North Carolina.
SECTION 2. Chapter 103 of the General Statutes is amended by adding a new"; and

on page 1, line 21, by rewriting the line to read:
"The second Monday in April of each year is designated as Lineman Appreciation Day in"; and

On page 1, line 23, by rewriting the line to read:
"**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

H140-ASU-3-V-1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 140

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

H140-ASU-3 [v.1]

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

Date _____,2015

Representative _____

moves to amend the bill on page 1, lines 2-3, by rewriting the lines to read:
"AN ACT DESIGNATING THE EIGHTEENTH DAY OF APRIL, 2015, AND THE SECOND MONDAY IN APRIL OF EACH YEAR THEREAFTER AS LINEMAN APPRECIATION DAY."; and

on page 1, lines 15-16, by rewriting the lines to read:
"power on and protect the public safety by designating April 18, 2015, and the second Monday in April of each year thereafter as Lineman Appreciation Day; Now, therefore,"; and

on page 1, line 18, by rewriting the line to read:
"**SECTION 1.** The eighteenth day of April, 2015, is designated as Lineman Appreciation Day in North Carolina.
SECTION 2. Chapter 103 of the General Statutes is amended by adding a new"; and

on page 1, line 21, by rewriting the line to read:
"The second Monday in April of each year is designated as Lineman Appreciation Day in"; and

On page 1, line 23, by rewriting the line to read:
"**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

H140-ASU-3-V-1

HOUSE BILL 140

Short Title:	Lineman Appreciation Day in NC.	(Public)
Sponsors:	Representatives Hastings, Bradford, Pendleton, and Farmer-Butterfield (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

March 4, 2015

A BILL TO BE ENTITLED

AN ACT DESIGNATING THE EIGHTEENTH DAY OF APRIL OF EACH YEAR AS LINEMAN APPRECIATION DAY.

Whereas, the profession of linemen is steeped in personal, family, and professional tradition; and

Whereas, linemen are often the first responders during storms and other catastrophic events, working to make the scene safe for other public safety heroes; and

Whereas, linemen work with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, to keep electricity flowing; and

Whereas, linemen must often work under dangerous conditions far from their families to construct and maintain the energy infrastructure of the United States; and

Whereas, linemen put their lives on the line every day with little recognition from the community regarding the danger of their work; and

Whereas, it is appropriate to honor the brave men and women who work to keep the power on and protect public safety by designating April 18 of each year as Lineman Appreciation Day; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 103 of the General Statutes is amended by adding a new section to read:

"**§ 103-14. Lineman Appreciation Day.**

The eighteenth day of April of each year is designated as Lineman Appreciation Day in North Carolina."

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

HOUSE BILL 185:
Repeal DCR's Obsolete Comms & Language.-AB

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	March 31, 2015
Introduced by:	Reps. R. Brown, Cleveland, Floyd, Riddell	**Prepared by:**	Wendy Graf Ray
Analysis of:	First Edition		Committee Counsel

SUMMARY: ***House Bill 185 would repeal commissions within the Department of Cultural Resources that are obsolete and delete references to obsolete commissions from various statutes. It would also repeal statutes related to printing of government publications on alkaline paper.***

BILL ANALYSIS: House Bill 185 would repeal the following commissions in the Department of Cultural Resources that have served their purposes and are obsolete:

- The First Flight Centennial Commission
- The North Carolina Postal History Commission
- The America's Four Hundredth Committee
- The John Motley Morehead Commission

The bill would also remove references to these commissions and other commissions that have previously been repealed from statutes in Chapter 143B.

Section 1 of the bill would repeals statutes related to the printing of government publications on alkaline paper. Currently, the statutes require that publications that are of historical or enduring value shall be designated by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill and printed on alkaline paper. The statutes set out a process for designation of titles for publication, notification of State agencies responsible for publishing, and requirements for reporting to the Joint Legislative Commission on Governmental Operations. The bill repeals these statutory requirements.

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

BACKGROUND: House Bill 185 is an agency bill requested by the Department of Cultural Resources.

O. Walker Reagan
Director

H185-SMSU-16 E1 -V1

Research Division
(919) 733-2578

HOUSE BILL 185

Short Title:	Repeal DCR's Obsolete Comms & Language.-AB	(Public)
Sponsors:	Representatives R. Brown, Cleveland, Floyd, and Riddell (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

March 11, 2015

A BILL TO BE ENTITLED

AN ACT TO REPEAL COMMISSIONS WITHIN THE DEPARTMENT OF CULTURAL RESOURCES THAT HAVE SERVED THEIR PURPOSE AND TO REPEAL THE STATUTORY LANGUAGE RELATING TO THE USE OF ALKALINE PAPER FOR PUBLIC DOCUMENTS AND PREVIOUSLY REPEALED COMMISSIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 125-11.13 and G.S. 143-170.5 are repealed.

SECTION 2. The First Flight Centennial Commission, Article 67 of Chapter 143 of the General Statutes, being G.S. 143-640 through G.S. 143-643, is repealed.

SECTION 3. The North Carolina Postal History Commission, Article 71 of Chapter 143 of the General Statutes, being G.S. 143-675 through G.S. 143-679, is repealed.

SECTION 4. The America's Four Hundredth Committee, Part 13 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-85 and G.S. 143B-86, is repealed.

SECTION 5. The John Motley Morehead Commission, Part 23 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-111 through G.S. 143B-115, is repealed.

SECTION 6. G.S. 143B-51 reads as rewritten:

"**§ 143B-51. Functions of the Department.**

...

(b) All such functions, powers, duties, and obligations heretofore vested in any agency enumerated in Article 17 of Chapter 143A of the General Statutes are hereby transferred to and vested in the Department of Cultural Resources except as otherwise provided by the Executive Organization Act of 1973. They shall include, by way of extension and not of limitation, the functions of:

...

~~(14) The Memorials Commission;~~

~~(15) The Commission to Promote Plans for the Celebration of the Four Hundredth Anniversary of the Landing of Sir Walter Raleigh's Colony on Roanoke Island;~~

(16) The Executive Mansion Fine Arts Commission;

~~(17) The North Carolina American Revolution Bicentennial Commission;~~

(18) The North Carolina Awards Commission;

~~(19) The Tobacco Museum Board;~~

(20) The Roanoke Island Historical Association, Inc.;

~~(21) The Sir Walter Raleigh Memorial Commission;~~

~~(22) The Governor Richard Caswell Memorial Commission;~~
~~(23) The Historic Swansboro Commission;~~
(24) The Edenton Historical Commission;
(25) The Historic Bath Commission;
(26) The Historic Hillsborough Commission;
(27) The John Motley Morehead Memorial Commission;
(28) The Historic Murfreesboro Commission;
~~(29) The Charles B. Aycock Memorial Commission;~~
~~(30) The Frying Pan Lightship Marine Museum Commission;~~
~~(31) The Guilford County Bicentennial Commission;~~
~~(32) The Daniel Boone Memorial Commission;~~
~~(33) The Bennett Place Memorial Commission;~~
~~(34) The Durham-Orange Historical Commission;~~
~~(35) The Pitt County Historical Commission;~~
~~(36) The Transylvania County Historical Commission;~~
~~(37) The Lenoir County Historical and Patriotic Commission;~~
~~(38) The Raleigh Historic Sites Commission; and~~
~~(39) The Stonewall Jackson Memorial Fund.~~"

SECTION 7. G.S. 143B-53 reads as rewritten:

"**§ 143B-53. Organization of the Department.**

The Department of Cultural Resources shall be organized initially to include the Art Commission, the Art Museum Building Commission, the North Carolina Historical Commission, the Tryon Palace Commission, the U.S.S. North Carolina Battleship Commission, ~~the Sir Walter Raleigh Commission,~~ the Executive Mansion Fine Arts Committee, ~~the American Revolution Bicentennial Committee,~~ the North Carolina Awards Committee, ~~the America's Four Hundredth Anniversary Committee,~~ the North Carolina Arts Council, the Public Librarian Certification Commission, the State Library Commission, the North Carolina Symphony Society, Inc., and the Division of the State Library, the Division of Archives and History, the Division of the Arts, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973."

SECTION 8. G.S. 143B-62 reads as rewritten:

"**§ 143B-62. North Carolina Historical Commission – creation, powers and duties.**

There is hereby created the North Carolina Historical Commission of the Department of Cultural Resources to give advice and assistance to the Secretary of Cultural Resources and to promulgate rules and regulations to be followed in the acquisition, disposition, preservation, and use of records, artifacts, real and personal property, and other materials and properties of historical, archaeological, architectural, or other cultural value, and in the extension of State aid to other agencies, counties, municipalities, organizations, and individuals in the interest of historic preservation.

...

(3) The Commission shall adopt rules and regulations consistent with the provisions of this section. All current rules and regulations heretofore adopted by the Executive Board of the State Department of Archives and History, the Historic Sites Advisory Committee, the North Carolina Advisory Council on Historical Preservation, and the Executive Mansion Fine Arts ~~Commission, and the Memorials~~ Commission shall remain in full force and effect unless and until repealed or superseded by action of the Historical Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Cultural Resources."

SECTION 9. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 185

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

H185-ASU-4 [v.1]

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

Date _____,2015

Representative _____

moves to amend the bill on page 1, line 7, by rewriting the line to read:

"**SECTION 1.(a)** G.S. 125-11.13 reads as rewritten:

"**§ 125-11.13. Alkaline paper required for government publications.**

(a) State publications that are of historical or enduring value and importance to the citizens of North Carolina shall be printed on alkaline (acid-free) paper. These publications shall be designated on an annual basis by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill and shall include publications of an historical, biographical, legal, or statistical nature relating to the State of North Carolina, past, present, or future. These publications shall identify thereon, adjacent to the name of the agency responsible for publication, a statement that the publication is printed on permanent paper.

~~(b) By November 1 of each year, the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate the titles for publication on alkaline paper and shall notify each State agency that is responsible for the publication of a designated title. An agency so notified shall begin printing the designated title on alkaline paper within one year after receipt of the notification or at the awarding of the contract for the publication, whichever event occurs first. The Coordinator of the North Carolina State Publications Clearinghouse shall monitor compliance with this requirement and shall transmit a copy of the compliance report to the State Librarian and to the University Librarian at the University of North Carolina at Chapel Hill by October 1 of each year.~~

~~(c) The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall report by November 1 of each year to the Joint Legislative Commission on Governmental Operations regarding the titles designated for printing on alkaline paper and shall include in the report the compliance report received from the Coordinator of the North Carolina State Publications Clearinghouse.~~"

SECTION 1.(b) G.S. 143-170.5 reads as rewritten:

"**§ 143-170.5. Designated public documents to be printed on alkaline paper.**

~~The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate annually as provided by G.S. 125-11.13 those State documents that must be printed on alkaline paper.~~ Each agency publishing a State document designated by the

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 185

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

H185-ASU-4 [v.1]

State Librarian and the University Librarian at the University of North Carolina at Chapel Hill as one that must be printed on alkaline paper shall comply with that publication requirement.""

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 185
PROPOSED COMMITTEE SUBSTITUTE H185-PCS40241-SU-8

Short Title: Repeal DCR's Obsolete Comms & Language.-AB (Public)

Sponsors:

Referred to:

March 11, 2015

A BILL TO BE ENTITLED

AN ACT TO REPEAL COMMISSIONS WITHIN THE DEPARTMENT OF CULTURAL RESOURCES THAT HAVE SERVED THEIR PURPOSE AND TO REPEAL THE STATUTORY LANGUAGE RELATING TO THE USE OF ALKALINE PAPER FOR PUBLIC DOCUMENTS AND PREVIOUSLY REPEALED COMMISSIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 125-11.13 reads as rewritten:

"**§ 125-11.13. Alkaline paper required for government publications.**

(a) State publications that are of historical or enduring value and importance to the citizens of North Carolina shall be printed on alkaline (acid-free) paper. These publications shall be designated on an annual basis by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill and shall include publications of an historical, biographical, legal, or statistical nature relating to the State of North Carolina, past, present, or future. These publications shall identify thereon, adjacent to the name of the agency responsible for publication, a statement that the publication is printed on permanent paper.

~~(b) By November 1 of each year, the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate the titles for publication on alkaline paper and shall notify each State agency that is responsible for the publication of a designated title. An agency so notified shall begin printing the designated title on alkaline paper within one year after receipt of the notification or at the awarding of the contract for the publication, whichever event occurs first. The Coordinator of the North Carolina State Publications Clearinghouse shall monitor compliance with this requirement and shall transmit a copy of the compliance report to the State Librarian and to the University Librarian at the University of North Carolina at Chapel Hill by October 1 of each year.~~

~~(c) The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall report by November 1 of each year to the Joint Legislative Commission on Governmental Operations regarding the titles designated for printing on alkaline paper and shall include in the report the compliance report received from the Coordinator of the North Carolina State Publications Clearinghouse.~~"

SECTION 1.(b) G.S. 143-170.5 reads as rewritten:

"**§ 143-170.5. Designated public documents to be printed on alkaline paper.**

~~The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate annually as provided by G.S. 125-11.13 those State documents that must be printed on alkaline paper.~~ Each agency publishing a State document designated by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill as one that must be printed on alkaline paper shall comply with that publication requirement."

SECTION 2. The First Flight Centennial Commission, Article 67 of Chapter 143 of the General Statutes, being G.S. 143-640 through G.S. 143-643, is repealed.

SECTION 3. The North Carolina Postal History Commission, Article 71 of Chapter 143 of the General Statutes, being G.S. 143-675 through G.S. 143-679, is repealed.

SECTION 4. The America's Four Hundredth Committee, Part 13 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-85 and G.S. 143B-86, is repealed.

SECTION 5. The John Motley Morehead Commission, Part 23 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-111 through G.S. 143B-115, is repealed.

SECTION 6. G.S. 143B-51 reads as rewritten:

"**§ 143B-51. Functions of the Department.**

...

(b) All such functions, powers, duties, and obligations heretofore vested in any agency enumerated in Article 17 of Chapter 143A of the General Statutes are hereby transferred to and vested in the Department of Cultural Resources except as otherwise provided by the Executive Organization Act of 1973. They shall include, by way of extension and not of limitation, the functions of:

...

~~(14) The Memorials Commission;~~

~~(15) The Commission to Promote Plans for the Celebration of the Four Hundredth Anniversary of the Landing of Sir Walter Raleigh's Colony on Roanoke Island;~~

(16) The Executive Mansion Fine Arts Commission;

~~(17) The North Carolina American Revolution Bicentennial Commission;~~

(18) The North Carolina Awards Commission;

~~(19) The Tobacco Museum Board;~~

(20) The Roanoke Island Historical Association, Inc.;

~~(21) The Sir Walter Raleigh Memorial Commission;~~

~~(22) The Governor Richard Caswell Memorial Commission;~~

~~(23) The Historic Swansboro Commission;~~

(24) The Edenton Historical Commission;

(25) The Historic Bath Commission;

(26) The Historic Hillsborough Commission;

(27) The John Motley Morehead Memorial Commission;

(28) The Historic Murfreesboro Commission;

~~(29) The Charles B. Aycock Memorial Commission;~~

~~(30) The Frying Pan Lightship Marine Museum Commission;~~

~~(31) The Guilford County Bicentennial Commission;~~

~~(32) The Daniel Boone Memorial Commission;~~

~~(33) The Bennett Place Memorial Commission;~~

~~(34) The Durham-Orange Historical Commission;~~

~~(35) The Pitt County Historical Commission;~~

~~(36) The Transylvania County Historical Commission;~~

~~(37) The Lenoir County Historical and Patriotic Commission;~~

~~(38) The Raleigh Historic Sites Commission; and~~

~~(39) The Stonewall Jackson Memorial Fund.~~"

SECTION 7. G.S. 143B-53 reads as rewritten:

"**§ 143B-53. Organization of the Department.**

The Department of Cultural Resources shall be organized initially to include the Art Commission, the Art Museum Building Commission, the North Carolina Historical Commission, the Tryon Palace Commission, the U.S.S. North Carolina Battleship Commission,

~~the Sir Walter Raleigh Commission,~~ the Executive Mansion Fine Arts Committee, ~~the American Revolution Bicentennial Committee,~~ the North Carolina Awards Committee, ~~the America's Four Hundredth Anniversary Committee,~~ the North Carolina Arts Council, the Public Librarian Certification Commission, the State Library Commission, the North Carolina Symphony Society, Inc., and the Division of the State Library, the Division of Archives and History, the Division of the Arts, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973."

SECTION 8. G.S. 143B-62 reads as rewritten:

"**§ 143B-62. North Carolina Historical Commission – creation, powers and duties.**

There is hereby created the North Carolina Historical Commission of the Department of Cultural Resources to give advice and assistance to the Secretary of Cultural Resources and to promulgate rules and regulations to be followed in the acquisition, disposition, preservation, and use of records, artifacts, real and personal property, and other materials and properties of historical, archaeological, architectural, or other cultural value, and in the extension of State aid to other agencies, counties, municipalities, organizations, and individuals in the interest of historic preservation.

...

(3) The Commission shall adopt rules and regulations consistent with the provisions of this section. All current rules and regulations heretofore adopted by the Executive Board of the State Department of Archives and History, the Historic Sites Advisory Committee, the North Carolina Advisory Council on Historical Preservation, and the Executive Mansion Fine Arts ~~Commission, and the Memorials~~ Commission shall remain in full force and effect unless and until repealed or superseded by action of the Historical Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Cultural Resources."

SECTION 9. This act is effective when it becomes law.

HOUSE BILL 364:
Clarify Laws on Exec. Orders and Appointments

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	March 31, 2015
Introduced by:	Rep. Lewis	**Prepared by:**	Wendy Graf Ray
Analysis of:	First Edition		Committee Counsel

SUMMARY: ***House Bill 364 would amend conflict of interest provisions applicable to the Coal Ash Management Commission, the Environmental Review Commission, and the Coastal Resources Commission. It would also modify appointments to the North Carolina Longitudinal Data System Board, the Domestic Violence Commission, and the Governor's Crime Commission to remove members who are also members of the General Assembly.***

[As introduced, this bill was identical to S514, as introduced by Sen. Apodaca, which is currently in Rules and Operations of the Senate.]

BILL ANALYSIS:

Sections 1.1, 1.2, and 1.3 would amend conflict of interest provisions applicable to members of the Coal Ash Management Commission, the Environmental Review Commission, and the Coastal Resources Commission, by deleting a requirement that the Governor issue an executive order promulgating conflict of interest rules applicable to those Commissions. The repealed language would be replaced with language authorizing the Governor to require additional disclosure of conflict of interest and to promulgate additional criteria concerning conflict of interest and disclosure thereof for determining eligibility for membership.

Sections 2.1, 2.2 and 2.3 modify the membership of the North Carolina Longitudinal Data System Board, the Domestic Violence Commission, and Governor's Crime Commission of the Department of Public Safety, by removing members of the General Assembly and replacing them with public members. **Section 2.4** is a conforming change, adding these three boards and commissions to list of those boards and commissions on which no member of the General Assembly may serve.

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

HOUSE BILL 364*

Short Title:	Clarify Laws on Exec. Orders and Appointments.	(Public)
Sponsors:	Representative Lewis (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE CONFLICT OF INTEREST PROVISIONS FOR CERTAIN COMMISSIONS AND TO MODIFY APPOINTMENTS TO SEVERAL STATE BOARDS AND COMMISSIONS.

Whereas, the Environmental Management Commission was established by Section 19 of S.L. 1973-1262, effective July 1, 1974; and

Whereas, as provided in G.S. 143B-282(a), the Environmental Management Commission was established with the power and duty to promulgate rules for the protection, preservation, and enhancement of the water and air resources of the State; and

Whereas, the membership of the Environmental Management Commission was established by Section 20 of S.L. 1973-1262; and

Whereas, subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262 provided, "The Governor, by executive order, shall promulgate criteria for determining the eligibility of persons under this section and for this purpose, may promulgate the rules, regulations or guidelines established by any federal agency interpreting and applying equivalent provisions of law."; and

Whereas, Section 5 of S.L. 1979-1158 amended the provision enacted by subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262 to also provide, "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this section, giving due regard to the requirements of federal legislation, and for this purpose may promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law."; and

Whereas, the provision enacted by subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262, as subsequently amended, currently provides in G.S. 143B-283(c), "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and for this purpose may promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law."; and

Whereas, the Coastal Resources Commission was established by Section 1 of S.L. 1973-1284, effective July 1, 1974; and

Whereas, the Coastal Resources Commission was established to implement the Coastal Area Management Act of 1974; and

Whereas, as provided in G.S. 113A-102(b), the goals of the Coastal Area Management Act include management of the natural coastal systems in order to protect and maintain their natural productivity and their biological, economic, and esthetic values and management of development and preservation of the land and water resources of the coastal area in a manner consistent with the capability of the land and water for development, use, or preservation based on ecological considerations; and

Whereas, the membership of the Coastal Resources Commission was established by Section 1 of S.L. 1973-1284; and

Whereas, Section 1 of S.L. 1989-505 amended the membership provisions established by Section 1 of S.L. 1973-1284 to provide, "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this section."; and

Whereas, the provision enacted by Section 1 of S.L. 1973-1284, as subsequently amended, currently provides, "The Governor shall require adequate disclosure of potential conflicts of interest by these members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection."; and

Whereas, the Coal Ash Management Commission was established by Section 3.(a) of S.L. 2014-122, effective September 20, 2014; and

Whereas, as provided in G.S. 130A-309.202(a), the Coal Ash Management Commission was established in recognition of the complexity and magnitude of the issues associated with the management of coal combustion residuals and the proper closure and remediation of coal combustion residuals surface impoundments; and

Whereas, as provided in G.S. 130A-309.213(c), the Coal Ash Management Commission must evaluate all information submitted in accordance with the Coal Ash Management Act related to the proposed classifications of coal combustion residuals surface impoundments and may only approve a proposed classification if it determines that the classification was developed in accordance with the Coal Ash Management Act and that the classification accurately reflects the level of risk posed by the coal combustion residuals surface impoundment; and

Whereas, as provided in G.S. 130A-309.214(d), the Coal Ash Management Commission must approve a Closure Plan if it determines that the Closure Plan was developed in accordance with the Coal Ash Management Act, that implementation of the Closure Plan according to the Closure Plan's schedule is technologically and economically feasible, and the Closure Plan is protective of the public health, safety, and welfare; the environment; and natural resources. In addition, the Commission may consider any impact on electricity costs and reliability, but this factor may not be dispositive of the Commission's determination; and

Whereas, like the Environmental Management Commission and the Coastal Resources Commission, the Coal Ash Management Commission was established to evaluate complex issues related to the risks posed by environmental contaminants and ensure that the actions taken to manage environmental contaminants are protective of the public health, safety, and welfare; the environment; and natural resources; and

Whereas, due to the similar powers and duties shared by the Coal Ash Management Commission with the Environmental Management Commission and the Coastal Resources Commission, the General Assembly modelled many of the provisions establishing the Coal Ash Management Commission on provisions establishing the Environmental Management Commission and the Coastal Resources Commission; and

Whereas, the General Assembly modelled the conflict of interest and disclosure provision of the Coal Ash Management Commission found in G.S. 130A-309.202(j) on the long-standing and unchallenged conflict of interest and disclosure provisions of the Environmental Management Commission and the Coastal Resources Commission; and

Whereas, although the General Assembly finds that measures to prevent conflicts of interest for public servants and to provide abundant disclosure to prevent the appearance of conflicts of interest are of the utmost public good, the General Assembly finds that implementing such measures through issuance of an Executive Order by the Governor is unnecessary and that the Governor may determine that such additional measures are not necessary given the protections provided under Chapter 138A of the General Statutes, the State Government Ethics Act; and

Whereas, the holding of the North Carolina Supreme Court in Wallace v. Bone, 304 N.C. 591 (1982), prohibits legislators from serving on certain boards; and

Whereas, since Wallace v. Bone, the General Assembly has periodically enacted legislation removing legislators from serving in such capacities when those instances arise; and

Whereas, the General Assembly has determined that legislators are not eligible to serve on certain existing boards and commissions; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. CLARIFY CONFLICT OF INTEREST PROVISIONS

SECTION 1.1. G.S. 130A-309.202 reads as rewritten:

"§ 130A-309.202. (Repealed effective June 30, 2030) Coal Ash Management Commission.

...

~~(j) Conflicts of Interest; Disclosure. The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.~~

(k) Covered ~~Persons.~~Persons; Conflicts of Interest; Disclosure. – All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.

...."

SECTION 1.2. G.S. 143B-283 reads as rewritten:

"§ 143B-283. Environmental Management Commission – members; selection; removal; compensation; quorum; services.

...

~~(c) The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and for this purpose may~~

~~promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.~~

(c1) All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.

...."

SECTION 1.3. G.S. 113A-104 reads as rewritten:

"§ 113A-104. Coastal Resources Commission.

...

(c1) The members of the Commission whose qualifications are described in subdivisions (3), (6), (7), (8), (9), (11), and (12) of subsection (b1) of this section shall be persons who do not derive any significant portion of their income from land development, construction, real estate sales, or lobbying and do not otherwise serve as agents for development-related business activities. ~~The Governor shall require adequate disclosure of potential conflicts of interest by these members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection.~~

(c2) All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by the members described in subsection (c1) of this section. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons described in subsection (c1) of this section.

...."

PART II. BRING VARIOUS BOARDS INTO WALLACE V. BONE COMPLIANCE

SECTION 2.1. G.S. 116E-3 reads as rewritten:

"§ 116E-3. North Carolina Longitudinal Data System Board.

(a) There is established the North Carolina Longitudinal Data System Board which shall consist of the following 18 members:

(1) The Superintendent of Public Instruction, or the Superintendent's designee.

(2) The President of The University of North Carolina, or the President's designee.

(3) The President of the North Carolina Community College System, or the President's designee.

(4) The Secretary of the Department of Health and Human Services, or the Secretary's designee.

(5) The Assistant Secretary of the Department of Commerce, Division of Employment Security, or the Assistant Secretary's designee.
(6) The Secretary of the Department of Revenue, or the Secretary's designee.
(7) The Commissioner of Labor, or the Commissioner's designee.
(8) The President of the North Carolina Independent Colleges and Universities, Inc., or the President's designee.
(9) The Commissioner of Motor Vehicles, Department of Transportation, or the Commissioner's designee.
(10) The State Chief Information Officer.
(11) The State Controller, or the Controller's designee.
(12) Three public members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
(13) Three public members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
(14) One public member appointed by the Governor, to serve at the Governor's pleasure."

SECTION 2.2. G.S. 143B-394.15(c) reads as rewritten:

"(c) Membership. – The Commission shall consist of 39 members, who reflect the geographic and cultural regions of the State, as follows:

(1) Nine persons appointed by the Governor, one of whom is a clerk of superior court; one of whom is an academician who is knowledgeable about domestic violence trends and treatment; one of whom is a member of the medical community; one of whom is a United States Attorney for the State of North Carolina or that person's designee; one of whom is a member of the North Carolina Bar Association who has studied domestic violence issues; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; one of whom is a member of the North Carolina Coalition Against Domestic Violence; one of whom is a former victim of domestic violence; and one of whom is a member of the public at large.
(2) Nine persons appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, ~~one of whom is a member of the Senate;~~ one of whom is a district court judge; one of whom is a district attorney or assistant district attorney; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; one of whom is a county manager; one of whom is a representative of a community legal services agency who works with domestic violence victims; one of whom is a representative of the linguistic and cultural minority communities; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; and ~~one~~ two of whom ~~is a member~~are members of the public at large.
(3) Nine persons appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, ~~one of whom is a member of the House of Representatives;~~ one of whom is a magistrate; one of whom is a member of the business community; one of whom is a district court judge; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; one of whom provides offender treatment and is approved by the North Carolina

Council for Women; one of whom is a representative of the linguistic and cultural minority communities; and ~~one~~ two of whom ~~is a public member.~~ are members of the public at large.

...."

SECTION 2.3(a) G.S. 143B-1100(a)(1) reads as rewritten:

"(a) There is hereby created the Governor's Crime Commission of the Department of Public Safety. The Commission shall consist of 37 voting members and five nonvoting members. The composition of the Commission shall be as follows:

(1) The voting members shall be:

...

d. ~~Two members of the North Carolina House of Representatives and two members of the North Carolina Senate.~~Four public members."

SECTION 2.3(b) G.S. 143B-1100(b)(4) reads as rewritten:

"(4) ~~The two members of the House of Representatives~~ Two public members provided by subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives and ~~the two members of the Senate~~two public members provided by subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate. ~~These members shall perform the advisory review of the State plan for the General Assembly as permitted by section 206 of the Crime Control Act of 1976 (Public Law 94-503).~~"

SECTION 2.4. G.S. 120-123 reads as rewritten:

"**§ 120-123. Service by members of the General Assembly on certain boards and commissions.**

No member of the General Assembly may serve on any of the following boards or commissions:

...

(81) The North Carolina Longitudinal Data System Board, as established in G.S. 116E-3.

(82) The Domestic Violence Commission, as established in Part 10C of Article 9 of Chapter 143B of the General Statutes.

(83) The Governor's Crime Commission of the Department of Public Safety, as established in G.S. 143B-1100."

PART III. EFFECTIVE DATE

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **364** Clarify Laws on Exec. Orders and Appointments.

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

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **140** Lineman Appreciation Day in NC.

Draft Number:	H140-PCS30187-LG-1
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Hastings

HB **185** Repeal DCRs Obsolete Comms & Language.-AB

Draft Number:	H185-PCS40241-SU-8
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	R. Brown

TOTAL REPORTED: 3

VISITOR REGISTRATION SHEET

House Comm. on Rules — Name of Committee

03/31/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lexi Morgan	NCRMA
Elizabeth Robinson	NCRMA
Carr McLamb	Troutman Sanders
Barbara Sumrell	NC Beer
Kathy Hawkins	Duke Energy
Kara Weishaar	Smith Anderson
Jay Bowen	NC AEC
Susan Valaurri	NAHC/NRDC
Amanda Horaller	TSS
[illegible]	NCWRC
Susan [illegible]	Duke Energy

VISITOR REGISTRATION SHEET

House Comm. on Rules — 03/31/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J.W. JOYNER	NEW FRAME LLC
J REDDS	CSF
David Ferrell	VB
Chuck Stone	
Martha Jenkins	NCR
Steve Metcalf	The Pork Group
TOM BEAN	EDF
David Collins	SEANC
PRESTON HOWARD	NCMA

House Committee on Rules, Calendar, and Operations of the House
Thursday, April 2, 2015 at 8:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 8:00 AM on April 2, 2015 in Room 1228/1327 of the Legislative Building. Representatives Blust, Boles, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Saine, Stam and Torbett attended.

Rep. David R. Lewis, Chair, presided.

The following bills were considered:

HR 481 House Permanent Rules-Final. (Representative Lewis)

Rep. Lewis called the meeting to order at 8:02 AM and yielded the floor to Rep. Stam. Rep. Lewis made called for a motion to bring the PCS before the committee. Rep. Lewis explained the bill. Rep. Stam directed staff to prepare amendment for Rep. Burr. Rep. Burr Amendment was brought before the committee. Rep. Torbett made a motion to displace the Burr Amendment. Rep. Lewis moves the adoption of the technical amendment. The amendment passes. Rep. Lewis moves the Burr Amendment to be back before the committee. Rep. Floyd moved that the Burr Amendment be adopted. The Amendment was adopted. Rep. Blust moved that Amendment ASU-9 v. 1 be before the committee. Rep. Blust moves the adoption of ASU-9 v. 1. The Amendment fails. Rep. Blust moved that Amendment ASU-11 v. 1 be before the committee. Rep. Blust moves for the adoption of ASU-11 v. 1. The Amendment passes on a vote of 11-8. Rep. Blust withdraws Amendment ASU-10 v. 1 from consideration. Rep. Blust moves that Amendment ASU-6 v. 2 be before the committee. A perfecting amendment was proposed by Rep. Blust. The perfecting amendment was adopted to be before the committee. Rep. Blust called for the adoption of ASU-6 v. 2 as amended. This motion failed. Rep. Stam moves for the recess of the committee.

The meeting recessed at 8:55 AM

The House Committee on Rules, Calendar, and Operations of the House reconvened at 10:33 AM on April 2, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Burr, Bumgardner, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hall, Hastings, Jackson, L. Johnson, Lewis, Robinson, Saine, Schaffer, Stam, Torbett and Wray attended.

Rep. Paul Stam, Vice-Chair, presided.

The following bills were considered:

HR 481 House Permanent Rules-Final. (Representative Lewis)

Rep. Stam called the meeting back to order at 10:33 AM. Rep. Burr was recognized to explain his amendment ASU-11 v. 1. Rep. Boles moved to reconsider ASU-11 v. 1. Upon reconsideration of the committee, the amendment fails by a vote of 5 to 16. Amendment H481-AMM-24 v. 1 proposed by Rep. Burr was ruled to be out of order and not germane to the bill by the Chair. Rep. Lewis moves that HB 481, as amended, be rolled into a Proposed Committee Substitute and be given a favorable report, unfavorable to the original. The motion passes. Rep. Stam moves the committee adjourn.

The meeting adjourned at 10:40 AM.

Rep. David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, April 2, 2015
TIME: **8:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HR 481	House Permanent Rules-Final.	Representative Lewis

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:25 PM on Wednesday, April 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE RESOLUTION 481
PROPOSED COMMITTEE SUBSTITUTE H481-CSSU-10 [v.2]

4/1/2015 7:44:43 PM

Sponsors:

Referred to:

April 1, 2015

A HOUSE RESOLUTION ADOPTING THE PERMANENT RULES OF THE HOUSE OF REPRESENTATIVES FOR THE 2015 GENERAL ASSEMBLY.

Be it resolved by the House of Representatives:

SECTION 1. The permanent rules of the Regular Session of the House of Representatives of the 2015 General Assembly are:

PERMANENT RULES OF THE HOUSE OF REPRESENTATIVES FOR THE REGULAR SESSION OF THE 2015 GENERAL ASSEMBLY OF NORTH CAROLINA

I. Order of Business, 1-5
II. Conduct of Debate, 6-12
III. Motions, 13-19
IV. Voting, 20-25
V. Committees, 26-30
VI. Handling of Bills, 31-44.2
VII. Legislative Officers and Employees, 45-49
VIII. Privileges of the Hall, 50-53
IX. General Rules, 54-62

I. Order of Business

RULE 1. **Convening Hour, Limitation on Friday, Night, and Sunday Legislative Sessions.** – The House shall convene each legislative day at the hour fixed by the House. In the event the House adjourns on the preceding legislative day without having fixed an hour for reconvening, the House shall convene on the next legislative day at 2:00 P.M. During January and February of 2015, no sessions may be held on Friday. Without leave of the House, no session shall continue after 10:00 P.M. on Monday nor after 9:00 P.M. on any other days, and the Speaker shall adjourn the House without motion at that point, except that a motion may be made as to the time and day of next convening. No votes shall be held on Sunday, except for votes on motions to approve the journal and to adjourn.

RULE 1.1. **Emergencies.** – In the event of a disaster, natural or otherwise, that precludes the General Assembly from meeting in the Legislative Building, the members will be notified by the Speaker where and when the House will convene.

RULE 2. **Opening the Session.** – The Sergeant-at-Arms shall clear the House five minutes before the convening hour. At the convening hour on each legislative day, the Speaker shall call the members to order and shall have the session opened with prayer. At the convening hour, the Speaker, or the Speaker's designee, shall lead the members in the Pledge of Allegiance to the American Flag.

RULE 3. **Quorum.** – (a) A quorum consists of a majority of the qualified members of the House.

(b) Should the point of a quorum be raised, the doors shall be closed, and the Clerk shall call the roll of the House, after which the names of those not responding shall again be called. In the absence of a quorum, 15 members are authorized to compel the attendance of absent members and may order that absentees for whom no sufficient excuses are made be taken into custody wherever they may be found by special messenger appointed for that purpose.

RULE 4. **Approval of Journal.** – (a) The Chair of the Standing Committee on Rules, Calendar, and Operations of the House shall cause the Journal of the House to be examined daily before the hour of convening to determine if the proceedings of the previous day have been correctly recorded.

(b) Immediately following the opening prayer and upon appearance of a quorum, the Speaker shall call for the Journal report by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, or by a Representative designated by the Chair, as to whether the proceedings of the previous day have been correctly recorded. Without objection, the Speaker shall cause the Journal to stand approved.

RULE 5. **Order of Business of the Day.** – After the approval of the Journal of the preceding day, except by leave of the House, the House shall proceed to business in the following order:

(1) The receiving of petitions, memorials, and papers addressed to the General Assembly or to the House;
(1a) Messages from the Governor;
(2) Ratification of bills;
(3) Reports of standing committees;
(4) Reports of select committees;
(6) First reading and reference to committee of bills and resolutions;
(7) Messages from the Senate;
(8) Concurrence with Senate amendments or Senate committee substitutes;
(9) The unfinished business of the preceding day;
(10) Calendar (each category in accordance with Rule 40 – House bills first):
  a. Resolutions for adoption
  b. Conference reports for adoption
  c. Local bills (roll call), third reading
  d. Local bills (roll call), second reading
  e. Local bills, third reading
  f. Local bills, second reading
  g. Public bills (roll call), third reading
  h. Public bills (roll call), second reading
  i. Public bills and resolutions, third reading
  j. Public bills and resolutions, second reading;
(11) Reading of notices and announcements.
(12) Reading of Representative Statements of Personal Privilege.

II. Conduct of Debate

RULE 6. **Duties and Powers of the Speaker.** – The Speaker shall have general direction of the Hall, subject to more specific provisions of these rules. The Speaker may name any member to perform the duties of the chair, but substitution shall not extend beyond one day, except in the case of sickness or by leave of the House. If the Speaker is absent and has not designated a member or the Principal Clerk to perform the duties of the chair, the Speaker Pro Tempore shall preside during such absence. In the case of a vacancy in the office of the Speaker of the House of Representatives, the Principal Clerk shall preside over the House until the House elects a Speaker.

RULE 7. **Obtaining Floor.** – (a) When any member desires recognition for any purpose, the member shall rise and respectfully address the Speaker. No member shall proceed until recognized by the Speaker for a purpose.

(b) When a member desires to interrupt a member having the floor, the member shall first obtain recognition by the Speaker and permission of the member occupying the floor, and when such recognition and permission have been obtained, he or she may propound a question to the member occupying the floor; but he or she shall not otherwise interrupt the member having the floor, except as provided in subsection (c) of this rule; and the Speaker shall, without the point of order being raised, enforce this rule.

(c) A member who has obtained the floor may be interrupted only for the following reasons:

(1) A request that the member speaking yield for a question,

(2) A point of order,

(3) A parliamentary inquiry, or

(4) A question of privilege.

RULE 8. **Questions of Privilege.** – Upon recognition by the Speaker for that purpose, any member may speak to a question of privilege for a time not to exceed three minutes. Questions of privilege shall be those affecting, first, the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of members, individually, in their representative capacity only; and shall have precedence over all other questions, except motions to adjourn. Privilege may not be used to explain a vote or debate a bill. The Speaker shall determine if the question is one of privilege and shall, without the point of order being raised, enforce this rule.

RULE 8.1. **Statements of personal privilege; explanation of vote.** – Upon recognition by the Speaker for that purpose, any member may speak to a question of personal privilege for a time not exceeding three minutes, and may use some or all of that time to explain to the House a "Representative Statement of Personal Privilege". Upon motion supported by a majority present and voting, that statement may be spread upon the Journal. Neither personal privilege nor a Representative Statement of Personal Privilege may be used to explain a vote, debate a bill, or in any way disrupt the regular business of the House, nor shall such opportunities be used to solicit support or sponsors for any bill. The format of Representative Statement of Personal Privilege shall be prescribed by the Chairman of the Committee on Rules, Calendar, and Operations of the House, but in any case shall speak only in the voice of the member submitting it. The Speaker shall determine if the question raised is one of personal privilege and shall, without the point of order being raised, enforce this rule.

RULE 9. **Points of Order.** – (a) The Speaker shall decide questions of order and may speak to points of order in preference to other members arising from their seats for that purpose. Any member may appeal from the ruling of the chair on questions of order; on such appeal no member may speak more than once, unless by leave of the House. A three-fifths vote of the members present shall be necessary to sustain any appeal from the ruling of the chair.

(b) When the Speaker calls a member to order, the member shall be seated, except that a member called to order may clear a matter of fact, or explain, but shall not proceed in debate so long as the decision stands. If the member appeals from the ruling of the chair and the decision by a three-fifths vote of the members present be in favor of the member called to order, the member may proceed; if otherwise, the member shall not; and if the case, in the judgment of the House requires it, the member shall be liable to censure by the House.

RULE 10. **Limitations on Debate.** – (a) No member shall speak on, debate, or solicit cosponsors for a bill or resolution at its first reading.

(b) No member shall speak more than twice on the main question nor longer than 15 minutes for the first speech and five minutes for the second speech; nor shall the member speak more than twice upon an amendment or motion to reconsider, re-refer, appeal,

or postpone or any motion on concurrence, and then not longer than 10 minutes for the first speech and five minutes for the second speech.

(c) A member may speak only once and for not more than 10 minutes on the question of the adoption of a minority report.

(d) In computing the time allowed for argument, the time consumed in answering questions should be considered and is taken out of any time allowed that member.

(e) The House, by consent of a majority of the members present, may suspend the operation of subsections (b) through (d) of this rule during any debate on any particular question before the House.

RULE 11. **Reading of Papers.** – When there is a call for the reading of the text of a paper which has been presented to the House and there is objection to such reading, the question shall be determined by a majority vote of the members of the House present. Except for protests permitted by the Constitution, no member may have material printed in the Journal until said material has been presented to the House and the printing approved by the House, and said material shall not exceed 1,000 words.

RULE 12. **General Decorum.** – (a) The Speaker shall preserve order and decorum.

(b) Decency of speech shall be observed and disrespect to personalities carefully avoided.

(c) When the Speaker is putting any question, or addressing the House, no person shall speak, stand up, walk out of, or cross the House nor, when a member is speaking, engage in disruptive discourse or pass between the member and the chair.

(d) Food or beverages shall not be permitted on the floor of the House during the first hour of the daily session.

(e) The reading of newspapers shall not be permitted on the floor of the House while the House is in session.

(f) The consumption of food or beverages shall not be permitted in the galleries at any time.

(g) Special recitals and performances by musicians or other groups shall not be permitted on the floor of the House; and special guests of members of the House shall not be permitted on the floor of the House.

(h) Members shall observe appropriate attire, coat and tie for male members and dignified dress for female members.

(i) The use of a mobile device or cellular phone for the purpose of making or receiving a phone call shall not be permitted in the House Chamber.

(j) Placards, stickers, or signs are not permitted in the House Chamber.

III. Motions

RULE 13. **Motions Generally.** – (a) Every motion shall be reduced to writing if the Speaker or any two members request it. No motion relating to a bill shall be in order that does not identify the bill by its number and short title.

(b) When a motion is made, it shall be stated by the Speaker or, if written, it shall be handed to the chair and read aloud by the Speaker or Clerk before debate.

(c) After a motion has been stated by the Speaker or read by the Speaker or Clerk, it shall be in the possession of the House; but it may be withdrawn before a decision or amendment, except in case of a motion to reconsider, which motion, when made by a member, shall be in possession of the House and shall not be withdrawn without leave of the House.

RULE 14. **Motions, Order of Precedence.** – When there are motions before the House, the order of precedence is as follows:

To adjourn.

To recess.

To lay on the table.

Previous question.

To postpone indefinitely.
To reconsider.
To postpone to a day certain.
To re-refer.
To amend an amendment.
To amend.
To pass the bill.

No motion to lay on the table, to postpone indefinitely, to postpone to a day certain, to re-refer, or to make a particular amendment, being decided, shall be again allowed at the same stage of the bill or proposition.

RULE 15. **Motion to Adjourn.** – (a) A motion to adjourn shall be seconded before the motion is put to the vote of the House.

(b) A motion to adjourn shall be decided without debate and shall always be in order, except when the House is voting or some member is speaking; but a motion to adjourn shall not follow a motion to adjourn until debate or some other business of the House has intervened.

RULE 16. **Motion to Table.** – (a) A motion to table shall be seconded before the motion is put to the vote of the House and is in order except when a motion to adjourn or to recess is before the House.

(b) A motion to table shall be decided without debate; however, the proponent of the matter that is subject of the motion to table shall be given up to two minutes to explain the matter subject to the motion to table if the proponent has not previously explained the matter prior to the motion to table.

(c) A motion to table a bill shall constitute a motion to table the bill and all amendments thereto.

(d) When the question before the House is the adoption of an amendment to a bill or resolution, a motion to table the bill is not in order; and a motion to table an amendment applies to the amendment only, and the motion may not expressly or by implication or construction be expanded to include a motion to table the bill also.

(e) When a question has been tabled, it shall not thereafter be considered, except on motion to reconsider under Rule 18 or to remove from the table approved by a two-thirds vote.

RULE 17. **Motion to Postpone Indefinitely.** – A motion to postpone indefinitely is in order except when a motion to adjourn or to lay on the table or for the previous question or to recess is before the House. However, after one motion to postpone indefinitely has been decided, another motion to postpone indefinitely shall not be allowed at the same stage of the bill or proposition. When a question has been postponed indefinitely, it shall not thereafter be considered, except on motion to reconsider under Rule 18 or to place on the favorable calendar approved by a two-thirds vote.

RULE 18. **Motion to Reconsider.** – (a) When a question has been decided, it is in order for any member to move for the reconsideration thereof on the same or the succeeding legislative day; provided that if the vote by which the motion was originally decided was taken by a recorded vote, only a member of the prevailing side may move for reconsideration.

(b) A motion to reconsider shall be determined by a majority vote, except the following shall require a two-thirds vote: a second or subsequent motion to reconsider and a motion to reconsider:

(1) A vote upon a motion to table,
(2) A motion to postpone indefinitely,
(3) A motion to remove a bill from the unfavorable calendar,
(4) A motion that a bill be read twice on the same day, or
(5) A motion to remove from the table.

(c) A motion to reconsider the vote by which a person has been elected as Speaker or Speaker Pro Tempore shall not be in order. This subsection of this rule cannot be suspended except by a vote of three-fifths of all the members of the House.

RULE 19. **Previous Question.** – (a) The previous question may be called only by:

(1) The Chair of the Committee on Rules, Calendar, and Operations of the House;

(1a) The Vice-Chair of the Committee on Rules, Calendar, and Operations of the House if the Chair is not in the chamber or able to participate in debate;

(2) The Majority Leader;

(3) The member submitting the report on the bill or other matter under consideration;

(4) The member introducing the bill or other matter under consideration;

(5) The member in charge of the measure, who shall be designated by the chair of the standing committee reporting the same to the House at the time the bill or other matter under consideration is reported to the House or taken up for consideration.

(b) The previous question shall be as follows: "Shall the main question now be put?" When the call for the previous question has been decided in the affirmative by a majority vote of the House, the question is on the passage of the bill, resolution, or other matter under consideration.

(c) The call for the previous question shall preclude all motions, amendments, and debate, except the motion to adjourn, motion to recess, or motion to table.

(d) If the previous question is decided in the negative, the question remains under debate.

(e) After the previous question is ordered by the House on the main question of second or third reading, the Majority Leader and the Minority Leader may each allocate three minutes of debate on the question. The Majority Leader and the Minority Leader may each designate another member to act under this subsection.

IV. Voting

RULE 20. **Use of Electronic Voting System.** – (a) Votes on the following questions shall be taken on the electronic voting system, and the ayes and noes shall be recorded on the Journal:

(1) The passage as required by Article II, Section 23 of the North Carolina Constitution on second and third readings of any bill:

a. Raising money on the credit of the State,

b. Pledging the faith of the State for the payment of a debt,

c. Imposing a State tax, or

d. Authorizing a county, municipality, or other local governmental unit to:

1. Raise money on its credit,

2. Pledge its faith for the payment of a debt, or

3. Impose a local tax.

(2) All questions on which a call for the ayes and noes under Rule 24(a) and Article II, Section 19 of the North Carolina Constitution has been sustained.

(3) Both second and third readings of bills proposing amendment of the North Carolina Constitution or ratifying resolutions amending the United States Constitution.

(4) The passage of a bill notwithstanding the Governor's veto thereof pursuant to Article II, Section 22 of the North Carolina Constitution.

(b) Votes on the following questions shall be taken on the electronic voting system:

(1) Second reading of all public bills except resolutions, all amendments to public bills offered after second reading, third reading if a public bill was amended after second reading or if the reading occurs on a day or days following the second reading, all conference reports on public bills, all motions to lay public bills on the table, and all motions to postpone public bills indefinitely.

(2) Upon a call for division.

(3) Any other question upon direction of the Speaker or upon motion of any member supported by one-fifth of the members present.

(c) When the electronic voting system is used, 15 seconds shall be allowed for voting on the question before the House, unless the Chair shall direct otherwise. Once the system is locked, the vote shall be recorded and printed.

(d) The voting station at each member's desk in the Chamber shall be used only by the member to which the station is assigned. Under no circumstances shall any other person vote at a member's station. It is a breach of the ethical obligation of a member either to request that another person vote at the requesting member's station or to vote at another member's station. The Speaker shall enforce this rule without exception.

(e) When the electronic voting system is used, the Speaker shall state the question and shall then state substantially the following: "All in favor vote 'aye'; all opposed vote 'no'; the Clerk will open the vote." In order to have the vote recorded, the member must vote by the electronic voting system within the time allowed for that vote, unless the voting station assigned to a member is malfunctioning. The Speaker shall enforce this rule without exception. After the allotted time for voting has elapsed, the Speaker shall say: "The Clerk will now lock the machine and record the vote." After the machine is locked and the vote recorded, the Speaker shall announce the vote and declare the result.

(f) One copy of the machine printout of the vote record of all votes taken on the electronic voting system shall be filed in the office of the Principal Clerk, and two copies shall be filed in the Legislative Library where the copies shall be open to public inspection. A legible copy of the bill, amendment, or motion on which the vote was taken shall be filed with the printout of the vote in the Legislative Library.

(g) When the Speaker ascertains that the electronic voting system is inoperative before a vote is taken or while a vote is being taken on the electronic voting system, the Speaker shall announce that fact to the House, and any partial electronic voting system voting record shall be voided. In such a case, if the North Carolina Constitution or the Rules of the House require a call of the ayes and noes, the Clerk shall call the roll of the House, and the ayes and noes shall be taken manually and shall be recorded on the Journal. All roll call votes shall be taken alphabetically. If, after a vote is taken on the electronic voting system, it is discovered that a malfunction caused an error in the electronic voting system printout, the Speaker shall direct the Reading Clerk and the Principal Clerk to verify and correct the printout record and so advise the House.

(h) For the purpose of identifying motions on which the vote is taken on the electronic voting system, the motions are coded as follows:

(1) To adjourn.

(2) To recess.

(3) To lay on the table.

(4) Previous question.

(5) To postpone indefinitely.

(6) To reconsider.

(7) To postpone to a day certain.

(8) To re-refer.

(9) To amend an amendment.

(10) To amend.
(11) To concur or not concur.
(12) Miscellaneous.

RULE 21. **Voice Votes; Stating Questions.** – (a) All other votes except those required to be taken on the electronic voting system shall be taken by voice vote.

(b) When a voice vote is taken, the Speaker shall put the question substantially as follows: "Those in favor (as the question may be) will say 'aye'," and after the affirmative voice has been expressed, "Those opposed will say 'no'."

(c) No statement, explanation, debate, motion, parliamentary inquiry, or point of order shall be allowed once the voice vote has begun. Any point of order or parliamentary inquiry may be raised, however, after the completion of the vote.

(d) Except in the event of a State of Emergency, a motion to approve the Journal, or a motion to adjourn, the House shall take no votes during the week beginning on April 5, 2015, and ending on April 11, 2015.

RULE 22. **Determining Questions.** – (a) Unless otherwise provided by the North Carolina Constitution or by these rules, all questions shall be determined by a simple majority of the members present and voting.

(b) No member may vote unless the member is in the Chamber when the question is put. This subsection of this rule cannot be suspended.

RULE 23. **Voting by Division.** – Any member may call for a division of the members upon the question before the result of the vote has been announced. Upon a call for a division, the Speaker shall cause the number voting in the affirmative and in the negative to be determined. Upon a division and count of the House on any question, no member away from the member's seat shall be counted.

RULE 24. **Roll Call Vote.** – (a) Before a question is put, any member may call for the ayes and noes. If the call is sustained by one-fifth of the members present, the question shall be decided by the ayes and noes upon a roll call vote.

(b) Every member who is in the Hall of the House when the question is put shall vote upon a call of the ayes and noes, unless excused pursuant to Rule 24.1A.

(c) No member may change a vote without leave of the House, but such leave shall not be granted if it affects the result or if the session in which the vote was taken has been adjourned.

RULE 24.1A. **Excuse From Deliberations and Voting on a Bill.** – (a) Any member shall, upon request, be excused in advance from the deliberations and voting on a particular bill at any time that the reason for the request arises in the proceedings on the bill.

(b) The member may make a brief oral statement of the reasons for making the request. The member shall provide to the Principal Clerk, on a form provided by the Clerk, a concise written statement of the reason for the request, and the Clerk shall include this statement in the Journal.

(c) Except as provided in subsection (e) of this section, the member so excused shall not debate the bill or any amendment to the bill, vote on the bill, offer or vote on any amendment to the bill, or offer or vote on any motion concerning the bill, in committee or on the floor of the House at any reading, or any subsequent consideration of the bill.

(d) A member may request that his or her excuse from deliberations on a particular bill be withdrawn.

(e) By leave of the House, a member who has been excused from deliberations and voting on a bill may participate in deliberations and votes on amendments to which that member does not have any conflict that requires excusal.

RULE 24.1B. **Division of Amendments.** – Any member may call for an amendment to be divided into two or more amendments to be voted on separately, and the Speaker shall determine whether the amendment admits of such a division.

RULE 25. **Voting by Speaker.** – In all elections the Speaker may vote. In all other instances the Speaker may vote or may reserve this right until there is a tie in which event the Speaker may vote; but in no instance may the Speaker vote twice on the same question.

V. Committees

RULE 26. **Standing Committees Generally.** – (a) The Speaker shall appoint a chair, or cochairs, of every standing committee and select committee, if any. In the construction of these rules, the word "chair" as applied to a committee, extends to and includes a cochair of the committee. The Speaker shall have the exclusive right and authority to establish select committees, but this does not exclude the right of the House by resolution to establish select committees.

(b) The Speaker shall establish the number of members of each standing committee and appoint the members in a manner to reflect the partisan membership of the House, except that the Committee on Ethics shall have an equal number of members of the majority and minority.

(c) Before appointing members of committees, the Speaker shall consult with the Minority Leader. The Speaker and Minority Leader shall consider members' committee preferences in making appointments and recommendations.

(d) The Speaker may not appoint new members to committees after April 15 of an odd-numbered year or at any time during an even-numbered year except to fill vacancies caused by the resignation, death, removal, or inability to serve of a member. As to select committees established after March 1 of an odd-numbered year or during an even-numbered year, the Speaker may not appoint new members more than 60 calendar days after the select committee is established, except to fill vacancies caused by the resignation, death, removal, or inability to serve of a member.

(e) The Speaker may name one or more vice-chairs for any standing committee.

(f) The Chairs of the Appropriations Committee are entitled to vote in all other Appropriations Committees (Capital, Education, General Government, Health and Human Services, Information Technology, Justice and Public Safety, Agriculture and Natural and Economic Resources, and Transportation).

(g) Either the chair or acting chair, designated by the chair or by the Speaker, and five other members of the standing committee, or a majority of the standing committee, whichever is fewer, shall constitute a quorum of that standing committee. A quorum of less than a majority of all the members must include at least one member of the minority party.

(h) In any joint meeting of the Senate and House committees, the House standing committee reserves the right to vote separately.

RULE 26.1. **Mentions of Standing Committee Includes Select Committee.** – Any reference in these rules to standing committees shall extend to select committees unless the context requires otherwise.

RULE 27. **List of Standing Committees.** – The standing committees thereof are:

Committees

Aging

Agriculture

Alcoholic Beverage Control

Appropriations
- Appropriations, Capital
- Appropriations, Education
- Appropriations, General Government

Appropriations, Health and Human Services
Appropriations, Information Technology
Appropriations, Justice and Public Safety
Appropriations, Agriculture and Natural and Economic Resources
Appropriations, Transportation

Banking

Children, Youth, and Families

Commerce and
Job Development

Education – K-12

Education – Community Colleges

Education – Universities

Elections

Environment

Ethics

Finance

Health

Homeland Security, Military, and
Veterans Affairs

Insurance

Judiciary I

Judiciary II

Judiciary III

Judiciary IV

Local Government

Pensions and Retirement

Public Utilities

Regulatory Reform

Rules, Calendar, and

Operations of the House

State Personnel

Transportation

University Board of Governors
Nominating

Wildlife Resources

RULE 28. **Standing Committee Meetings.** – (a) Standing committees shall be furnished with suitable meeting places pursuant to a schedule established by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House. Select committees shall be furnished with suitable meeting places as their needs require by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House.

(b) Subject to the provisions of subsection (c) of this rule, standing committees shall permit other members of the General Assembly, the press, and the general public to attend all sessions of said standing committees.

(c) The chair or other presiding officer shall have general direction of the meeting place of the standing committee, and, in case of any disturbance or disorderly conduct therein, or if the peace, good order, and proper conduct of the legislative business is hindered by any person or persons, the Chair or presiding officer shall have power to exclude from the session any individual or individuals so hindering the legislative business.

(d) Procedure in the standing committees shall be governed by the rules of the House, so far as the same may be applicable to such procedure. Before a question is put, any member may call for the ayes and noes. The Chair shall ask, "Is the call sustained?" If the call is sustained by one-fifth of the members present and standing, the question shall be decided by the ayes and noes upon a roll call vote. All roll call votes shall be taken alphabetically and shall be subject to Rule 21(c).

(d1) The committee chair shall set the agenda for each committee meeting. After April 1, 2015, a committee may, provided there is a written request signed by at least two-thirds of the members of the committee, place a bill on the committee's agenda for the next regularly scheduled meeting of the committee.

(e) No standing committee shall meet on any day when the House shall not convene except by permission of the Speaker or by approval of the House by resolution adopted by a majority vote of the House.

(f) No standing committee shall meet during any session of the House. Standing committees shall meet at their regularly scheduled hour. Standing committees may meet at other times as authorized by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House in order to assure the availability of the meeting room and that no conflicts will exist with the meetings of other bodies. All standing committee meetings shall adjourn no later than:

(1) 15 minutes preceding a regular session of the House, and

(2) 10 minutes preceding the hour of the next regularly scheduled standing committee meeting.

Action taken by a committee in violation of this rule is voidable unless taken by unanimous consent at a meeting at which a majority of all the members of the committee are present, and at least one member present is of the minority party.

(g) Any call or notice of a standing committee meeting between legislative sessions shall be sent by electronic mail to each member of the standing committee at least five days prior to such meeting. If a member of the body so requests in writing to the chair of the

standing committee, the member shall also be notified of the meetings by mail at a designated address.

(h) During standing committee meetings, the chair may exercise the right to vote, or may reserve this right until there is a tie, in which event the chair may vote, but in no instance may the chair vote twice on the same question.

RULE 28.1. **Ethics Committee Investigations Into Violations of the Open Meetings Law.** – (a) On its own motion, or in response to signed and sworn complaint of any individual filed with the Standing Committee on Ethics, the Committee shall inquire into any alleged violation by members of the House of the Open Meetings Law (Article 33C of Chapter 143 of the General Statutes), as the same may be amended in the future.

(b) If, after such preliminary investigation as it may make, the Committee determines to proceed with an inquiry into the conduct of any individual, the Committee shall notify the individual as to the fact of the inquiry and the charges against the individual and shall schedule one or more hearings on the matter. The individual shall have the right to present evidence, cross-examine witnesses, and be represented by counsel at any hearings.

(c) After the Committee has concluded its inquiries into the alleged violations, the Committee shall dispose of the matter by taking one of the following actions:

(1) Dismiss the complaint and take no further action.

(2) Issue a private letter of reprimand to the legislator, if the legislator unintentionally violated the provisions of the Open Meetings Law.

(3) Issue a public letter of reprimand if the violation of the Open Meetings Law was intentional or if the legislator has previously received a private letter of reprimand. The Chair of the Committee on Ethics shall have the public letter of reprimand spread on the pages of the House Journal.

(4) Refer the matter to the House for appropriate action.

RULE 29. **Notice of Standing Committee Meetings and Hearings.** – (a) Notice of meetings of standing committees that will occur at the regularly scheduled meeting times shall be given by one or both of the following methods:

(1) Notice given openly at a session of the House; or

(2) Notice mailed or sent by electronic mail to those who have requested notice, and to the Legislative Services Office, which shall post the notice on the General Assembly Web site.

(b) Notice of all other meetings shall be given in the House. If the meeting is scheduled to occur after adjournment, notice shall also be given by electronic mail and posting on the General Assembly Web site.

(c) The chair of the standing committee shall notify or cause to be notified the sponsor of each bill that is set for hearing or consideration before the standing committee as to the date, time, and place of that meeting.

RULE 29.1. **Public Hearings.** – (a) Requests for a public hearing shall be made in writing to the chair of the standing committee to which the bill has been referred. The chair of the standing committee may schedule a public hearing by the standing committee as a whole after the adjournment of a regular daily House session. Denial of a request made by a House member may be appealed to the Speaker.

Notice shall be given not less than five calendar days prior to public hearings. These notices shall be issued as information for the press and shall be posted in the places designated by the Principal Clerk.

(b) Persons desiring to appear and be heard at a public hearing shall submit their requests to the chair of the standing committee. The standing committee chair may designate one or more members to arrange the order of appearance of interested parties. A brief written statement of testimony may be submitted without oral presentation and shall be incorporated into the minutes of the public hearing.

RULE 29.2. **Minutes to Legislative Library.** – The chair of a standing committee shall ensure that written minutes are compiled for each of the body's meetings. The minutes shall indicate the members present and the actions taken at the meeting. Not later than 10 days after the adjournment of each session of the General Assembly, the chair shall deliver the minutes to the Legislative Library. The Speaker of the House may grant a reasonable extension of time for filing said minutes upon written application of the chair.

RULE 30. **Committee of the Whole House.** – (a) A Committee of the Whole House shall not be formed, except by leave of the House.

(b) After passage of a motion to form a Committee of the Whole House, the Speaker shall appoint a chair to preside in the committee, and the Speaker shall leave the dais.

(c) The rules of procedure in the House shall be observed in the Committee of the Whole House, so far as they may be applicable, except the rule limiting the time of speaking and the previous question.

(d) In the Committee of the Whole House, a motion that the standing committee rise shall always be in order, except when a member is speaking, and shall be decided without debate.

(e) When a bill is submitted to the Committee of the Whole House, it shall be read and debated by sections, leaving the preamble to be last considered. The body of the bill shall not be defaced or interlined, but all amendments, noting the page and line, shall be duly entered by the Principal Clerk on a separate paper as the same shall be agreed to by the standing committee and be so reported to the House. After report, the bill shall again be subject to be debated and amended by sections before a question on its passage be taken.

VI. Handling of Bills

RULE 31. **Introduction of Bills and Resolutions.** – (a) All bills and resolutions shall be introduced by submitting same to the Principal Clerk's office on the legislative day prior to the first reading and reference thereof according to the following schedule: by 30 minutes after adjournment each Monday; and by 3:00 P.M. each Tuesday, Wednesday, Thursday, and Friday.

(b) Bills shall not become resolutions provided the Senate has a similar rule. Resolutions shall not become bills. Resolutions are not law but may be used when a law is not necessary for the purpose contained therein. Resolutions shall not be used to appropriate funds for any purpose, but may be used to create study commissions or committees or establish investigative committees, to honor deceased persons, and to adopt House rules and internal affairs. Resolutions cannot amend, repeal, or modify a statute; nor do they have life beyond the term of the session during which they are adopted.

(c) Every bill or resolution shall be read in regular order of business, except upon permission of the Speaker or on the report of a standing committee.

(d) All bills and resolutions shall show in their captions a brief descriptive statement of the true substance of same, which captions may thereafter be amended. Amendments to captions of bills are in order only if the amendment is germane to the bill. Third reading shall not be had on any bill or resolution on the same day that such caption is amended.

(e) A Substitute Bill shall be covered with the same color jacket as the original bill and shall be prefaced as follows: "House Committee Substitute for_____."

(f) House resolutions need not be read more than twice.

(g) All memorializing, celebration, commendation, and commemoration resolutions, except those honoring the memory of deceased persons, shall be excluded from introduction and consideration in the House. The mention of a deceased person as a pretext to honor an institution or a living person is prohibited. Members should utilize a "Representative Statement of Personal Privilege" as provided in Rule 8.1, as the preferred alternative to House

simple resolutions that memorialize, celebrate, commend, and commemorate, other than for those relating to deceased members of the General Assembly.

(h) Any reference in these rules to bills shall extend to resolutions unless the context requires otherwise.

RULE 31.1. **Deadlines on Introduction and Receipt; No Blank Bills; Ten Bill Limit; Single Subject Rule.** – (a) All local bills must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Wednesday, March 18, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, April 1, 2015.

(b) All public bills or resolutions recommended by commissions or standing committees authorized or directed by act or resolution of the General Assembly (i) to report to the 2015 Regular Session of the General Assembly, or to report prior to convening of that session, or (ii) which are recommended to the 2015 Regular Session of the General Assembly by a commission or committee established directly by Chapter 120 of the General Statutes, must have been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Tuesday, February 17, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, February 25, 2015.

(c) All bills prepared to be introduced for departments, agencies, or institutions of the State must have been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Tuesday, March 10, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, March 18, 2015. A bill introduced under this subsection shall be identified as an Agency Bill after its short title or in the drafting code.

(d) All public bills that would not be required to be re-referred to the Appropriations or Finance Committees under Rule 38 and all joint resolutions and House resolutions must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Thursday, April 2, 2015, and must be introduced not later than 4:00 P.M. on Tuesday, April 14, 2015.

(e) All public bills which under Rule 38 are required to be re-referred to either or both of the Appropriations Committee or the Finance Committee must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Thursday, April 2, 2015, and must be introduced not later than 3:00 P.M. on Thursday, April 16, 2015. If any bill is subject to the deadline under this subsection and the bill is amended so that all the provisions requiring referral to either or both of those committees under Rule 38 do not remain in the bill, it is not eligible for further consideration.

(f) A bill containing no substantive provisions may not be introduced in the House.

(g) No member may introduce more than 15 public bills. For the purpose of this subsection, the introducer is the member who is listed as the first sponsor. A member may assign a portion of this limit to another member electronically using the procedures established and published by the Principal Clerk. This subsection does not apply to bills or resolutions recommended by commissions or committees authorized or directed by act or resolution of the General Assembly (i) to report to the 2015 Regular Session of the General Assembly, or to report prior to convening of that session, or (ii) that are recommended to the Regular Session of the General Assembly by a commission or committee established directly by Chapter 120 of the General Statutes. This subsection does not apply to joint resolutions or House resolutions.

(h) In order to be eligible for consideration by the House during the first Regular Session, all Senate bills other than finance or appropriations bills that would be required to be re-referred to the Appropriations or Finance Committee under Rule 38 or adjournment resolutions must be received and read on the floor of the House as a message from the Senate no later than Thursday, April 30, 2015; provided that a message from the Senate received by the next legislative day stating that a bill has passed its third reading and is being engrossed

shall comply with the requirements of this subsection and provided that the Senate has a similar rule.

(i) Except by motion approved by a majority of members of the House present and voting, no public House bill other than the Current Operations Appropriations Act or the Capital Improvement Appropriations Act may contain more than one subject.

(j) This rule, other than subsections (f), (g), and (i), does not apply to bills (i) establishing districts for Congress or State or local entities, (ii) introduced on the report of the Committees on Appropriations, Finance, or Rules, Calendar, and Operations of the House, or (iii) ratifying an amendment or amendments to the Constitution of the United States. This rule does not apply to resolutions adjourning the General Assembly sine die or to a day certain.

RULE 32. **Reference to Standing Committees; Serial Referrals.** – Each bill not introduced on the report of a standing committee shall immediately upon its first reading be referred by the Speaker to such standing committee or committee of the whole as the Speaker deems appropriate. The Speaker at the same time may order that, if the bill is reported with any favorable recommendation or without prejudice, it be re-referred automatically upon the committee report to another committee designated in the order. Each joint resolution or House resolution not introduced on the report of a standing committee shall immediately upon its first reading either be referred by the Speaker to a standing committee or be calendared on the date designated by the Speaker, as the Speaker deems appropriate.

RULE 33. **Papers Addressed to the House.** – Petitions, memorials, and other papers addressed to the House shall be presented by the Speaker. A brief statement of the contents thereof may be made orally by the introducer before reference to a committee, but such papers shall not be debated or decided on the day of their first being read unless the House shall direct otherwise.

RULE 34. **Introduction of Resolutions and Bills.** – (a) House Bills shall be designated as "H.B.___." (No. following). A Joint Resolution shall be designated as "H.J.R. ___." (No. following). A House resolution shall be designated as "H.R.___." (No. following).

Whenever any resolution or bill is filed for introduction, it shall comply with the procedures established and published by the Principal Clerk.

(b) No bill may be filed for introduction if the draft contains names preprinted on the bill jacket and body of the bill (either as primary sponsors or cosponsors) unless each such member has signed the jacket.

RULE 35. **Public and Local Bills.** – (a) The Legislative Services Officer shall cause such bills as are introduced to be duplicated in such numbers as may be specified by the Speaker. Copies shall be placed in the Printed Bills Room and made available to the committees to which the bill is referred, to individual members on request, and to the general public.

(b) A public bill is a bill affecting 15 or more counties. A local bill is one affecting fewer than 15 counties.

RULE 35.1. **Assessment Reports; Municipal Incorporation Reports.** – (a) Every bill or resolution proposing the establishment of an occupational or professional licensing board or a study for the need to establish such a board shall have attached to the jacket of the original bill or resolution at the time of its consideration on second and third readings by the House or by any standing committee of the House an assessment report from the Joint Legislative Commission on Governmental Operations. The assessment report shall not constitute any part of the expression of legislative intent proposed by the formation of a licensing board.

(b) Every legislative proposal introduced in the House or received in the House from the Senate, proposing the incorporation of a municipality shall have attached to the jacket of the original bill at the time of its consideration on second or third readings by the House or by any committee of the House prior to a favorable report, a recommendation from the Municipal Incorporations Subcommittee of the Joint Legislative Committee on Local

Government, established by Article 20 of Chapter 120 of the General Statutes. The recommendation of the Municipal Incorporations Subcommittee of the Joint Legislative Committee on Local Government shall be made in accordance with the provisions and criteria set forth in Article 20 of Chapter 120 of the General Statutes and shall include the findings required to be made by G.S. 120-166 through G.S. 120-170.

RULE 36. **Report by Standing Committee.** – (a) **Reports.** – Bills and resolutions may be reported from the standing committee to which referred with such recommendations as the standing committee may desire to make.

(b) **Favorable Report.** – When a standing committee reports a bill with the recommendation that it be passed, the bill shall be placed on the favorable calendar on the day designated by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, but not on the same day that it is reported except by leave of the House, and no later than the fourth legislative day after submission of the report or Senate message under Rule 43.2 or Rule 43.3(a), unless:

(1) The bill is re-referred to the Committee on Appropriations or Committee on Finance under Rule 38 or was serially referred under Rule 32; or

(2) The bill has not yet been placed on the calendar, and the Speaker refers the bill to another committee.

In order to place a bill on the calendar for a legislative day, notice shall be given by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House orally in the House or in writing to the Principal Clerk. When a committee substitute is adopted and receives a favorable report by the committee, the standing committee chair shall submit to the standing committee the question of an unfavorable report on the original bill. The standing committee's action, if any, on the original bill shall be reported at the same time the committee substitute is reported.

(b1) **Distribution of Proposed Committee Substitutes.** – Except by leave of a committee, before a proposed committee substitute may be considered by the committee, the proposed committee substitute shall have been distributed electronically and no later than 9:00 P.M. of the preceding calendar day to the members of the committee and to the member who is listed as the first sponsor.

(c) **Report Without Prejudice.** – When a standing committee reports a bill without prejudice, the bill shall be placed on the favorable calendar in the same manner as provided in subsection (b) of this rule.

(d) **Postponed Indefinitely.** – When a standing committee reports a bill with the recommendation that it be postponed indefinitely and no minority report accompanies it, the bill shall be placed on the unfavorable calendar.

(e) **Unfavorable Report.** – When a standing committee reports a bill with the recommendation that it not be passed and no minority report accompanies it, the bill shall be placed on the unfavorable calendar.

(f) **Minority Report.** – When a bill is reported by a standing committee with a recommendation that it not be passed or that it be postponed indefinitely but it is accompanied by a minority report signed by at least one-fourth of the members of the standing committee who were present and voting when the bill was considered in standing committee, the question before the House shall be: "The adoption of the minority report." If the minority report is adopted by majority vote, the bill shall be placed on the favorable calendar for consideration. If the minority report fails of adoption by a majority vote, the bill shall be placed on the unfavorable calendar.

RULE 36.1. **Fiscal Notes.** – (a) The Chair or Cochair of the Appropriations Committee, of the Finance Committee, or of the Standing Committee on Rules, Calendar, and Operations of the House, upon the floor of the House, may request that a fiscal analysis be made of a bill, resolution, or an amendment to a bill or resolution which is in the possession of

the House and that a fiscal note be attached to the measure, which request shall be allowed when, in the opinion of the Speaker, the fiscal effects of that measure are not apparent from the language of the measure. When a request is properly made under this subsection, the bill is removed from the calendar until such time that the fiscal note is attached to the measure.

(b) The fiscal note shall be filed and attached to the bill or amendment within two legislative days of the request, and a copy shall be sent by electronic mail to each member. If it is impossible to prepare a fiscal note within two legislative days, the Director of Fiscal Research shall, in writing, so advise the Speaker, the Principal Clerk, the Majority Leader, the Minority Leader, and the member introducing or proposing the measure and shall indicate the time when the fiscal note will be ready.

(c) The fiscal note shall be prepared by the Fiscal Research Division on a form approved by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House as to content and form and signed by the staff member or members preparing it. If no estimate in dollars is possible, the fiscal note shall indicate the reasons that no estimate is provided. The fiscal note shall not comment on the merit but may identify technical problems. The Fiscal Research Division shall make the fiscal note available to the membership of the House.

(d) A sponsor of a bill or amendment may deliver a copy of the bill or amendment to the Fiscal Research Division for the preparation of a fiscal note. The sponsor shall attach the fiscal note to the bill when filed or to the amendment when its adoption is moved.

(e) The sponsor of a bill or amendment to which a fiscal note is attached who objects to the estimates and information provided may reduce to writing the objections. These objections shall be appended to the fiscal note attached to the bill or amendment and to the copies of the fiscal note available to the membership.

(f) Subsection (a) of this rule shall not apply to the Current Operations Appropriations Bill or the Capital Improvement Appropriations Bill. This rule shall not apply to a bill or amendment requiring an actuarial note under these rules.

RULE 36.2. **Actuarial Notes.** – (a) Every bill or resolution proposing any change in the law relative to any:

(1) State, municipal, or other retirement system funded in whole or in part out of public funds; or

(2) Program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds;

shall have attached to it at the time of its consideration by any standing committee a brief explanatory statement or note which shall include a reliable estimate of the financial and actuarial effect of the proposed change to that retirement or pension system. The actuarial note shall be attached to the jacket of each proposed bill or resolution which is reported favorably by any standing committee, shall be separate therefrom, and shall be clearly designated as an actuarial note. A bill described in subdivision (a)(1) of this rule shall be referred to the Committee on State Personnel upon its introduction in accordance with G.S. 120-111.3.

(b) The sponsor of the bill or resolution shall present a copy of the measure, with a request for an actuarial note, to the Fiscal Research Division, which shall prepare the actuarial note as promptly as possible but not later than two weeks after the request is made, unless an extension of time is agreed to by the sponsor as being necessary in the preparation of the note. Actuarial notes shall be prepared in the order of receipt of request and shall be transmitted to the sponsor of the measure. The actuarial note of the Fiscal Research Division shall be prepared and signed by an actuary.

(c) The sponsor of the bill or resolution shall also present a copy of the measure to the actuary employed by the system or program affected by the measure. Actuarial notes shall be prepared and transmitted to the sponsor of the measure not later than two weeks after

the request is received, unless an extension of time is agreed to by the sponsor as being necessary in the preparation of the note. The actuarial note shall be attached to the jacket of the measure. The provisions of this subsection may be waived by the measure's sponsor for a measure affecting local government retirement or pension plans not administered by the State or any local government program of hospital, medical, disability, or related benefits for local government employees not administered by the State.

(d) The note shall be factual and shall, if possible, provide a reliable estimate of both the immediate effect and, if determinable, the long-range fiscal and actuarial effect of the measure. If, after careful investigation, it is determined that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the actuarial note with regard to the merits of the measure for which the note is prepared. Technical and mechanical defects in the measure may be noted.

(e) When any permanent committee reports a measure to which an actuarial note is attached at the time of permanent committee consideration, with any amendment of such nature as would substantially affect the cost to or the revenues of any retirement or pension system, or program of hospital, medical, disability, or related benefits for teachers or State employees, the chair of the standing committee reporting the measure shall obtain from the Fiscal Research Division an actuarial note of the fiscal and actuarial effect of the proposed amendment. The actuarial note shall be attached to the jacket of the measure. An amendment to any bill or resolution shall not be in order if the amendment affects the costs to or the revenues of a State-administered retirement or pension system, or program of hospital, medical, disability, or related benefits for teachers or State employees, unless the amendment is accompanied by an actuarial note, prepared by the Fiscal Research Division, as to the actuarial effect of the amendment.

(f) The Fiscal Research Division shall make all relevant actuarial notes available to the membership of the House.

RULE 36.3. **Local Legislation Affecting State Highway System.** – A local bill affecting the State Highway System shall be referred to the Committee on Transportation.

RULE 36.4. **Content of Appropriations Bills.** – No provision shall be contained in any of the following bills unless it pertains to the appropriation of money or the raising or reducing of revenue: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium. If a point of order is made against such a provision and is sustained, the presiding officer shall refer the bill to the committee from which it came, with instructions for the chair of the committee to immediately report out a substitute or amendment removing the offending provision.

RULE 37. **Removing Bill From Unfavorable Calendar.** – A bill may be removed from the unfavorable calendar upon motion carried by a two-thirds vote. A motion to remove a bill from the unfavorable calendar is debatable.

RULE 38. **Reports on Appropriation and Revenue Bills.** – (a) All standing committees, other than the Standing Committees on Appropriations, when favorably reporting any bill or resolution that:

(1) Carries an appropriation from the State; or

(2) Requires or will require in the future substantial additional State monies from the General Fund or Highway Fund to implement its provisions shall indicate same in the report, and said bill or resolution shall be referred to the Standing Committees on Appropriations for a further report before being acted upon by the House.

(b) All standing committees, other than the Standing Committee on Finance, when favorably reporting any bill that in any way or manner raises revenue, reduces revenue,

levies a tax, authorizes the levying of a tax, an assessment, or a fee, or authorizes the issue of bonds or notes, whether public or local, shall indicate same in the report, and said bill shall be referred to the Standing Committee on Finance for a further report before being acted upon by the House. This subsection shall not apply to bills only imposing fines, forfeitures, or penalties.

(c) Action on Amendment Before Re-Referral. – If any standing committee recommends adoption of an amendment or committee substitute of a bill which, under the rules of the House, must be referred to the Standing Committees on Appropriations or the Standing Committee on Finance, the amendment or committee substitute shall be considered and, if adopted, the amendment or substitute engrossed before the bill is re-referred.

RULE 39. **Discharge Petition.** – (a) A motion to discharge a committee from consideration of a bill may be filed with the Principal Clerk by a primary sponsor of that measure if accompanied by a petition asking that the committee be discharged from further consideration of the bill. No motion may be filed until 10 legislative days after the bill has been referred to the committee. No petition may be filed until notice has been given on the floor of the House that the petition is to be filed and the primary sponsor giving notice has obtained a fiscal note from the Fiscal Research Division on the bill, which note shall be attached to the petition. Members may sign the petition only in the office of the Principal Clerk, and when the signatures of 61 members appear on the petition, the Principal Clerk shall place that motion on the calendar for the next legislative day as a special order of business. Members may withdraw their names at any time until 61 names appear. If the motion is adopted by the House, then the committee to which the bill or resolution has been referred is discharged from further consideration of the bill, and that bill is placed on the calendar for the next legislative day as a special order of business. The Principal Clerk shall provide a form for discharge petitions.

(b) This rule shall not be temporarily suspended without one day's notice on the motion given in the House and delivered in writing to the chair of the standing committee, and to sustain that motion two-thirds of the members shall be required.

RULE 39.2. **Re-Referral of Bills From One Standing Committee to Another Standing Committee.** – Upon consent of the sponsor of the bill, the Speaker, the chair of the standing committee from whom the bill is to be re-referred, and the chair of the standing committee to whom the bill is to be re-referred, the chair of the standing committee from whom the bill is to be re-referred, or the Chair of the Standing Committee on Rules, Calendar, and Operations of the House may move for a re-referral to another standing committee, and the bill shall be re-referred upon vote of the majority present during a regular session of the House.

RULE 40. **Calendars and Schedules of Business.** – The Clerk of the House shall prepare a daily schedule of business, including the Calendar of Bills and Resolutions for consideration and debate that day, in accordance with the Order of Business of the Day (Rule 5). The Clerk shall number all bills and resolutions in the order in which they are introduced. All bills and resolutions shall be taken up as they appear in each category (Rule 5(10)). Except by leave of the House, the Speaker shall not vary from the order.

RULE 41. **Reading of Bills.** – (a) Every bill shall receive three readings in the House prior to its passage. The first reading and reference to standing committee of a House bill shall occur on the next legislative day following its introduction. The first reading and reference to standing committee of a Senate bill shall occur on the next legislative day following its receipt on messages from the Senate. The Speaker shall give notice at each subsequent reading whether it is the second or third reading.

(b) No bill shall be read more than once on the same day without the concurrence of two-thirds of the members present and voting; provided, no bill governed by Article II, Section 23 of the North Carolina Constitution herein shall be read twice on one day under any circumstance.

RULE 42. **Effect of a Defeated Bill.** – (a) Subject to the provisions of subsection (b) of this rule, after a bill has:

(1) Been tabled,
(2) Been postponed indefinitely,
(3) Failed to pass on any of its readings, or
(4) Been placed on the unfavorable calendar,

the contents of that bill or the principal provisions of its subject matter shall not be considered in any other measure originating in the Senate or originating thereafter in the House. Upon the point of order being raised and sustained by the chair, that measure shall be laid upon the table, and shall not be taken therefrom except by a two-thirds vote of the members present and voting.

(b) No local bill shall be held by the chair to embody the contents of or the principal provisions of the subject matter of any statewide measure which has been laid on the table, has failed to pass on any of its readings, or has been placed on the unfavorable calendar.

RULE 43. **Amendments.** – (a) No amendment to a measure before the House shall be in order unless the amendment is germane to the measure under consideration. A House amendment deleting a previously adopted House amendment shall not be in order, except that this sentence does not apply to amendments adopted under Rule 38(c). No amendment that is clearly unconstitutional shall be in order.

Only one principal (first degree) amendment shall be pending at any one time. If a subsequent or substitute principal amendment shall be offered, the Speaker shall rule it out of order. However, any member desiring to offer a subsequent or substitute principal amendment in opposition to the pending amendment may inform the House by way of argument against the pending amendment that if it is defeated the member proposes to offer another principal amendment, and the member may then read and explain such proposed amendment.

Perfecting (or second degree) amendments may be offered and considered without limitation as to number, and in the event of multiple perfecting amendments, they shall be voted upon in inverse order.

(b) The following rules apply when considering: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium:

(1) Amendments cannot increase total spending within a committee area beyond the total for that committee as shown in the committee report.
(2) Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee.
(3) Amendments cannot increase total spending, from any source, beyond the total amount shown in the committee report.
(4) Amendments that cause the budget to be unbalanced are not in order.
(5) Amendments cannot spend reversions.
(6) Amendments cannot make nonrecurring reductions to fund recurring items.

(c) When offering an amendment, the member shall deliver the signed original amendment to the Principal Clerk and a copy to the Chair of the Committee on Rules, Calendar, and Operations of the House.

RULE 43.1. **Engrossment.** – Bills and resolutions, except those making appropriations, which originate in the House and which are amended, shall be engrossed before being sent to the Senate.

RULE 43.2. **House Concurrence in Senate Amendments to House Bills.** – When the House receives a Senate amendment to a bill originating in the House, it shall be placed on the calendar in accordance with Rule 36(b).

RULE 43.3. **Committee Substitutes Adopted by the Senate to Bills Originating in the House; Procedure for Treatment of Material Amendments Thereto.** – (a) Whenever the Senate has adopted a committee substitute for a bill originating in the House and has

returned the bill to the House for concurrence in that committee substitute, it shall be placed on the calendar in accordance with Rule 36(b).

(b) The Speaker shall rule whether the committee substitute is a material amendment under Article II, Section 23 of the North Carolina Constitution which reads:

"**Revenue bills.** – No law shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State, or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal."

If the committee substitute was referred to standing committee, the standing committee shall:

(1) Report the bill with the recommendation either that the House do concur or that the House do not concur; and

(2) Advise the Speaker as to whether or not that committee substitute is a material amendment under Article II, Section 23 of the North Carolina Constitution.

(c) If the committee substitute for a bill is not a material amendment, the question before the House shall be concurrence.

(d) If the committee substitute for a bill is a material amendment, the receiving of that bill on messages shall constitute first reading, and the question before the House shall be concurrence on second reading. If the motion is passed, the question then shall be concurrence on third reading on the next legislative day.

(e) No committee substitute adopted by the Senate for a bill originating in the House may be amended by the House.

RULE 44. **Conference Standing Committees.** – (a) Whenever the House shall decline or refuse to concur in amendments put by the Senate to a bill originating in the House, or shall refuse to concur in a substitute adopted by the Senate for a bill originating in the House, or whenever the Senate shall decline or refuse to concur in amendments put by the House to a bill originating in the Senate, or shall refuse to concur in a substitute adopted by the House for a bill originating in the Senate, a conference committee may be appointed by the Speaker upon the Speaker's own motion and shall be appointed upon request by the principal sponsor of the original bill, the chair of the House standing committee that reported the bill, or the sponsor of the amendment in which the Senate refused to concur; and the bill under consideration shall thereupon go to and be considered by the joint conferees on the part of the House and Senate. In appointing members to conference committees, the Speaker shall appoint no less than a majority of members who generally supported the House position as determined by the Speaker.

(b) The conference report may be made by a majority of the House members of such conference committee and shall not be amended. If the Senate has a similar rule, only such matters as are in difference between the two houses shall be considered by the conferees, and the conference report shall deal only with such matters. If the Senate does not have a similar rule, a conference committee report which includes significant matters that were not in difference between the houses, shall be referred to a standing committee for its recommendation before further action by the House.

(c) If the conferees fail to agree or if either house fails to adopt the report of its conferees, new conferees may be appointed.

(d) No vote shall be taken on adoption of a conference report until the next legislative day following the report, except that no vote shall be taken on adoption of a conference report on either the Current Operations Appropriations Bill or a bill generally

revising the Current Operations Appropriations Act until the third legislative day following the report.

RULE 44.1. **Transmittal of Bills to Senate.** – Unless ordered by the Speaker or two-thirds vote of the members present and voting, no bill shall be sent from the House on the day of its passage, except on the last day of the session.

RULE 44.2. **Veto Override.** – (a) Other than in a reconvened session, no vote shall be taken on overriding a gubernatorial veto on a House bill until the second legislative day following notice of its placement on the calendar.

(b) Other than in a reconvened session, no vote shall be taken on overriding a gubernatorial veto on a Senate bill until the legislative day following notice of its placement on the calendar.

VII. Legislative Officers and Employees

RULE 45. **Elected Officers.** – (a) The House shall elect its Speaker from among its membership.

(b) The House shall elect its Speaker Pro Tempore from among its membership who shall perform such duties as the Speaker may assign.

(c) The House shall elect a Principal Clerk, who shall continue in office until another is elected. The Speaker may appoint a Reading Clerk and shall appoint a Sergeant-at-Arms, both of whom shall serve at the Speaker's pleasure. The Principal Clerk, Reading Clerk, and Sergeant-at-Arms shall have and perform duties and responsibilities, not inconsistent with these rules, as the Speaker may assign. Unless directed otherwise by the Speaker on behalf of the House, the Principal Clerk or an employee designated by the Principal Clerk shall receive House bills not approved by the Governor.

RULE 46. **Assistants to Principal Clerk and Sergeant-at-Arms.** – The Principal Clerk and the Sergeant-at-Arms may appoint, with the approval of the Speaker, such assistants as may be necessary to the efficient discharge of the duties of their respective offices.

RULE 47. **Speaker's Staff; Chaplain; and Pages.** – (a) The Speaker may appoint one or more staff members to the Speaker, a Chaplain of the House, and pages to wait upon the sessions of the House.

(b) When the House is not in session, the pages shall be under the supervision of the Supervisor of Pages.

(c) The Speaker, at the request of a member, may appoint honorary pages.

RULE 48. **Member's Staff.** – (a) Each standing committee shall have a committee assistant. The committee assistant to a standing committee shall serve as staff to the chair of the standing committee.

(b) Each member shall be assigned a legislative assistant, unless the member has a committee assistant to serve as legislative assistant.

(c) The selection and retention of committee assistants, legislative assistants, and office assistants shall be the sole prerogative of the individual member or members. Such staff shall file initial applications for employment with the Principal Clerk and shall receive compensation as prescribed by the Legislative Services Commission. The employment period of such staff shall commence not earlier than the convening date of the General Assembly and shall terminate not later than the final adjournment or recess of the General Assembly unless employment for an extended period is approved by the Speaker. The committee assistants, legislative assistants, and office assistants shall adhere to such uniform rules and regulations not inconsistent with these rules regarding hours and other conditions of employment as the Legislative Services Commission shall fix by appropriate regulations.

RULE 49. **Compensation of Legislative Assistants.** – No clerk, committee assistant, legislative assistant, office assistant, or other person employed or appointed under Rules 46, 47, and 48 hereof shall receive during such employment, appointment, or service any compensation from any department of the State government, and there shall not be voted, paid,

or awarded any additional pay, bonus, or gratuity to any of them; but they shall receive only the pay now provided by law for such duties and services. This rule shall not apply to employment, appointment, or service, or to the receipt of compensation or additional pay, bonus, or gratuity from another department of State government between regular sessions of the General Assembly.

VIII. Privileges of the Hall

RULE 50. **Admittance to Floor.** – No person except members, officers, and designated employees of the General Assembly who have been issued identification tags as provided by this rule, and former members of the General Assembly who are not registered under the provisions of Article 2 of Chapter 120C of the General Statutes, shall be allowed on the floor of the House during its session, unless permitted by the Speaker or otherwise provided by law. Employees of the General Assembly shall wear identification tags, approved by the Legislative Services Officer, when on the floor of the House.

RULE 51. **Admittance of Press.** – Reporters wishing to take down debates may be admitted by the Speaker, who shall assign such places to them on the floor or elsewhere, to effect this object, as shall not interfere with the convenience of the House. Reporters admitted to the floor of the House shall observe the same requirements of attire for members contained in Rule 12(h).

RULE 52. **Extending Courtesies.** – Courtesies of the floor, galleries, or lobby shall be extended at the discretion of the Speaker and only by the Speaker. Requests by members to extend these courtesies shall be delivered to the Speaker. No member shall orally ask the Speaker to extend these courtesies during the daily session.

RULE 53. **Order in House Chamber, Galleries, and Lobby.** – In case of any disturbance or disorderly conduct in the House Chamber, galleries, or lobby, the Speaker or other presiding officer is empowered to order the same to be cleared to the extent they deem necessary.

IX. General Rules

RULE 54. **Attendance of Members.** – No member or officer of the House shall be absent from the service of the House without leave, unless from sickness, pregnancy, military service, or disability.

RULE 55. **Documents to Be Signed by the Speaker.** – All acts, addresses, and resolutions and all warrants and subpoenas issued by order of the House shall be signed by the Speaker or other presiding officer.

RULE 56. **Printing or Reproducing Materials.** – There shall be no printing or reproducing of paper(s) that are not legislative in essence except upon approval of the Speaker.

RULE 57. **Placement or Circulation of Materials.** – Persons other than members of the House shall not place or cause to be placed any materials on members' desks in the House Chamber without obtaining approval of the Speaker. Any material placed on members' desks in the House Chamber, or circulated to House members anywhere in the Legislative Building or the Legislative Office Building, shall bear the name of the originator.

RULE 58. **Rules, Rescission, and Alteration.** – (a) These rules shall not be permanently rescinded or altered except by House simple resolution passed by a two-thirds vote of the members present and voting. The introducer of the resolution must on the floor of the House give notice of intent to introduce the resolution on the legislative day preceding its introduction.

(b) Except as otherwise provided herein, the House upon two-thirds vote of the members present and voting may temporarily suspend any rule.

RULE 59. **Cosponsorship of Bills and Resolutions, Removal of Sponsorship.** – (a) Except by leave of the primary sponsor, or as provided in subsection (d) of this section, no member may be listed as an additional primary sponsor on a bill after the bill has been filed. Except as provided in subsection (d) of this section, any member not listed as a preprinted

cosponsor on the computer-generated draft edition who wishes to cosponsor a bill or resolution which has been introduced may do so by 5:00 P.M. of the calendar day following the adjournment of the session during which such bill or resolution was first read and referred, but only electronically under procedures approved by the Principal Clerk.

(b) Members wishing to cosponsor legislation prior to preparation of the draft should indicate such to the drafter at the time the bill is requested and before filing the bill with the Principal Clerk's office. The names of the members who are the primary sponsors shall be listed in the order requested by them, followed by the words (Primary Sponsors); and the remaining names of such members cosponsoring shall follow on the draft edition and first edition. No more than four members may be listed as primary sponsors. Names of persons cosponsoring bills thereafter under subsection (a) of this Rule do not appear on subsequent editions but shall be listed in the bill status system as cosponsors.

(c) No member shall permit anyone, other than that member's committee assistant, legislative assistant, office assistant, or another member, to have possession of and solicit for bill or resolution sponsorship, the jacket of a bill or resolution.

(d) Should any member wish to remove the member's sponsorship of a bill that is substantially changed by a Senate amendment or a Senate committee substitute, the member shall notify the House Principal Clerk before the bill is considered for concurrence. If no sponsors remain on the bill, the House Principal Clerk shall notify the Chairman of the Committee on Rules, Calendar, and Operations of the House who may request that other members sponsor the bill. Removal of the first primary sponsor's name from a bill does not reduce the total number of bills introduced by the member under Rule 38(g), and sponsorship of a bill after removal of all sponsors is subject to Rule 38(g).

RULE 60. **Correcting of Typographical Errors.** – The Legislative Services Officer may correct typographical errors appearing in House bills or resolutions or House amendments to Senate bills provided that such corrections are made before ratification and do not conflict with any actions or rules of the Senate and provided further that such correction be approved by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, the Speaker, or other presiding officer.

RULE 61. **Assignment of Seats.** – After initial assignment of seats, a member shall continue to occupy the seat to which initially assigned until assigned a permanent seat; once assigned a permanent seat, the member shall occupy it for the entire biennial session. In event of vacancy, the Speaker or the Chair of the Standing Committee on Rules, Calendar, and Operations of the House may assign such permanent seats as are necessary to maintain seating.

RULE 61.1. **Office Assignments.** – The Chair of the Standing Committee on Rules, Calendar, and Operations of the House shall assign to each member an office space. When available, chairs of standing committees shall be assigned an office adjacent to the room in which the standing committee generally meets if the Chair so desires. The Speaker shall be assigned an office of his or her choice.

RULE 61.2. **Convening and Assigning Seats in the New House.** – (a) The Principal Clerk of the previous House of Representatives shall convene the House of Representatives at 9:00 A.M. on the date established by law for the convening of each regular session and preside over the body until the members elect a Speaker. In the case of a vacancy, inability, or refusal to so serve, the duty shall devolve upon the Sergeant-at-Arms of the prior House, and in the case of a vacancy in that office, or inability or refusal to so serve, the duty shall devolve upon the Reading Clerk of the prior House.

(b) It shall be the duty of the Chair of the Standing Committee on Rules, Calendar, and Operations of the House of the prior House to assign temporary seats to the members of the House of Representatives in its Chamber. In the case of the inability or refusal to serve of the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, the Speaker of the prior House of Representatives shall appoint a person to assign seats

to members of the House of Representatives in its Chamber. In the event that the party that had a majority of members in the prior House will no longer have a majority of members in the new House, then the duty assigned in this subsection to the Chair of the Committee of the prior House shall instead be the duty of the person nominated as Speaker by the majority party caucus for the new House, or some member-elect designated by the Speaker-nominee. In the event no party will have a majority, then the duty assigned in this subsection to the Chair of the Committee of the prior House shall instead be the joint duty of one person chosen each by the caucuses of the two parties having the greatest numbers of members.

RULE 62. **Matters Not Covered in These Rules.** – Except as herein set out, the rules of Mason's Manual of Legislative Procedure, 2010 Edition, shall govern the operation of the House. Custom and usage may supplement these rules or Mason's Manual, but may not supercede them.

SECTION 2. This resolution is effective upon adoption.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

BILL DRAFT 2015-MM-42H [v.1] (02/23)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/1/2015 1:04:09 PM

Sponsors: Representative Lewis.

Referred to:

A HOUSE RESOLUTION ADOPTING THE ~~TEMPORARY~~ PERMANENT RULES OF THE HOUSE OF REPRESENTATIVES FOR THE 2015 GENERAL ASSEMBLY

Be it resolved by the House of Representatives:

SECTION 1. The ~~temporary~~ permanent rules of the Regular Session of the House of Representatives of the 2015 General Assembly are:

~~TEMPORARY~~ PERMANENT RULES OF THE HOUSE OF REPRESENTATIVES FOR THE REGULAR SESSION OF THE 2015 GENERAL ASSEMBLY OF NORTH CAROLINA

I. Order of Business, 1-5
II. Conduct of Debate, 6-12
III. Motions, 13-19
IV. Voting, 20-25
V. Committees, 26-30
VI. Handling of Bills, 31-44.2
VII. Legislative Officers and Employees, 45-49
VIII. Privileges of the Hall, 50-53
IX. General Rules, 54-62

I. Order of Business

RULE 1. **Convening Hour, Limitation on Friday, Night, and Sunday Legislative Sessions.** – The House shall convene each legislative day at the hour fixed by the House. In the event the House adjourns on the preceding legislative day without having fixed an hour for reconvening, the House shall convene on the next legislative day at 2:00 P.M. During January and February of 2015, no sessions may be held on Friday. Without leave of the House, no session shall continue after 10:00 P.M. on Monday nor after 9:00 P.M. on any other days, and the Speaker shall adjourn the House without motion at that point, except that a motion may be made as to the time and day of next convening. No votes shall be held on Sunday, except for votes on motions to approve the journal and to adjourn.

RULE 1.1. **Emergencies.** – In the event of a disaster, natural or otherwise, that precludes the General Assembly from meeting in the Legislative Building, the members will be notified by the Speaker where and when the House will convene.

RULE 2. **Opening the Session.** – The Sergeant-at-Arms shall clear the House five minutes before the convening hour. At the convening hour on each legislative day, the Speaker shall call the members to order and shall have the session opened with prayer. At the convening hour, the Speaker, or the Speaker's designee, shall lead the members in the Pledge of Allegiance to the American Flag.

RULE 3. **Quorum.** – (a) A quorum consists of a majority of the qualified members of the House.

(b) Should the point of a quorum be raised, the doors shall be closed, and the Clerk shall call the roll of the House, after which the names of those not responding shall again be called. In the absence of a quorum, 15 members are authorized to compel the attendance of absent members and may order that absentees for whom no sufficient excuses are made be taken into custody wherever they may be found by special messenger appointed for that purpose.

RULE 4. **Approval of Journal.** – (a) The Chair of the Standing Committee on Rules, Calendar, and Operations of the House shall cause the Journal of the House to be examined daily before the hour of convening to determine if the proceedings of the previous day have been correctly recorded.

(b) Immediately following the opening prayer and upon appearance of a quorum, the Speaker shall call for the Journal report by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, or by a Representative designated by the Chair, as to whether the proceedings of the previous day have been correctly recorded. Without objection, the Speaker shall cause the Journal to stand approved.

RULE 5. **Order of Business of the Day.** – After the approval of the Journal of the preceding day, except by leave of the House, the House shall proceed to business in the following order:

(1) The receiving of petitions, memorials, and papers addressed to the General Assembly or to the House;
(1a) Messages from the Governor;
(2) Ratification of bills;
(3) Reports of standing committees;
(4) Reports of select committees;
(6) First reading and reference to committee of bills and resolutions;
(7) Messages from the Senate;
(8) Concurrence with Senate amendments or Senate committee substitutes;
(9) The unfinished business of the preceding day;
(10) Calendar (each category in accordance with Rule 40 – House bills first):
  a. Resolutions for adoption
  b. Conference reports for adoption
  c. Local bills (roll call), third reading
  d. Local bills (roll call), second reading
  e. Local bills, third reading
  f. Local bills, second reading
  g. Public bills (roll call), third reading
  h. Public bills (roll call), second reading
  i. Public bills and resolutions, third reading
  j. Public bills and resolutions, second reading;
(11) Reading of notices and announcements.
(12) Reading of Representative Statements of Personal Privilege.

II. Conduct of Debate

RULE 6. **Duties and Powers of the Speaker.** – The Speaker shall have general direction of the Hall, subject to more specific provisions of these rules. The Speaker may name any member to perform the duties of the chair, but substitution shall not extend beyond one day, except in the case of sickness or by leave of the House. If the Speaker is absent and has not designated a member or the Principal Clerk to perform the duties of the chair, the Speaker Pro Tempore shall preside during such absence. In the case of a vacancy in the office of the

Speaker of the House of Representatives, the Principal Clerk shall preside over the House until the House elects a Speaker.

RULE 7. **Obtaining Floor.** – (a) When any member desires recognition for any purpose, the member shall rise and respectfully address the Speaker. No member shall proceed until recognized by the Speaker for a purpose.

(b) When a member desires to interrupt a member having the floor, the member shall first obtain recognition by the Speaker and permission of the member occupying the floor, and when such recognition and permission have been obtained, he or she may propound a question to the member occupying the floor; but he or she shall not otherwise interrupt the member having the floor, except as provided in subsection (c) of this rule; and the Speaker shall, without the point of order being raised, enforce this rule.

(c) A member who has obtained the floor may be interrupted only for the following reasons:

(1) A request that the member speaking yield for a question,

(2) A point of order,

(3) A parliamentary inquiry, or

(4) A question of privilege.

RULE 8. **Questions of Privilege.** – Upon recognition by the Speaker for that purpose, any member may speak to a question of privilege for a time not to exceed three minutes. Questions of privilege shall be those affecting, first, the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of members, individually, in their representative capacity only; and shall have precedence over all other questions, except motions to adjourn. Privilege may not be used to explain a vote or debate a bill. The Speaker shall determine if the question is one of privilege and shall, without the point of order being raised, enforce this rule.

RULE 8.1. Statements **of personal privilege; explanation of vote.** – Upon recognition by the Speaker for that purpose, any member may speak to a question of personal privilege for a time not exceeding three minutes, and may use some or all of that time to explain to the House a "Representative Statement of Personal Privilege." Upon motion supported by a majority present and voting, that statement may be spread upon the Journal. Neither personal privilege nor a Representative Statement of Personal Privilege may be used to explain a vote, debate a bill, or in any way disrupt the regular business of the House, nor shall such opportunities be used to solicit support or sponsors for any bill. The format of Representative Statement of Personal Privilege shall be prescribed by the Chairman of the Committee on Rules, Calendar, and Operations of the House, but in any case shall speak only in the voice of the member submitting it. The Speaker shall determine if the question raised is one of personal privilege and shall, without the point of order being raised, enforce this rule.

RULE 9. **Points of Order.** – (a) The Speaker shall decide questions of order and may speak to points of order in preference to other members arising from their seats for that purpose. Any member may appeal from the ruling of the chair on questions of order; on such appeal no member may speak more than once, unless by leave of the House. A three-fifths vote of the members present shall be necessary to sustain any appeal from the ruling of the chair.

(b) When the Speaker calls a member to order, the member shall be seated, except that a member called to order may clear a matter of fact, or explain, but shall not proceed in debate so long as the decision stands. If the member appeals from the ruling of the chair and the decision by a three-fifths vote of the members present be in favor of the member called to order, the member may proceed; if otherwise, the member shall not; and if the case, in the judgment of the House requires it, the member shall be liable to censure by the House.

RULE 10. **Limitations on Debate.** – (a) No member shall speak on, debate, or solicit cosponsors for a bill or resolution at its first reading.

(b) No member shall speak more than twice on the main question nor longer than 15 minutes for the first speech and five minutes for the second speech; nor shall the member speak more than twice upon an amendment or motion to reconsider, re-refer, appeal, or postpone or any motion on concurrence, and then not longer than 10 minutes for the first speech and five minutes for the second speech.

(c) A member may speak only once and for not more than 10 minutes on the question of the adoption of a minority report.

(d) In computing the time allowed for argument, the time consumed in answering questions should be considered and is taken out of any time allowed that member.

(e) The House, by consent of a majority of the members present, may suspend the operation of subsections (b) through (d) of this rule during any debate on any particular question before the House.

RULE 11. **Reading of Papers.** – When there is a call for the reading of the text of a paper which has been presented to the House and there is objection to such reading, the question shall be determined by a majority vote of the members of the House present. Except for protests permitted by the Constitution, no member may have material printed in the Journal until said material has been presented to the House and the printing approved by the House, and said material shall not exceed 1,000 words.

RULE 12. **General Decorum.** – (a) The Speaker shall preserve order and decorum.

(b) Decency of speech shall be observed and disrespect to personalities carefully avoided.

(c) When the Speaker is putting any question, or addressing the House, no person shall speak, stand up, walk out of, or cross the House nor, when a member is speaking, engage in disruptive discourse or pass between the member and the chair.

(d) Food or beverages shall not be permitted on the floor of the House during the first hour of the daily session.

(e) The reading of newspapers shall not be permitted on the floor of the House while the House is in session.

(f) The consumption of food or beverages shall not be permitted in the galleries at any time.

(g) Special recitals and performances by musicians or other groups shall not be permitted on the floor of the House; and special guests of members of the House shall not be permitted on the floor of the House.

(h) Members shall observe appropriate attire, coat and tie for male members and dignified dress for female members.

(i) The use of ~~wireless telephones~~ a mobile device or cellular phone for the purpose of making or receiving a phone call shall not be permitted in the House Chamber.

(j) Placards, stickers, or signs are not permitted in the House Chamber.

III. Motions

RULE 13. **Motions Generally.** – (a) Every motion shall be reduced to writing if the Speaker or any two members request it. No motion relating to a bill shall be in order that does not identify the bill by its number and short title.

(b) When a motion is made, it shall be stated by the Speaker or, if written, it shall be handed to the chair and read aloud by the Speaker or Clerk before debate.

(c) After a motion has been stated by the Speaker or read by the Speaker or Clerk, it shall be in the possession of the House; but it may be withdrawn before a decision or amendment, except in case of a motion to reconsider, which motion, when made by a member, shall be in possession of the House and shall not be withdrawn without leave of the House.

RULE 14. **Motions, Order of Precedence.** – When there are motions before the House, the order of precedence is as follows:

To adjourn.

To recess.
To lay on the table.
Previous question.
To postpone indefinitely.
To reconsider.
To postpone to a day certain.
To re-refer.
To amend an amendment.
To amend.
To pass the bill.

No motion to lay on the table, to postpone indefinitely, to postpone to a day certain, to re-refer, or to make a particular amendment, being decided, shall be again allowed at the same stage of the bill or proposition.

RULE 15. **Motion to Adjourn.** – (a) A motion to adjourn shall be seconded before the motion is put to the vote of the House.

(b) A motion to adjourn shall be decided without debate and shall always be in order, except when the House is voting or some member is speaking; but a motion to adjourn shall not follow a motion to adjourn until debate or some other business of the House has intervened.

RULE 16. **Motion to Table.** – (a) A motion to table shall be seconded before the motion is put to the vote of the House and is in order except when a motion to adjourn or to recess is before the House.

(b) A motion to table shall be decided without debate; however, the proponent of the matter that is subject of the motion to table shall be given up to two minutes to explain the matter subject to the motion to table if the proponent has not previously explained the matter prior to the motion to table.

(c) A motion to table a bill shall constitute a motion to table the bill and all amendments thereto.

(d) When the question before the House is the adoption of an amendment to a bill or resolution, a motion to table the bill is not in order; and a motion to table an amendment applies to the amendment only, and the motion may not expressly or by implication or construction be expanded to include a motion to table the bill also.

(e) When a question has been tabled, it shall not thereafter be considered, except on motion to reconsider under Rule 18 or to remove from the table approved by a two-thirds vote.

RULE 17. **Motion to Postpone Indefinitely.** – A motion to postpone indefinitely is in order except when a motion to adjourn or to lay on the table or for the previous question or to recess is before the House. However, after one motion to postpone indefinitely has been decided, another motion to postpone indefinitely shall not be allowed at the same stage of the bill or proposition. When a question has been postponed indefinitely, it shall not thereafter be considered, except on motion to reconsider under Rule 18 or to place on the favorable calendar approved by a two-thirds vote.

RULE 18. **Motion to Reconsider.** – (a) When a question has been decided, it is in order for any member to move for the reconsideration thereof on the same or the succeeding legislative day; provided that if the vote by which the motion was originally decided was taken by a recorded vote, only a member of the prevailing side may move for reconsideration.

(b) A motion to reconsider shall be determined by a majority vote, except the following shall require a two-thirds vote: a second or subsequent motion to reconsider and a motion to reconsider:

(1) A vote upon a motion to table,

(2) A motion to postpone indefinitely,

(3) A motion to remove a bill from the unfavorable calendar,
(4) A motion that a bill be read twice on the same day, or
(5) A motion to remove from the table.

(c) A motion to reconsider the vote by which a person has been elected as Speaker or Speaker Pro Tempore shall not be in order. This subsection of this rule cannot be suspended except by a vote of three-fifths of all the members of the House.

RULE 19. **Previous Question.** – (a) The previous question may be called only by:
(1) The Chair of the Committee on Rules, Calendar, and Operations of the House;
(1a) The Vice-Chair of the Committee on Rules, Calendar, and Operations of the House if the Chair is not in the chamber or able to participate in debate;
(2) The Majority Leader;
(3) The member submitting the report on the bill or other matter under consideration;
(4) The member introducing the bill or other matter under consideration;
(5) The member in charge of the measure, who shall be designated by the chair of the standing committee reporting the same to the House at the time the bill or other matter under consideration is reported to the House or taken up for consideration.

(b) The previous question shall be as follows: "Shall the main question now be put?" When the call for the previous question has been decided in the affirmative by a majority vote of the House, the question is on the passage of the bill, resolution, or other matter under consideration.

(c) The call for the previous question shall preclude all motions, amendments, and debate, except the motion to adjourn, motion to recess, or motion to table.

(d) If the previous question is decided in the negative, the question remains under debate.

(e) After the previous question is ordered by the House on the main question of second or third reading, the Majority Leader and the Minority Leader may each allocate three minutes of debate on the question. The Majority Leader and the Minority Leader may each designate another member to act under this subsection.

IV. Voting

RULE 20. **Use of Electronic Voting System.** – (a) Votes on the following questions shall be taken on the electronic voting system, and the ayes and noes shall be recorded on the Journal:
(1) The passage as required by Article II, Section 23 of the North Carolina Constitution on second and third readings of any bill:
a. Raising money on the credit of the State,
b. Pledging the faith of the State for the payment of a debt,
c. Imposing a State tax, or
d. Authorizing a county, municipality, or other local governmental unit to:
1. Raise money on its credit,
2. Pledge its faith for the payment of a debt, or
3. Impose a local tax.
(2) All questions on which a call for the ayes and noes under Rule 24(a) and Article II, Section 19 of the North Carolina Constitution has been sustained.
(3) Both second and third readings of bills proposing amendment of the North Carolina Constitution or ratifying resolutions amending the United States Constitution.

(4) The passage of a bill notwithstanding the Governor's veto thereof pursuant to Article II, Section 22 of the North Carolina Constitution.

(b) Votes on the following questions shall be taken on the electronic voting system:

(1) Second reading of all public bills except resolutions, all amendments to public bills offered after second reading, third reading if a public bill was amended after second reading or if the reading occurs on a day or days following the second reading, all conference reports on public bills, all motions to lay public bills on the table, and all motions to postpone public bills indefinitely.

(2) Upon a call for division.

(3) Any other question upon direction of the Speaker or upon motion of any member supported by one-fifth of the members present.

(c) When the electronic voting system is used, 15 seconds shall be allowed for voting on the question before the House, unless the Chair shall direct otherwise. Once the system is locked, the vote shall be recorded and printed.

(d) The voting station at each member's desk in the Chamber shall be used only by the member to which the station is assigned. Under no circumstances shall any other person vote at a member's station. It is a breach of the ethical obligation of a member either to request that another person vote at the requesting member's station or to vote at another member's station. The Speaker shall enforce this rule without exception.

(e) When the electronic voting system is used, the Speaker shall state the question and shall then state substantially the following: "All in favor vote 'aye'; all opposed vote 'no'; the Clerk will open the vote." In order to have the vote recorded, the member must vote by the electronic voting system within the time allowed for that vote, unless the voting station assigned to a member is malfunctioning. The Speaker shall enforce this rule without exception. After the allotted time for voting has elapsed, the Speaker shall say: "The Clerk will now lock the machine and record the vote." After the machine is locked and the vote recorded, the Speaker shall announce the vote and declare the result.

(f) One copy of the machine printout of the vote record of all votes taken on the electronic voting system shall be filed in the office of the Principal Clerk, and two copies shall be filed in the Legislative Library where the copies shall be open to public inspection. A legible copy of the bill, amendment, or motion on which the vote was taken shall be filed with the printout of the vote in the Legislative Library.

(g) When the Speaker ascertains that the electronic voting system is inoperative before a vote is taken or while a vote is being taken on the electronic voting system, the Speaker shall announce that fact to the House, and any partial electronic voting system voting record shall be voided. In such a case, if the North Carolina Constitution or the Rules of the House require a call of the ayes and noes, the Clerk shall call the roll of the House, and the ayes and noes shall be taken manually and shall be recorded on the Journal. All roll call votes shall be taken alphabetically. If, after a vote is taken on the electronic voting system, it is discovered that a malfunction caused an error in the electronic voting system printout, the Speaker shall direct the Reading Clerk and the Principal Clerk to verify and correct the printout record and so advise the House.

(h) For the purpose of identifying motions on which the vote is taken on the electronic voting system, the motions are coded as follows:

(1) To adjourn.

(2) To recess.

(3) To lay on the table.

(4) Previous question.

(5) To postpone indefinitely.

(6) To reconsider.
(7) To postpone to a day certain.
(8) To re-refer.
(9) To amend an amendment.
(10) To amend.
(11) To concur or not concur.
(12) Miscellaneous.

RULE 21. **Voice Votes; Stating Questions.** – (a) All other votes except those required to be taken on the electronic voting system shall be taken by voice vote.

(b) When a voice vote is taken, the Speaker shall put the question substantially as follows: "Those in favor (as the question may be) will say 'aye'," and after the affirmative voice has been expressed, "Those opposed will say 'no'."

(c) No statement, explanation, debate, motion, parliamentary inquiry, or point of order shall be allowed once the voice vote has begun. Any point of order or parliamentary inquiry may be raised, however, after the completion of the vote.

RULE 22. **Determining Questions.** – (a) Unless otherwise provided by the North Carolina Constitution or by these rules, all questions shall be determined by a simple majority of the members present and voting.

(b) No member may vote unless the member is in the Chamber when the question is put. This subsection of this rule cannot be suspended.

RULE 23. **Voting by Division.** – Any member may call for a division of the members upon the question before the result of the vote has been announced. Upon a call for a division, the Speaker shall cause the number voting in the affirmative and in the negative to be determined. Upon a division and count of the House on any question, no member away from the member's seat shall be counted.

RULE 24. **Roll Call Vote.** – (a) Before a question is put, any member may call for the ayes and noes. If the call is sustained by one-fifth of the members present, the question shall be decided by the ayes and noes upon a roll call vote.

(b) Every member who is in the Hall of the House when the question is put shall vote upon a call of the ayes and noes, unless excused pursuant to Rule 24.1A.

(c) No member may change a vote without leave of the House, but such leave shall not be granted if it affects the result or if the session in which the vote was taken has been adjourned.

RULE 24.1A. **Excuse From Deliberations and Voting on a Bill.** – (a) Any member shall, upon request, be excused in advance from the deliberations and voting on a particular bill at any time that the reason for the request arises in the proceedings on the bill.

(b) The member may make a brief oral statement of the reasons for making the request. The member shall provide to the Principal Clerk, on a form provided by the Clerk, a concise written statement of the reason for the request, and the Clerk shall include this statement in the Journal.

(c) Except as provided in subsection (e) of this section, the member so excused shall not debate the bill or any amendment to the bill, vote on the bill, offer or vote on any amendment to the bill, or offer or vote on any motion concerning the bill, in committee or on the floor of the House at any reading, or any subsequent consideration of the bill.

(d) A member may request that his or her excuse from deliberations on a particular bill be withdrawn.

(e) By leave of the House, a member who has been excused from deliberations and voting on a bill may participate in deliberations and votes on amendments to which that member does not have any conflict that requires excusal.

RULE 24.1B. **Division of Amendments.** – Any member may call for an amendment to be divided into two or more amendments to be voted on separately, and the Speaker shall determine whether the amendment admits of such a division.

RULE 25. **Voting by Speaker.** – In all elections the Speaker may vote. In all other instances the Speaker may vote or may reserve this right until there is a tie in which event the Speaker may vote; but in no instance may the Speaker vote twice on the same question.

V. Committees

RULE 26. **Standing Committees Generally.** – (a) The Speaker shall appoint a chair, or cochairs, of every standing committee and select committee, if any. In the construction of these rules, the word "chair" as applied to a committee, extends to and includes a cochair of the committee. The Speaker shall have the exclusive right and authority to establish select committees, but this does not exclude the right of the House by resolution to establish select committees.

(b) The Speaker shall establish the number of members of each standing committee and appoint the members in a manner to reflect the partisan membership of the House, except that the Committee on Ethics shall have an equal number of members of the majority and minority.

(c) Before appointing members of committees, the Speaker shall consult with the Minority Leader. The Speaker and Minority Leader shall consider members' committee preferences in making appointments and recommendations.

(d) The Speaker may not appoint new members to committees after April 15 of an odd-numbered year or at any time during an even-numbered year except to fill vacancies caused by the resignation, death, removal, or inability to serve of a member. As to select committees established after March 1 of an odd-numbered year or during an even-numbered year, the Speaker may not appoint new members more than 60 calendar days after the select committee is established, except to fill vacancies caused by the resignation, death, removal, or inability to serve of a member.

(e) The Speaker may name one or more vice-chairs for any standing committee.

(f) The Chairs of the Appropriations Committee are entitled to vote in all other Appropriations Committees (Capital, Education, General Government, Health and Human Services, Information Technology, Justice and Public Safety, Agriculture and Natural and Economic Resources, and Transportation).

(g) Either the chair or acting chair, designated by the chair or by the Speaker, and five other members of the standing committee, or a majority of the standing committee, whichever is fewer, shall constitute a quorum of that standing committee. A quorum of less than a majority of all the members must include at least one member of the minority party.

(h) In any joint meeting of the Senate and House committees, the House standing committee reserves the right to vote separately.

RULE 26.1. **Mentions of Standing Committee Includes Select Committee.** – Any reference in these rules to standing committees shall extend to select committees unless the context requires otherwise.

RULE 27. **List of Standing Committees.** – The standing committees thereof are:

Committees

Aging

Agriculture

Alcoholic Beverage Control

Appropriations

Appropriations, Capital
Appropriations, Education
Appropriations, General Government
Appropriations, Health and Human Services
Appropriations, Information Technology
Appropriations, Justice and Public Safety
Appropriations, Agriculture and Natural and Economic Resources
Appropriations, Transportation

Banking

Children, Youth, and Families

Commerce and
Job Development

Education – K-12

Education – Community Colleges

Education – Universities

Elections

Environment

Ethics

Finance

Health

Homeland Security, Military, and
Veterans Affairs

Insurance

Judiciary I

Judiciary II

Judiciary III

Judiciary IV

Local Government

Pensions and Retirement

Public Utilities

Regulatory Reform

Rules, Calendar, and
Operations of the House

State Personnel

Transportation

University Board of Governors
Nominating

Wildlife Resources

RULE 28. **Standing Committee Meetings.** – (a) Standing committees shall be furnished with suitable meeting places pursuant to a schedule established by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House. Select committees shall be furnished with suitable meeting places as their needs require by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House.

(b) Subject to the provisions of subsection (c) of this rule, standing committees shall permit other members of the General Assembly, the press, and the general public to attend all sessions of said standing committees.

(c) The chair or other presiding officer shall have general direction of the meeting place of the standing committee, and, in case of any disturbance or disorderly conduct therein, or if the peace, good order, and proper conduct of the legislative business is hindered by any person or persons, the Chair or presiding officer shall have power to exclude from the session any individual or individuals so hindering the legislative business.

(d) Procedure in the standing committees shall be governed by the rules of the House, so far as the same may be applicable to such procedure. Before a question is put, any member may call for the ayes and noes. If the call is sustained by one-fifth of the members ~~present,~~ present and standing, the question shall be decided by the ayes and noes upon a roll call vote. All roll call votes shall be taken alphabetically and shall be subject to Rule 21(c).

(d1) The committee chair shall set the agenda for each committee meeting. After April 1, 2015, a committee may, provided there is a written request signed by at least two-thirds of the members of the committee, place a bill on the committee's agenda for the next regularly scheduled meeting of the committee.

(e) No standing committee shall meet on any day when the House shall not convene except by permission of the Speaker or by approval of the House by resolution adopted by a majority vote of the House.

(f) No standing committee shall meet during any session of the House. Standing committees shall meet at their regularly scheduled hour. Standing committees may meet at other times as authorized by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House in order to assure the availability of the meeting room and that no conflicts will exist with the meetings of other bodies. All standing committee ~~and permanent subcommittee~~ meetings shall adjourn no later than:

(1) 15 minutes preceding a regular session of the House, and

(2) 10 minutes preceding the hour of the next regularly scheduled standing committee meeting.

Action taken by a committee in violation of this rule is voidable unless taken by unanimous consent at a meeting at which a majority of all the members of the committee are present, and at least one member present is of the minority party.

(g) Any call or notice of a standing committee meeting between legislative sessions shall be sent by electronic mail to each member of the standing committee at least five days prior to such meeting. If a member of the body so requests in writing to the chair of the standing committee, the member shall also be notified of the meetings by mail at a designated address.

(h) During standing committee meetings, the chair may exercise the right to vote, or may reserve this right until there is a tie, in which event the chair may vote, but in no instance may the chair vote twice on the same question.

RULE 28.1. **Ethics Committee Investigations Into Violations of the Open Meetings Law.** – (a) On its own motion, or in response to signed and sworn complaint of any individual filed with the Standing Committee on Ethics, the Committee shall inquire into any alleged violation by members of the House of the Open Meetings Law (Article 33C of Chapter 143 of the General Statutes), as the same may be amended in the future.

(b) If, after such preliminary investigation as it may make, the Committee determines to proceed with an inquiry into the conduct of any individual, the Committee shall notify the individual as to the fact of the inquiry and the charges against the individual and shall schedule one or more hearings on the matter. The individual shall have the right to present evidence, cross-examine witnesses, and be represented by counsel at any hearings.

(c) After the Committee has concluded its inquiries into the alleged violations, the Committee shall dispose of the matter by taking one of the following actions:

(1) Dismiss the complaint and take no further action.

(2) Issue a private letter of reprimand to the legislator, if the legislator unintentionally violated the provisions of the Open Meetings Law.

(3) Issue a public letter of reprimand if the violation of the Open Meetings Law was intentional or if the legislator has previously received a private letter of reprimand. The Chair of the Committee on Ethics shall have the public letter of reprimand spread on the pages of the House Journal.

(4) Refer the matter to the House for appropriate action.

RULE 29. **Notice of Standing Committee Meetings and Hearings.** – (a) Notice of meetings of standing committees that will occur at the regularly scheduled meeting times shall be given by one or both of the following methods:

(1) Notice given openly at a session of the House; or

(2) Notice mailed or sent by electronic mail to those who have requested notice, and to the Legislative Services Office, which shall post the notice on the General Assembly Web site.

(b) Notice of all other meetings shall be given in the House. If the meeting is scheduled to occur after adjournment, notice shall also be given by electronic mail and posting on the General Assembly Web site.

(c) The chair of the standing committee shall notify or cause to be notified the sponsor of each bill that is set for hearing or consideration before the standing committee as to the date, time, and place of that meeting.

RULE 29.1. **Public Hearings.** – (a) Requests for a public hearing shall be made in writing to the chair of the standing committee to which the bill has been referred. The chair of the standing committee may schedule a public hearing by the standing committee as a whole after the adjournment of a regular daily House session. Denial of a request made by a House member may be appealed to the Speaker.

Notice shall be given not less than five calendar days prior to public hearings. These notices shall be issued as information for the press and shall be posted in the places designated by the Principal Clerk.

(b) Persons desiring to appear and be heard at a public hearing shall submit their requests to the chair of the standing committee. The standing committee chair may designate

one or more members to arrange the order of appearance of interested parties. A brief written statement of testimony may be submitted without oral presentation and shall be incorporated into the minutes of the public hearing.

RULE 29.2. **Minutes to Legislative Library.** – The chair of a standing committee shall ensure that written minutes are compiled for each of the body's meetings. The minutes shall indicate the members present and the actions taken at the meeting. Not later than 10 days after the adjournment of each session of the General Assembly, the chair shall deliver the minutes to the Legislative Library. The Speaker of the House may grant a reasonable extension of time for filing said minutes upon written application of the chair.

RULE 30. **Committee of the Whole House.** – (a) A Committee of the Whole House shall not be formed, except by leave of the House.

(b) After passage of a motion to form a Committee of the Whole House, the Speaker shall appoint a chair to preside in the committee, and the Speaker shall leave the dais.

(c) The rules of procedure in the House shall be observed in the Committee of the Whole House, so far as they may be applicable, except the rule limiting the time of speaking and the previous question.

(d) In the Committee of the Whole House, a motion that the standing committee rise shall always be in order, except when a member is speaking, and shall be decided without debate.

(e) When a bill is submitted to the Committee of the Whole House, it shall be read and debated by sections, leaving the preamble to be last considered. The body of the bill shall not be defaced or interlined, but all amendments, noting the page and line, shall be duly entered by the Principal Clerk on a separate paper as the same shall be agreed to by the standing committee and be so reported to the House. After report, the bill shall again be subject to be debated and amended by sections before a question on its passage be taken.

VI. Handling of Bills

RULE 31. **Introduction of Bills and Resolutions.** – (a) All bills and resolutions shall be introduced by submitting same to the Principal Clerk's office on the legislative day prior to the first reading and reference thereof according to the following schedule: by 30 minutes after adjournment each Monday; and by 3:00 P.M. each Tuesday, Wednesday, Thursday, and Friday.

(b) Bills shall not become resolutions provided the Senate has a similar rule. Resolutions shall not become bills. Resolutions are not law but may be used when a law is not necessary for the purpose contained therein. Resolutions shall not be used to appropriate funds for any purpose, but may be used to create study commissions or committees or establish investigative committees, to honor deceased persons, and to adopt House rules and internal affairs. Resolutions cannot amend, repeal, or modify a statute; nor do they have life beyond the term of the session during which they are adopted.

(c) Every bill or resolution shall be read in regular order of business, except upon permission of the Speaker or on the report of a standing committee.

(d) All bills and resolutions shall show in their captions a brief descriptive statement of the true substance of same, which captions may thereafter be amended. Amendments to captions of bills are in order only if the amendment is germane to the bill. Third reading shall not be had on any bill or resolution on the same day that such caption is amended.

(e) A Substitute Bill shall be covered with the same color jacket as the original bill and shall be prefaced as follows: "House Committee Substitute for_____."

(f) House resolutions need not be read more than twice.

(g) All memorializing, celebration, commendation, and commemoration resolutions, except those honoring the memory of deceased persons, shall be excluded from introduction and consideration in the House. The mention of a deceased person as a pretext to

honor an institution or a living person is prohibited. Members should utilize a "Representative Statement of Personal Privilege" as provided in Rule 8.1, as the preferred alternative to House simple resolutions that memorialize, celebrate, commend, and commemorate, other than for those relating to deceased members of the General Assembly.

(h) Any reference in these rules to bills shall extend to resolutions unless the context requires otherwise.

RULE 31.1. **Deadlines on Introduction and Receipt; No Blank Bills; Ten Bill Limit; Single Subject Rule.** – (a) All local bills must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Wednesday, March 18, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, April 1, 2015.

(b) All public bills or resolutions recommended by commissions or standing committees authorized or directed by act or resolution of the General Assembly (i) to report to the 2015 Regular Session of the General Assembly, or to report prior to convening of that session, or (ii) which are recommended to the 2015 Regular Session of the General Assembly by a commission or committee established directly by Chapter 120 of the General Statutes, must have been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Tuesday, February 17, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, February 25, 2015.

(c) All bills prepared to be introduced for departments, agencies, or institutions of the State must have been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Tuesday, March 10, 2015, and must be introduced not later than 3:00 P.M. on Wednesday, March 18, 2015. A bill introduced under this subsection shall be identified as an Agency Bill after its short title or in the drafting code.

(d) All public bills that would not be required to be re-referred to the Appropriations or Finance Committees under Rule 38 and all joint resolutions and House resolutions must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Thursday, April 2, 2015, and must be introduced not later than on 4:00 P.M. on Tuesday, April 14, 2015.

(e) All public bills which under Rule 38 are required to be re-referred to either or both of the Appropriations Committee or the Finance Committee must be submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. on Thursday, April 2, 2015, and must be introduced not later than 3:00 P.M. on Thursday, April 16, 2015. If any bill is subject to the deadline under this subsection and the bill is amended so that all the provisions requiring referral to either or both of those committees under Rule 38 do not remain in the bill, it is not eligible for further consideration.

(f) A bill containing no substantive provisions may not be introduced in the House.

(g) No member may introduce more than 15 public bills. For the purpose of this subsection, the introducer is the member who is listed as the first sponsor. A member may assign a portion of this limit to another member electronically using the procedures established and published by the Principal Clerk. This subsection does not apply to bills or resolutions recommended by commissions or committees authorized or directed by act or resolution of the General Assembly (i) to report to the 2015 Regular Session of the General Assembly, or to report prior to convening of that session, or (ii) that are recommended to the Regular Session of the General Assembly by a commission or committee established directly by Chapter 120 of the General Statutes. This subsection does not apply to joint resolutions or House resolutions.

(h) In order to be eligible for consideration by the House during the first Regular Session, all Senate bills other than finance or appropriations bills that would be required to be re-referred to the Appropriations or Finance Committee under Rule 38 or adjournment resolutions must be received and read on the floor of the House as a message from the Senate no later than Thursday, April 30, 2015; provided that a message from the Senate received by

the next legislative day stating that a bill has passed its third reading and is being engrossed shall comply with the requirements of this subsection and provided that the Senate has a similar rule.

(i) Except by motion approved by a majority of members of the House present and voting, no public House bill other than the Current Operations Appropriations Act or the Capital Improvement Appropriations Act may contain more than one subject.

(j) This rule, other than subsections (f), (g), and (i), does not apply to bills (i) establishing districts for Congress or State or local entities, (ii) introduced on the report of the Committees on Appropriations, Finance, or Rules, Calendar, and Operations of the House, or (iii) ratifying an amendment or amendments to the Constitution of the United States. This rule does not apply to resolutions adjourning the General Assembly sine die or to a day certain.

RULE 32. **Reference to Standing Committees; Serial Referrals.** – Each bill not introduced on the report of a standing committee shall immediately upon its first reading be referred by the Speaker to such standing committee or committee of the whole as the Speaker deems appropriate. The Speaker at the same time may order that, if the bill is reported with any favorable recommendation or without prejudice, it be re-referred automatically upon the committee report to another committee designated in the order. Each joint resolution or House resolution not introduced on the report of a standing committee shall immediately upon its first reading either be referred by the Speaker to a standing committee or be calendared on the date designated by the Speaker, as the Speaker deems appropriate.

RULE 33. **Papers Addressed to the House.** – Petitions, memorials, and other papers addressed to the House shall be presented by the Speaker. A brief statement of the contents thereof may be made orally by the introducer before reference to a committee, but such papers shall not be debated or decided on the day of their first being read unless the House shall direct otherwise.

RULE 34. **Introduction of Resolutions and Bills.** – (a) House Bills shall be designated as "H.B.___." (No. following). A Joint Resolution shall be designated as "H.J.R. ___." (No. following). A House resolution shall be designated as "H.R.___." (No. following).

Whenever any resolution or bill is filed for introduction, it shall comply with the procedures established and published by the Principal Clerk.

~~(c)~~(b) No bill may be filed for introduction if the draft contains names preprinted on the bill jacket and body of the bill (either as primary sponsors or cosponsors) unless each such member has signed the jacket.

RULE 35. **Public and Local Bills.** – (a) The Legislative Services Officer shall cause such bills as are introduced to be duplicated in such numbers as may be specified by the Speaker. Copies shall be placed in the Printed Bills Room and made available to the committees to which the bill is referred, to individual members on request, and to the general public.

(b) A public bill is a bill affecting 15 or more counties. A local bill is one affecting fewer than 15 counties.

RULE 35.1. **Assessment Reports; Municipal Incorporation Reports.** – (a) Every bill or resolution proposing the establishment of an occupational or professional licensing board or a study for the need to establish such a board shall have attached to the jacket of the original bill or resolution at the time of its consideration on second and third readings by the House or by any standing committee of the House an assessment report from the Joint Legislative Commission on Governmental Operations. The assessment report shall not constitute any part of the expression of legislative intent proposed by the formation of a licensing board.

(b) Every legislative proposal introduced in the House or received in the House from the Senate, proposing the incorporation of a municipality shall have attached to the jacket of the original bill at the time of its consideration on second or third readings by the House or by any committee of the House prior to a favorable report, a recommendation from the

Municipal Incorporations Subcommittee of the Joint Legislative Committee on Local Government, established by Article 20 of Chapter 120 of the General Statutes. The recommendation of the Municipal Incorporations Subcommittee of the Joint Legislative Committee on Local Government shall be made in accordance with the provisions and criteria set forth in Article 20 of Chapter 120 of the General Statutes and shall include the findings required to be made by G.S. 120-166 through G.S. 120-170.

RULE 36. **Report by Standing Committee.** – (a) **Reports.** – Bills and resolutions may be reported from the standing committee to which referred with such recommendations as the standing committee may desire to make.

(b) **Favorable Report.** – When a standing committee reports a bill with the recommendation that it be passed, the bill shall be placed on the favorable calendar on the day designated by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, but not on the same day that it is reported except by leave of the House, and no later than the fourth legislative day after submission of the report or Senate message under Rule 43.2 or Rule 43.3(a), unless:

(1) The bill is re-referred to the Committee on Appropriations or Committee on Finance under Rule 38 or was serially referred under Rule 32; or

(2) The bill has not yet been placed on the calendar, and the Speaker refers the bill to another committee.

In order to place a bill on the calendar for a legislative day, notice shall be given by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House orally in the House or in writing to the Principal Clerk. When a committee substitute is adopted and receives a favorable report by the committee, the standing committee chair shall submit to the standing committee the question of an unfavorable report on the original bill. The standing committee's action, if any, on the original bill shall be reported at the same time the committee substitute is reported.

(b1) **Distribution of Proposed Committee Substitutes.** – Except by leave of a committee, before a proposed committee substitute may be considered by the committee, the proposed committee substitute shall have been distributed electronically and no later than 9:00 P.M. of the preceding calendar day to the members of the committee and to the member who is listed as the first sponsor.

(c) **Report Without Prejudice.** – When a standing committee reports a bill without prejudice, the bill shall be placed on the favorable calendar in the same manner as provided in subsection (b) of this rule.

(d) **Postponed Indefinitely.** – When a standing committee reports a bill with the recommendation that it be postponed indefinitely and no minority report accompanies it, the bill shall be placed on the unfavorable calendar.

(e) **Unfavorable Report.** – When a standing committee reports a bill with the recommendation that it not be passed and no minority report accompanies it, the bill shall be placed on the unfavorable calendar.

(f) **Minority Report.** – When a bill is reported by a standing committee with a recommendation that it not be passed or that it be postponed indefinitely but it is accompanied by a minority report signed by at least one-fourth of the members of the standing committee who were present and voting when the bill was considered in standing committee, the question before the House shall be: "The adoption of the minority report." If the minority report is adopted by majority vote, the bill shall be placed on the favorable calendar for consideration. If the minority report fails of adoption by a majority vote, the bill shall be placed on the unfavorable calendar.

RULE 36.1. **Fiscal Notes.** – (a) The Chair or Cochair of the Appropriations Committee, of the Finance Committee, or of the Standing Committee on Rules, Calendar, and Operations of the House, upon the floor of the House, may request that a fiscal analysis be

made of a bill, resolution, or an amendment to a bill or resolution which is in the possession of the House and that a fiscal note be attached to the measure, which request shall be allowed when, in the opinion of the Speaker, the fiscal effects of that measure are not apparent from the language of the measure. When a request is properly made under this subsection, the bill is removed from the calendar until such time that the fiscal note is attached to the measure.

(b) The fiscal note shall be filed and attached to the bill or amendment within two legislative days of the request, and a copy shall be sent by electronic mail to each member. If it is impossible to prepare a fiscal note within two legislative days, the Director of Fiscal Research shall, in writing, so advise the Speaker, the Principal Clerk, the Majority Leader, the Minority Leader, and the member introducing or proposing the measure and shall indicate the time when the fiscal note will be ready.

(c) The fiscal note shall be prepared by the Fiscal Research Division on a form approved by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House as to content and form and signed by the staff member or members preparing it. If no estimate in dollars is possible, the fiscal note shall indicate the reasons that no estimate is provided. The fiscal note shall not comment on the merit but may identify technical problems. The Fiscal Research Division shall make the fiscal note available to the membership of the House.

(d) A sponsor of a bill or amendment may deliver a copy of the bill or amendment to the Fiscal Research Division for the preparation of a fiscal note. The sponsor shall attach the fiscal note to the bill when filed or to the amendment when its adoption is moved.

(e) The sponsor of a bill or amendment to which a fiscal note is attached who objects to the estimates and information provided may reduce to writing the objections. These objections shall be appended to the fiscal note attached to the bill or amendment and to the copies of the fiscal note available to the membership.

(f) Subsection (a) of this rule shall not apply to the Current Operations Appropriations Bill or the Capital Improvement Appropriations Bill. This rule shall not apply to a bill or amendment requiring an actuarial note under these rules.

RULE 36.2. **Actuarial Notes.** – (a) Every bill or resolution proposing any change in the law relative to any:

(1) State, municipal, or other retirement system funded in whole or in part out of public funds; or

(2) Program of hospital, medical, disability, or related benefits provided for teachers and State employees, funded in whole or in part by State funds:

shall have attached to it at the time of its consideration by any standing committee a brief explanatory statement or note which shall include a reliable estimate of the financial and actuarial effect of the proposed change to that retirement or pension system. The actuarial note shall be attached to the jacket of each proposed bill or resolution which is reported favorably by any standing committee, shall be separate therefrom, and shall be clearly designated as an actuarial note. A bill described in subdivision (a)(1) of this rule shall be referred to the Committee on State Personnel upon its introduction in accordance with G.S. 120-111.3.

(b) The sponsor of the bill or resolution shall present a copy of the measure, with a request for an actuarial note, to the Fiscal Research Division, which shall prepare the actuarial note as promptly as possible but not later than two weeks after the request is made, unless an extension of time is agreed to by the sponsor as being necessary in the preparation of the note. Actuarial notes shall be prepared in the order of receipt of request and shall be transmitted to the sponsor of the measure. The actuarial note of the Fiscal Research Division shall be prepared and signed by an actuary.

(c) The sponsor of the bill or resolution shall also present a copy of the measure to the actuary employed by the system or program affected by the measure. Actuarial notes

shall be prepared and transmitted to the sponsor of the measure not later than two weeks after the request is received, unless an extension of time is agreed to by the sponsor as being necessary in the preparation of the note. The actuarial note shall be attached to the jacket of the measure. The provisions of this subsection may be waived by the measure's sponsor for a measure affecting local government retirement or pension plans not administered by the State or any local government program of hospital, medical, disability, or related benefits for local government employees not administered by the State.

(d) The note shall be factual and shall, if possible, provide a reliable estimate of both the immediate effect and, if determinable, the long-range fiscal and actuarial effect of the measure. If, after careful investigation, it is determined that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the actuarial note with regard to the merits of the measure for which the note is prepared. Technical and mechanical defects in the measure may be noted.

(e) When any permanent ~~subcommittee~~ committee reports a measure to which an actuarial note is attached at the time of permanent ~~subcommittee~~ committee consideration, with any amendment of such nature as would substantially affect the cost to or the revenues of any retirement or pension system, or program of hospital, medical, disability, or related benefits for teachers or State employees, the chair of the standing committee reporting the measure shall obtain from the Fiscal Research Division an actuarial note of the fiscal and actuarial effect of the proposed amendment. The actuarial note shall be attached to the jacket of the measure. An amendment to any bill or resolution shall not be in order if the amendment affects the costs to or the revenues of a State-administered retirement or pension system, or program of hospital, medical, disability, or related benefits for teachers or State employees, unless the amendment is accompanied by an actuarial note, prepared by the Fiscal Research Division, as to the actuarial effect of the amendment.

(f) The Fiscal Research Division shall make all relevant actuarial notes available to the membership of the House.

RULE 36.3. **Local Legislation Affecting State Highway System.** – A local bill affecting the State Highway System shall be referred to the Committee on Transportation.

RULE 36.4. **Content of Appropriations Bills.** – No provision shall be contained in any of the following bills unless it pertains to the appropriation of money or the raising or reducing of revenue: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium. If a point of order is made against such a provision and is sustained, the presiding officer shall refer the bill to the committee from which it came, with instructions for the chair of the committee to immediately report out a substitute or amendment removing the offending provision.

RULE 37. **Removing Bill From Unfavorable Calendar.** – A bill may be removed from the unfavorable calendar upon motion carried by a two-thirds vote. A motion to remove a bill from the unfavorable calendar is debatable.

RULE 38. **Reports on Appropriation and Revenue Bills.** – (a) All standing committees, other than the Standing Committees on Appropriations, when favorably reporting any bill or resolution that:

(1) Carries an appropriation from the State; or

(2) Requires or will require in the future substantial additional State monies from the General Fund or Highway Fund to implement its provisions shall indicate same in the report, and said bill or resolution shall be referred to the Standing Committees on Appropriations for a further report before being acted upon by the House.

(b) All standing committees, other than the Standing Committee on Finance, when favorably reporting any bill that in any way or manner raises revenue, reduces revenue, levies a tax, authorizes the levying of a tax, an assessment, or a fee, or authorizes the issue of bonds or notes, whether public or local, shall indicate same in the report, and said bill shall be referred to the Standing Committee on Finance for a further report before being acted upon by the House. This subsection shall not apply to bills only imposing fines, forfeitures, or penalties.

(c) Action on Amendment Before Re-Referral. – If any standing committee recommends adoption of an amendment or committee substitute of a bill which, under the rules of the House, must be referred to the Standing Committees on Appropriations or the Standing Committee on Finance, the amendment or committee substitute shall be considered and, if adopted, the amendment or substitute engrossed before the bill is re-referred.

RULE 39. **Discharge Petition.** – (a) A motion to discharge a committee from consideration of a bill may be filed with the Principal Clerk by a primary sponsor of that measure if accompanied by a petition asking that the committee be discharged from further consideration of the bill. No motion may be filed until 10 legislative days after the bill has been referred to the committee. No petition may be filed until notice has been given on the floor of the House that the petition is to be filed and the primary sponsor giving notice has obtained a fiscal note from the Fiscal Research Division on the bill, which note shall be attached to the petition. Members may sign the petition only in the office of the Principal Clerk, and when the signatures of 61 members appear on the petition, the Principal Clerk shall place that motion on the calendar for the next legislative day as a special order of business. Members may withdraw their names at any time until 61 names appear. If the motion is adopted by the House, then the committee to which the bill or resolution has been referred is discharged from further consideration of the bill, and that bill is placed on the calendar for the next legislative day as a special order of business. The Principal Clerk shall provide a form for discharge petitions.

(b) This rule shall not be temporarily suspended without one day's notice on the motion given in the House and delivered in writing to the chair of the standing committee, and to sustain that motion two-thirds of the members shall be required.

RULE 39.2. **Re-Referral of Bills From One Standing Committee to Another Standing Committee.** – Upon consent of the sponsor of the bill, the Speaker, the chair of the standing committee from whom the bill is to be re-referred, and the chair of the standing committee to whom the bill is to be re-referred, the chair of the standing committee from whom the bill is to be re-referred, or the Chair of the Standing Committee on Rules, Calendar, and Operations of the House may move for a re-referral to another standing committee, and the bill shall be re-referred upon vote of the majority present during a regular session of the House.

RULE 40. **Calendars and Schedules of Business.** – The Clerk of the House shall prepare a daily schedule of business, including the Calendar of Bills and Resolutions for consideration and debate that day, in accordance with the Order of Business of the Day (Rule 5). The Clerk shall number all bills and resolutions in the order in which they are introduced. All bills and resolutions shall be taken up as they appear in each category (Rule 5(10)). Except by leave of the House, the Speaker shall not vary from the order.

RULE 41. **Reading of Bills.** – (a) Every bill shall receive three readings in the House prior to its passage. The first reading and reference to standing committee of a House bill shall occur on the next legislative day following its introduction. The first reading and reference to standing committee of a Senate bill shall occur on the next legislative day following its receipt on messages from the Senate. The Speaker shall give notice at each subsequent reading whether it is the second or third reading.

(b) No bill shall be read more than once on the same day without the concurrence of two-thirds of the members present and voting; provided, no bill governed by Article II, Section 23 of the North Carolina Constitution herein shall be read twice on one day under any circumstance.

RULE 42. **Effect of a Defeated Bill.** – (a) Subject to the provisions of subsection (b) of this rule, after a bill has:

(1) Been tabled,
(2) Been postponed indefinitely,
(3) Failed to pass on any of its readings, or
(4) Been placed on the unfavorable calendar,

the contents of that bill or the principal provisions of its subject matter shall not be considered in any other measure originating in the Senate or originating thereafter in the House. Upon the point of order being raised and sustained by the chair, that measure shall be laid upon the table, and shall not be taken therefrom except by a two-thirds vote of the members present and voting.

(b) No local bill shall be held by the chair to embody the contents of or the principal provisions of the subject matter of any statewide measure which has been laid on the table, has failed to pass on any of its readings, or has been placed on the unfavorable calendar.

RULE 43. **Amendments.** – (a) No amendment to a measure before the House shall be in order unless the amendment is germane to the measure under consideration. A House amendment deleting a previously adopted House amendment shall not be in order, except that this sentence does not apply to amendments adopted under Rule 38(c). No amendment that is clearly unconstitutional shall be in order.

Only one principal (first degree) amendment shall be pending at any one time. If a subsequent or substitute principal amendment shall be offered, the Speaker shall rule it out of order. However, any member desiring to offer a subsequent or substitute principal amendment in opposition to the pending amendment may inform the House by way of argument against the pending amendment that if it is defeated the member proposes to offer another principal amendment, and the member may then read and explain such proposed amendment.

Perfecting (or second degree) amendments may be offered and considered without limitation as to number, and in the event of multiple perfecting amendments, they shall be voted upon in inverse order.

(b) The following rules apply when considering: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium:

(1) Amendments cannot increase total spending within a committee area beyond the total for that committee as shown in the committee report.
(2) Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the committee.
(3) Amendments cannot increase total spending, from any source, beyond the total amount shown in the committee report.
(4) Amendments that cause the budget to be unbalanced are not in order.
(5) Amendments cannot spend reversions.
(6) Amendments cannot make nonrecurring reductions to fund recurring items.

(c) When offering an amendment, the member shall deliver the signed original amendment to the Principal Clerk and a copy to the Chair of the Committee on Rules, Calendar, and Operations of the House.

RULE 43.1. **Engrossment.** – Bills and resolutions, except those making appropriations, which originate in the House and which are amended, shall be engrossed before being sent to the Senate.

RULE 43.2. **House Concurrence in Senate Amendments to House Bills.** – When the House receives a Senate amendment to a bill originating in the House, it shall be placed on the calendar in accordance with Rule 36(b).

RULE 43.3. **Committee Substitutes Adopted by the Senate to Bills Originating in the House; Procedure for Treatment of Material Amendments Thereto.** – (a) Whenever

the Senate has adopted a committee substitute for a bill originating in the House and has returned the bill to the House for concurrence in that committee substitute, it shall be placed on the calendar in accordance with Rule 36(b).

(b) The Speaker shall rule whether the committee substitute is a material amendment under Article II, Section 23 of the North Carolina Constitution which reads:

"**Revenue bills.** – No law shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State, or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal."

If the committee substitute was referred to standing committee, the standing committee shall:

(1) Report the bill with the recommendation either that the House do concur or that the House do not concur; and

(2) Advise the Speaker as to whether or not that committee substitute is a material amendment under Article II, Section 23 of the North Carolina Constitution.

(c) If the committee substitute for a bill is not a material amendment, the question before the House shall be concurrence.

(d) If the committee substitute for a bill is a material amendment, the receiving of that bill on messages shall constitute first reading, and the question before the House shall be concurrence on second reading. If the motion is passed, the question then shall be concurrence on third reading on the next legislative day.

(e) No committee substitute adopted by the Senate for a bill originating in the House may be amended by the House.

RULE 44. **Conference Standing Committees.** – (a) Whenever the House shall decline or refuse to concur in amendments put by the Senate to a bill originating in the House, or shall refuse to concur in a substitute adopted by the Senate for a bill originating in the House, or whenever the Senate shall decline or refuse to concur in amendments put by the House to a bill originating in the Senate, or shall refuse to concur in a substitute adopted by the House for a bill originating in the Senate, a conference committee may be appointed by the Speaker upon the Speaker's own motion and shall be appointed upon request by the principal sponsor of the original bill, the chair of the House standing committee that reported the bill, or the sponsor of the amendment in which the Senate refused to concur; and the bill under consideration shall thereupon go to and be considered by the joint conferees on the part of the House and Senate. In appointing members to conference committees, the Speaker shall appoint no less than a majority of members who generally supported the House position as determined by the Speaker.

(b) The conference report may be made by a majority of the House members of such conference committee and shall not be amended. If the Senate has a similar rule, only such matters as are in difference between the two houses shall be considered by the conferees, and the conference report shall deal only with such matters. If the Senate does not have a similar rule, a conference committee report which includes significant matters that were not in difference between the houses, shall be referred to a standing committee for its recommendation before further action by the House.

(c) If the conferees fail to agree or if either house fails to adopt the report of its conferees, new conferees may be appointed.

(d) No vote shall be taken on adoption of a conference report until the next legislative day following the report, except that no vote shall be taken on adoption of a

conference report on either the Current Operations Appropriations Bill or a bill generally revising the Current Operations Appropriations Act until the third legislative day following the report.

RULE 44.1. **Transmittal of Bills to Senate.** – Unless ordered by the Speaker or two-thirds vote of the members present and voting, no bill shall be sent from the House on the day of its passage, except on the last day of the session.

RULE 44.2. **Veto Override.** – (a) Other than in a reconvened session, no vote shall be taken on overriding a gubernatorial veto on a House bill until the second legislative day following notice of its placement on the calendar.

(b) Other than in a reconvened session, no vote shall be taken on overriding a gubernatorial veto on a Senate bill until the legislative day following notice of its placement on the calendar.

VII. Legislative Officers and Employees

RULE 45. **Elected Officers.** – (a) The House shall elect its Speaker from among its membership.

(b) The House shall elect its Speaker Pro Tempore from among its membership who shall perform such duties as the Speaker may assign.

(c) The House shall elect a Principal Clerk, who shall continue in office until another is elected. The Speaker may appoint a Reading Clerk and shall appoint a Sergeant-at-Arms, both of whom shall serve at the Speaker's pleasure. The Principal Clerk, Reading Clerk, and Sergeant-at-Arms shall have and perform duties and responsibilities, not inconsistent with these rules, as the Speaker may assign. Unless directed otherwise by the Speaker on behalf of the House, the Principal Clerk or an employee designated by the Principal Clerk shall receive House bills not approved by the Governor.

RULE 46. **Assistants to Principal Clerk and Sergeant-at-Arms.** – The Principal Clerk and the Sergeant-at-Arms may appoint, with the approval of the Speaker, such assistants as may be necessary to the efficient discharge of the duties of their respective offices.

RULE 47. **Speaker's Staff; Chaplain; and Pages.** – (a) The Speaker may appoint one or more staff members to the Speaker, a Chaplain of the House, and pages to wait upon the sessions of the House.

(b) When the House is not in session, the pages shall be under the supervision of the Supervisor of Pages.

(c) The Speaker, at the request of a member, may appoint honorary pages.

RULE 48. **Member's Staff.** – (a) Each standing committee shall have a committee assistant. The committee assistant to a standing committee shall serve as staff to the chair of the standing committee.

(b) Each member shall be assigned a legislative assistant, unless the member has a committee assistant to serve as legislative assistant.

(c) The selection and retention of committee assistants, legislative assistants, and office assistants shall be the sole prerogative of the individual member or members. Such staff shall file initial applications for employment with the Principal Clerk and shall receive compensation as prescribed by the Legislative Services Commission. The employment period of such staff shall commence not earlier than the convening date of the General Assembly and shall terminate not later than the final adjournment or recess of the General Assembly unless employment for an extended period is approved by the Speaker. The committee assistants, legislative assistants, and office assistants shall adhere to such uniform rules and regulations not inconsistent with these rules regarding hours and other conditions of employment as the Legislative Services Commission shall fix by appropriate regulations.

RULE 49. **Compensation of Legislative Assistants.** – No clerk, committee assistant, legislative assistant, office assistant, or other person employed or appointed under Rules 46, 47, and 48 hereof shall receive during such employment, appointment, or service any

compensation from any department of the State government, and there shall not be voted, paid, or awarded any additional pay, bonus, or gratuity to any of them; but they shall receive only the pay now provided by law for such duties and services. This rule shall not apply to employment, appointment, or service, or to the receipt of compensation or additional pay, bonus, or gratuity from another department of State government between regular sessions of the General Assembly.

VIII. Privileges of the Hall

RULE 50. **Admittance to Floor.** – No person except members, officers, and designated employees of the General Assembly who have been issued identification tags as provided by this rule, and former members of the General Assembly who are not registered under the provisions of Article 2 of Chapter 120C of the General Statutes, shall be allowed on the floor of the House during its session, unless permitted by the Speaker or otherwise provided by law. Employees of the General Assembly shall wear identification tags, approved by the Legislative Services Officer, when on the floor of the House.

RULE 51. **Admittance of Press.** – Reporters wishing to take down debates may be admitted by the Speaker, who shall assign such places to them on the floor or elsewhere, to effect this object, as shall not interfere with the convenience of the House. Reporters admitted to the floor of the House shall observe the same requirements of attire for members contained in Rule 12(h).

RULE 52. **Extending Courtesies.** – Courtesies of the floor, galleries, or lobby shall be extended at the discretion of the Speaker and only by the Speaker. Requests by members to extend these courtesies shall be delivered to the Speaker. No member shall orally ask the Speaker to extend these courtesies during the daily session.

RULE 53. **Order in House Chamber, Galleries, and Lobby.** – In case of any disturbance or disorderly conduct in the House Chamber, galleries, or lobby, the Speaker or other presiding officer is empowered to order the same to be cleared to the extent they deem necessary.

IX. General Rules

RULE 54. **Attendance of Members.** – No member or officer of the House shall be absent from the service of the House without leave, unless from ~~sickness~~ sickness, pregnancy, military service, or disability.

RULE 55. **Documents to Be Signed by the Speaker.** – All acts, addresses, and resolutions and all warrants and subpoenas issued by order of the House shall be signed by the Speaker or other presiding officer.

RULE 56. **Printing or Reproducing Materials.** – There shall be no printing or reproducing of paper(s) that are not legislative in essence except upon approval of the Speaker.

RULE 57. **Placement or Circulation of Materials.** – Persons other than members of the House shall not place or cause to be placed any materials on members' desks in the House Chamber without obtaining approval of the Speaker. Any material placed on members' desks in the House Chamber, or circulated to House members anywhere in the Legislative Building or the Legislative Office Building, shall bear the name of the originator.

RULE 58. **Rules, Rescission, and Alteration.** – (a) These rules shall not be permanently rescinded or altered except by House simple resolution passed by a two-thirds vote of the members present and voting. The introducer of the resolution must on the floor of the House give notice of intent to introduce the resolution on the legislative day preceding its introduction.

(b) Except as otherwise provided herein, the House upon two-thirds vote of the members present and voting may temporarily suspend any rule.

RULE 59. **Cosponsorship of Bills and ~~Resolutions.~~ Resolutions, Removal of Sponsorship.** – (a) Except by leave of the primary ~~sponsor,~~ sponsor, or as provided in subsection (d) of this section, no member may be listed as an additional primary sponsor on a

bill after the bill has been filed. ~~Any~~ Except as provided in subsection (d) of this section, any member not listed as a preprinted cosponsor on the computer-generated draft edition who wishes to cosponsor a bill or resolution which has been introduced may do so by 5:00 P.M. of the calendar day following the adjournment of the session during which such bill or resolution was first read and referred, but only electronically under procedures approved by the Principal Clerk.

(b) Members wishing to cosponsor legislation prior to preparation of the draft should indicate such to the drafter at the time the bill is requested and before filing the bill with the Principal Clerk's office. The names of the members who are the primary sponsors shall be listed in the order requested by them, followed by the words (Primary Sponsors); and the remaining names of such members cosponsoring shall follow on the draft edition and first edition. No more than four members may be listed as primary sponsors. Names of persons cosponsoring bills thereafter under subsection (a) of this Rule do not appear on subsequent editions but shall be listed in the bill status system as cosponsors.

(c) No member shall permit anyone, other than that member's committee assistant, legislative assistant, office assistant, or another member, to have possession of and solicit for bill or resolution sponsorship, the jacket of a bill or resolution.

(d) Should any member wish to remove the member's sponsorship of a bill that is substantially changed by a Senate amendment or a Senate committee substitute, the member shall notify the House Principal Clerk before the bill is considered for concurrence. If no sponsors remain on the bill, the House Principal Clerk shall notify the Chairman of the Committee on Rules, Calendar and Operations of the House who may request that other members sponsor the bill. Removal of the first primary sponsor's name from a bill does not reduce the total number of bills introduced by the member under Rule 38(g) and sponsorship of a bill after removal of all sponsors is subject to Rule 38(g).

RULE 60. **Correcting of Typographical Errors.** – The Legislative Services Officer may correct typographical errors appearing in House bills or resolutions or House amendments to Senate bills provided that such corrections are made before ratification and do not conflict with any actions or rules of the Senate and provided further that such correction be approved by the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, the Speaker, or other presiding officer.

RULE 61. **Assignment of Seats.** – After initial assignment of seats, a member shall continue to occupy the seat to which initially assigned until assigned a permanent seat; once assigned a permanent seat, the member shall occupy it for the entire biennial session. In event of vacancy, the Speaker or the Chair of the Standing Committee on Rules, Calendar, and Operations of the House may assign such permanent seats as are necessary to maintain seating.

RULE 61.1. **Office Assignments.** – The Chair of the Standing Committee on Rules, Calendar, and Operations of the House shall assign to each member an office space. When available, chairs of standing committees shall be assigned an office adjacent to the room in which the standing committee generally meets if the Chair so desires. The Speaker shall be assigned an office of his or her choice.

RULE 61.2. **Convening and Assigning Seats in the New House.** – (a) The Principal Clerk of the previous House of Representatives shall convene the House of Representatives at 9:00 A.M. on the date established by law for the convening of each regular session and preside over the body until the members elect a Speaker. In the case of a vacancy, inability, or refusal to so serve, the duty shall devolve upon the Sergeant-at-Arms of the prior House, and in the case of a vacancy in that office, or inability or refusal to so serve, the duty shall devolve upon the Reading Clerk of the prior House.

(b) It shall be the duty of the Chair of the Standing Committee on Rules, Calendar, and Operations of the House of the prior House to assign temporary seats to the members of the House of Representatives in its Chamber. In the case of the inability or refusal

to serve of the Chair of the Standing Committee on Rules, Calendar, and Operations of the House, the Speaker of the prior House of Representatives shall appoint a person to assign seats to members of the House of Representatives in its Chamber. In the event that the party that had a majority of members in the prior House will no longer have a majority of members in the new House, then the duty assigned in this subsection to the Chair of the Committee of the prior House shall instead be the duty of the person nominated as Speaker by the majority party caucus for the new House, or some member-elect designated by the Speaker-nominee. In the event no party will have a majority, then the duty assigned in this subsection to the Chair of the Committee of the prior House shall instead be the joint duty of one person chosen each by the caucuses of the two parties having the greatest numbers of members.

RULE 62. **Matters Not Covered in These Rules.** – Except as herein set out, the rules of Mason's Manual of Legislative Procedure, 2010 Edition, shall govern the operation of the House. Custom and usage may supplement these rules or Mason's Manual, but may not supercede them.

SECTION 2. This resolution is effective upon adoption.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 481 DATE 4/2

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE X

(Rep.) ~~Burr~~ Burr
(Sen.)

moves to amend the bill on page 9, line 26

( ) WHICH CHANGES THE TITLE

by rewriting the line to read:

"(f) Up to two Chairs of the Appropriations Committee ~~appointed by the Senate Appropriations~~ are entitled to vote in all other".

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-6 [v.2]

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

Date _____,2015

Representative Blust

moves to amend the bill on page 18, lines 30-37, by deleting the lines and substituting the following:

changing existing law

"RULE 36.4. **Content of Appropriations Bills.** – (a) No provision shall be contained in any of the following bills: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium. If a point of order is made against such a provision and is sustained, the presiding officer shall refer the bill to the committee from which it came, with instructions for the chair of the committee to immediately report out a substitute or amendment removing the offending provision.

(b) No amendment to any bill listed in subsection (a) of this rule shall be in order if the language is prohibited by that subsection.

(c) Notwithstanding subsections (a) and (b) of this section, any of the bills listed in subsection (a) of this section or an amendment to such bill may change existing law if the change:

(1) Alters expenditures or salaries;

(2) Changes the scope or character of a program which must be reduced, increased, or changed because of an increase or decrease of funds appropriated for the program or because of changes in federal law or regulation; or

(3) Modifies any function of State government which necessitates a transfer of funds from one department to another;

provided, that for a provision to be in order under this subsection, it must be recommended to the General Assembly in a written report adopted by the Appropriations Committee before or at the same time the bill is reported, or, if such provision is contained in a floor amendment, the sponsor of the amendment must present to the Principal Clerk at or before the time the amendment is offered an explanation of the amendment for distribution to each member of the House.".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-6 [v.2]

SIGNED Jan M. Blust
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

6-2

ROLL CALL VOTE

____ ____ = _____(TOTAL) HB# ____
YES NO SB# ____

HOUSE STANDING COMMITTEE ON **Rules Calendar and Operations of the House**

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
✓		Rep. Lewis			
✓		Rep. Daughtry			
	✓	Rep. Davis			
✓		Rep. Stam			
✓		Rep. Torbett			
✓		Rep. Blust			
✓		Rep. Boles			
✓		Rep. Burr			
	✓	Rep. Carney			
	✓	Rep. Cotham			
	✓	Rep. Floyd			
	✓	Rep. Fraley			
	✓	Rep. Goodman			
	✓	Rep. L. Hall			
✓		Rep. Hanes			
✓		Rep. Hastings			
	✓	Rep. Jackson			
	✓	Rep. L. Johnson			
	✓	Rep. Reives			
	✓	Rep. Robinson			
		Rep. Saine			
		Rep. Schaffer			
		Rep. Szoka			
		Rep. Tine			

FAILED

5/16

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-6 [v.2]

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

Failed

Date _____, 2015

Representative Blust

moves to amend the bill on page 18, lines 30-37, by deleting the lines and substituting the following:

"RULE 36.4. **Content of Appropriations Bills.** – (a) No provision existing law shall be contained in any of the following bills: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal year of a biennium. If a point of order is made against such a provision and is sustained, the presiding officer shall refer the bill to the committee from which it came, with instructions for the chair of the committee to immediately report out a substitute or amendment removing the offending provision.

(b) No amendment to any bill listed in subsection (a) of this rule shall be in order if the language is prohibited by that subsection.

(c) Notwithstanding subsections (a) and (b) of this section, any of the bills listed in subsection (a) of this section or an amendment to such bill may change existing law if the change:

(1) Alters expenditures or salaries;

(2) Changes the scope or character of a program which must be reduced, increased, or changed because of an increase or decrease of funds appropriated for the program or because of changes in federal law or regulation; or

(3) Modifies any function of State government which necessitates a transfer of funds from one department to another;

provided, that for a provision to be in order under this subsection, it must be recommended to the General Assembly in a written report adopted by the Appropriations Committee before or at the same time the bill is reported, or, if such provision is contained in a floor amendment, the sponsor of the amendment must present to the Principal Clerk at or before the time the amendment is offered an explanation of the amendment for distribution to each member of the House.".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-6 [v.2]

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-11 [v.1]

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

Date _____,2015

Representative Blust

moves to amend the bill on page 21, lines 40-46, by deleting the lines and substituting the following:

"(b) The conference report may be made by a majority of the House members of such conference committee and shall not be amended. Only such matters as are in difference between the two houses shall be considered by the conferees, and the conference report shall deal only with such matters. ".

SIGNED John M. Blust
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

11-1

ROLL CALL VOTE

____ ____ = _____(TOTAL) HB# _____
YES NO SB# _____

HOUSE STANDING COMMITTEE ON **Rules Calendar and Operations of the House**

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
✓		Rep. Lewis			
✓		Rep. Daughtry			
	✓	Rep. Davis			
	✓	Rep. Stam			
✓		Rep. Torbett			
✓		Rep. Blust			
✓		Rep. Boles			
		Rep. Burr			
		Rep. Carney			
		Rep. Cotham			
✓		Rep. Floyd			
✓		Rep. Fraley			
	✓	Rep. Goodman			
	✓	Rep. L. Hall			
	✓	Rep. Hanes			
	✓	Rep. Hastings			
	✓	Rep. Jackson			
		~~Rep. L. Johnson~~			
		Rep. Reives			
		Rep. Robinson			
		Rep. Saine			
		~~Rep. Schaffer~~			
		~~Rep. Szoka~~			
		~~Rep. Tine~~			

11/8

PASSED

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-11 [v.1]

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

Date _____,2015

Representative Blust

moves to amend the bill on page 21, lines 40-46, by deleting the lines and substituting the following:

"(b) The conference report may be made by a majority of the House members of such conference committee and shall not be amended. Only such matters as are in difference between the two houses shall be considered by the conferees, and the conference report shall deal only with such matters. ".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-10 [v.1]

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

Date _____,2015

Representative Blust

moves to amend the bill on page 21, lines 25-26, by deleting the lines and substituting the following:

"(e) It shall be in order to move to concur in a Senate Committee substitute to a House bill with either a House amendment or a House substitute, and return the bill to the Senate for its further consideration. It shall be in order to move to concur in a Senate amendment to a House bill with a House amendment and return the bill to the Senate for its further consideration.".

SIGNED Jr. M Blust
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

withdrawn

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ATG-6 [v.1]

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

Date _____,2015

Representative _____

moves to amend the bill on page 14, line 5, by rewriting the line to read:

"RULE 31.1. **Deadlines on Introduction and Receipt; No Blank Bills; Fifteen Bill**".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-ASU-9 [v.1]

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

Date _____,2015

Representative Blust

moves to amend the bill on page 8, by inserting the following after line 51:

"RULE 24.1C. **Division of Bills.** – (a) If a bill is subject to division into separate parts so that each part states a separate and distinct proposition capable of standing alone, a member may move that the question be divided. The motion shall:

(1) Be in writing,

(2) Be submitted to the Principal Clerk at the time the motion is made, and

(3) Clearly state how the question is to be divided.

Upon a majority vote of the members present and voting, the motion shall be adopted.

(b) The Current Operations Appropriations Bill, the Capital Improvement Appropriations Bill, and any bill generally revising appropriations for the second fiscal year of a biennium shall not be subject to a motion to divide a bill.

(c) If the question is divided and any part thereof fails, then the bill and any pending amendments shall be removed from the calendar and re-referred to the committee from which the bill was reported.

(d) Only one motion to divide the question shall be in order during consideration of a bill.".

SIGNED John M. Blust
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 481

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

H481-AMM-24 [v.1]

Amends Title [NO]
H481-CSSU-10[v.2]

Date _____,2015

Representative Burr

moves to amend the bill on page 18, by inserting between lines 37 and 38 the following:

"RULE 36.5. **Process for Appropriations Bills.** - All of the following must be approved in a resolution at least 14 days prior to the release of any portion of the Current Operations Appropriations Bill, the Capital Improvement Appropriations Bill, or any bill generally revising appropriations for the second fiscal year of the biennium:

(1) The total budget spending target.
(2) The spending target for each Appropriation committee.
(3) Any additional rules not originally approved in the resolution required under this Rule.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Not in order

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE COM SUB RESOLUTION, UNFAVORABLE ORIGINAL RESOLUTION

HR **481** House Permanent Rules-Final.

Draft Number:	H481-PCS10230-TG-6
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 1

Thursday, April 2	**Room**	**Time**
RULES, CALENDAR, AND OPERATIONS OF THE HOUSE	1228/1327	8:00 am

Name	County	Sponsor
Stewart Haynes	Wilson	Susan Martin
Caroline Hoyle	Vance	Speaker

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 4.2.2015 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Martha Gadison
3. Name: David Leighton
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

Rules Comm. Rm 1228 — Name of Committee

4/2/2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelli Kalla	Duke Energy
Andy Walsh	SA
Cory Bern	DHHS
Annaliese Dolph	DL
Jim Kent	NC Beer & Wine
Cindy Mann	Focus Carolina
Isabel Villa Garcia	NCAR
Michael Thonser	THCG
Chris McClure	Brooks Pierce
Dylan Finch	Rep. Stam
Sarah Preston	ACLU-NC

VISITOR REGISTRATION SHEET

Rules Comm Rm 1228 — Name of Committee

4/21/2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dorsk Cashin	Law Offices of DHC
Andy Chase	KMA
Amanda Honaker	TSS
Mia Bailey	ElectriCities
[illegible]	MWC
Peter A. Yancey	APPCNC
Leah [illegible]	NCSEG
J Mac	NC
Jonathan Brubaker	Brubaker & Assoc
Sarah Ball	" "

VISITOR REGISTRATION SHEET

Name of Committee _____ Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Andrew Cyle	Blue Light

VISITOR REGISTRATION SHEET

Rules — 4.2.2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Susan Vick	Duke Energy
Kathy Hawkins	Duke Energy
Tim Kent	NCBWWA
[illegible]	NCPA
Jenni Owen	Samford School
Mac Boxley	NCAA
[signature]	Misc
[signature]	

VISITOR REGISTRATION SHEET

Rules — Name of Committee

4.2.2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Annaliese Dolph	DL
Carr McLamb	Troutman Sanders
TJ Bugbee	NP
CADY THOMAS	Focus Carolinas
Ryan Minto	Gov's Office
David Collins	SEANC

House Committee on Rules, Calendar, and Operations of the House
Wednesday, April 15, 2015 at 1:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 1:30 PM on April 15, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Bumgardner, Carney, Fraley, Goodman, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Schaffer, Stam, Szoka, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 259 General Government Technical Corrections.-AB (Representatives Cleveland, R. Brown, Riddell)

Rep. Lewis called the meeting to order at 1:30 PM. Rep. Cleveland was recognized to explain the bill. Rep. Carney moves a favorable adoption of the bill. The bill passes on a voice vote.

The meeting adjourned at 1:32 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Call to Order @ 1:30

Cleveland explain HB259

Carmen motion approve

Favorable

Adjourn 1:32

Corrected #1: Last notice said AM. 1:30 PM is the correct time

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 15, 2015
TIME: **1:30 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 259	General Government Technical Corrections.-AB	Representative Cleveland Representative R. Brown Representative Riddell

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 6:11 PM on Tuesday, April 14, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 15, 2015
TIME: **1:30 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 259	General Government Technical Corrections.-AB	Representative Cleveland Representative R. Brown Representative Riddell

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:51 PM on Tuesday, April 14, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 259:
General Government Technical Corrections.-AB

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 15, 2015
Introduced by:	Reps. Cleveland, R. Brown, Riddell	**Prepared by:**	Bill Patterson
Analysis of:	First Edition		Committee Counsel

SUMMARY: ***House Bill 259 repeals an obsolete provision instructing the Attorney General to assign legal counsel to the Roanoke Island Commission and corrects an omission in the authorization of funds for the USS North Carolina Battleship capital project in the Current Operations and Capital Improvements Appropriations Act of 2014, S.L. 2014-100.***

BILL ANALYSIS:

Section 1 of the bill repeals G.S. 143B-131.7, which instructs the Attorney General to assign legal counsel to the Roanoke Island Commission. The Commission was made part of the Department of Commerce by Section 19.8 of the Appropriations Act 2014. Because of this transfer, counsel from the Attorney General's office can be assigned in the same manner as counsel is assigned to other agencies, making G.S. 143B-131.7 obsolete.

Section 2 of the bill amends Section 36.10 of the Appropriations Act of 2014 to clarify that cofferdam repairs are part of the project being authorized. Section 36.12.(f) of the Current Operations and Capital Improvements Appropriations Act of 2014 allocated up to $3 million in proceeds of bonds and notes to finance the costs of completing a cofferdam around the USS North Carolina Battleship. However, Section 36.10 of the Act, the actual authorization for the project, fails to note that the project includes the construction of a cofferdam, and Section 2 of the bill corrects that omission.

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

O. Walker Reagan
Director

H259-SMTG-35 E1 -V1

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H 1

HOUSE BILL 259

Short Title:	General Government Technical Corrections.-AB	(Public)
Sponsors:	Representatives Cleveland, R. Brown, and Riddell (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Appropriations.	

March 18, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE TWO TECHNICAL CORRECTIONS RELATED TO GENERAL GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-131.7 is repealed.

SECTION 2. Section 36.10 of S.L. 2014-100 reads as rewritten:

"**SECTION 36.10.** The General Assembly authorizes USS North Carolina Battleship hull and cofferdam repairs to be funded at a maximum cost of thirteen million dollars ($13,000,000) in accordance with this section. The sum of three million dollars ($3,000,000) of the proceeds of bonds issued pursuant to Section 36.12(f)(7) of this act shall be used for this project. The remainder of the project shall be funded with receipts or from other non-General Fund sources available to the Department of Cultural Resources, and those funds are hereby appropriated for that purpose."

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **259** General Government Technical Corrections.-AB

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

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 4/15/15 1:30 PM Room: 1228/1327

House Sgt-At Arms:

1. Name: Joe Austin
2. Name: David Leighton
3. Name: Martha Gadison
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

Wednesday, April 15 RULES CALENDAR AND OPERATIONS	**Room** 1228/1327	**Time** 1:30 pm

Name	County	Sponsor
Eli Hornback	Rutherford	Mike Hager

VISITOR REGISTRATION SHEET

House Committee on Rules 4/15/15

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Barnett Eastwood	
Sarah Preston	ACLU-NC
Tim Kent	NC Beer & Wine
Suzanne Beachy	[illegible]
Erin Jones	NWC
Sarah Hardin	CR

House Committee on Rules, Calendar, and Operations of the House
Wednesday, April 22, 2015 at 12:00 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 12:00 PM on April 22, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hanes, Hastings, Lewis, Reives, Robinson, Stam, Szoka, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 467 Cleveland County Coroner/ME Recommendations. (Representative Hastings)
Motion to hear by Rep. Bumgardner. Rep. Davis moves favorable report to PCS, unfavorable to original. The motion carries.

HB 892 2015 Speaker's Appointments. (Representative Lewis)
Rep. Daughtry presides. Rep. Hastings moves to have PCS before committee. Chairman Lewis explains the bill. Rep. Davis moves that PCS be given favorable report. The motion carries.

HJR 670 Honor Dean E. Smith. (Representatives Insko, T. Moore, Meyer, R. Johnson)
Rep. Insko explains the bill. Rep. Floyd moves to give favorable report. The motion carries.

HJR 668 Remembering the Holocaust. (Representatives T. Moore, McElraft, Glazier, Szoka)
Rep. Szoka moves to give favorable report. The motion carries.

HB 632 Study Student Online Data Privacy. (Representative Saine)
Rep. Carney moves that it be given a favorable report. The motion carries.

HB 766 Amend CBD Oil Statute. (Representatives McElraft, Avila, Carney)
Rep. McElraft presented the bill. Rep. Carney sent forth a perfecting amendment. The motion to adopt carries. Rep. Carney moves that the bill be rolled into a new PCS and be given a favorable report, unfavorable to the original. The motion carries.

HB 124 Eliminate Second Primaries. (Representatives Floyd, Michaux, C. Graham, Jordan)
Displaced.

HB 159 Dog Breeding Stds./Law Enforcement Tools. (Representatives Saine, McGrady, Catlin, Harrison)
Rep. Saine explains. Rep. Szoka moves to give PCS a favorable report, unfavorable to the original. The motion carries.

The meeting adjourned at 1:05 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 22, 2015
TIME: **12:00 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 467	Cleveland County Coroner/ME Recommendations.	Representative Hastings
HJR 668	Remembering the Holocaust.	Representative T. Moore Representative McElraft Representative Glazier Representative Szoka
HJR 670	Honor Dean E. Smith.	Representative Insko Representative T. Moore Representative Meyer Representative R. Johnson
HB 766	Amend CBD Oil Statute.	Representative McElraft Representative Avila Representative Carney
HB 892	2015 Speaker's Appointments.	Representative Lewis
HB 124	Eliminate Second Primaries.	Representative Floyd Representative Michaux Representative C. Graham Representative Jordan
HB 159	Dog Breeding Stds./Law Enforcement Tools.	Representative Saine Representative McGrady Representative Catlin Representative Harrison
HB 632	Study Student Online Data Privacy.	Representative Saine

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:08 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 124:
Eliminate Second Primaries

2015-2016 General Assembly

Committee:	Elections, if favorable, Rules, Calendar, and Operations of the House	**Date:**	April 21, 2015
Introduced by:	Reps. Floyd, Michaux, C. Graham, Jordan	**Prepared by:**	R. Erika Churchill Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 124 would repeal the statutory authority for second primaries.

CURRENT LAW:

G.S. 163-111 permits the holding of a second primary if no nominee in a first primary receives a substantial plurality of the vote, which is statutorily defined as more than 40% of the primary vote. A candidate entitled to call for a second primary must do so by 12:00 noon on the ninth day following the first primary. Once requested and called for, the second primary is to be held seven weeks after the first primary.

Other than certain requirements related to registration of voters, the second primary is held under the laws, rules, and regulations provided for the first primary. Voters may not be registered between the first and second primaries, except for persons whose qualifications mature between the two primaries, as the second primary is a continuation of the first.

BILL ANALYSIS: The bill would repeal the statutory authority to request a second primary. The bill would further provide that the candidate, or candidates if the nominees are running for a group of offices, receiving the highest number of votes in the primary would be declared the nominee of the party.

EFFECTIVE DATE: Effective when it becomes law.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 124

Short Title:	Eliminate Second Primaries.	(Public)
Sponsors:	Representatives Floyd, Michaux, C. Graham, and Jordan (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Elections, if favorable, Rules, Calendar, and Operations of the House.	

March 3, 2015

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE SECOND PRIMARIES AND MAKE OTHER CONFORMING STATUTORY CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-23.1(d) reads as rewritten:

"(d) If the council adopts the resolution provided for in subsection (a) of this section and does not adopt the changes, or does adopt the changes, but approval under the Voting Rights Act of 1965, as amended, is required, and notice of such approval is not received, by the end of the third day before the opening of the filing period, the municipal election shall be rescheduled as provided in this subsection and current officeholders shall hold over until their successors are elected and qualified. For cities using the:

(1) Partisan primary and election method under G.S. 163-291, the primary shall be held on the primary election date for county officers in the second year following a federal decennial census, ~~the second primary, if necessary, shall be held on the second primary election date for county officers in that year,~~census and the general election shall be held on the general election date for county officers in that year.

(2) Nonpartisan primary and election method under G.S. 163-294, the primary shall be held on the primary election date for county officers in the second year following a federal decennial census, and the election shall be held on the general election date ~~for the second primary~~ for county officers in that year.

(3) Nonpartisan plurality election method under G.S. 163-292, the election shall be held on the primary election date for county officers in the second year following a federal decennial census.

(4) Election and runoff method under G.S. 163-293, the election shall be held on the primary election date for county officers in the second year following a federal decennial census, ~~and the runoffs, if necessary, shall be held on the date for the second primary for county officers in that year.~~but the results shall instead be determined by the nonpartisan plurality election method under G.S. 163-292.

The organizational meeting of the new council may be held at any time after the results of the election have been officially determined and published, but not later than the time and date of the first regular meeting of the council in November of the second year following a federal decennial census, except in the case of partisan municipal elections, when the organizational

meeting shall be held not later than the time and date of the first regular meeting of the council in December of the second year following a federal decennial census."

SECTION 2. G.S. 163-55(c) reads as rewritten:

"(c) Elections. – For purposes of the 30-day residence requirement to vote in an election in subsection (a) of this section, the term "election" means the day of the primary, ~~second primary,~~ general election, special election, or referendum."

SECTION 3. G.S. 163-82.6(d) reads as rewritten:

"(d) Instances When Person May Register and Vote on Primary or Election Day. – If a person has become qualified to register and vote between the twenty-fifth day before a primary or election and primary or election day, then that person may apply to register on primary or election day by submitting an application form described in G.S. 163-82.3(a) or (b) to:

(1) A member of the county board of elections;

(2) The county director of elections; or

(3) The chief judge or a judge of the precinct in which the person is eligible to vote,

and, if the application is approved, that person may vote the same day. The official in subdivisions (1) through (3) of this subsection to whom the application is submitted shall decide whether the applicant is eligible to vote. The applicant shall present to the official written or documentary evidence that the applicant is the person he represents himself to be. The official, if in doubt as to the right of the applicant to register, may require other evidence satisfactory to that official as to the applicant's qualifications. If the official determines that the person is eligible, the person shall be permitted to vote in the primary or election and the county board shall add the person's name to the list of registered voters. If the official denies the application, the person shall be permitted to vote a challenged ballot under the provisions of G.S. 163-88.1, and may appeal the denial to the full county board of elections. The State Board of Elections shall promulgate rules for the county boards of elections to follow in hearing appeals for denial of primary or election day applications to register. ~~No person shall be permitted to register on the day of a second primary unless he shall have become qualified to register and vote between the date of the first primary and the date of the succeeding second primary.~~"

SECTION 4. G.S. 163-82.17(a) reads as rewritten:

"(a) Registrant's Duty to Report. – Any registrant who desires to have the record of his party affiliation or unaffiliated status changed on the registration list shall, no later than the last day for making application to register under G.S. 163-82.6 before the election, indicate the change on an application form as described in G.S. 163-82.3 or on a voter registration card described in G.S. 163-82.8. No registrant shall be permitted to change party affiliation or unaffiliated status for a primary, ~~second primary,~~ or special or general election after the deadline for registration applications for that election as set out in G.S. 163-82.6."

SECTION 5. G.S. 163-111 reads as rewritten:

"**§ 163-111. Determination of primary ~~results; second primaries.~~results.**

(a) ~~Nomination Determined by Substantial Plurality; Definition of Substantial Plurality. Except as otherwise provided in this section, nominations in primary elections shall be determined by a substantial plurality of the votes cast. A substantial plurality within the meaning of this section~~ Nominations in primary elections shall be determined as follows:

(1) If a nominee for a single office is to be selected, and there is more than one person seeking nomination, ~~the substantial plurality shall be ascertained by multiplying the total vote cast for all aspirants by forty percent (40%). Any excess of the sum so ascertained shall be a substantial plurality, and the aspirant who obtains a substantial plurality shall be declared the nominee. If two candidates receive a substantial plurality,~~ the candidate receiving the highest ~~vote~~ number of votes shall be declared the nominee.

(2) If nominees for two or more offices (constituting a group) are to be selected, and there are more persons seeking nomination than there are offices, ~~the substantial plurality shall be ascertained by dividing the total vote cast for all aspirants by the number of positions to be filled, and by multiplying the result by forty percent (40%). Any excess of the sum so ascertained shall be a substantial plurality, and the aspirants who obtain a substantial plurality shall be declared the nominees. If more candidates obtain a substantial plurality than there are positions to be filled, those~~the nominees having the highest ~~vote~~ number of votes (equal to the number of positions to be filled) shall be declared the nominees.

(a1) When more than one person is seeking election to a single office and two or more candidates receiving the highest numbers of votes each receive the same number of votes, the board of elections shall determine the nominee by lot.

(a2) When there are more persons seeking nomination to two or more offices (constituting a group) than there are offices to be filled, and two or more candidates receiving the lowest numbers of votes necessary for nomination each receive the same number of votes, the board of elections shall, from among those candidates receiving the same number of votes, determine the nominee by lot.

(a3) This section prevails over any local act.

~~(b) Right to Demand Second Primary. If an insufficient number of aspirants receive a substantial plurality of the votes cast for a given office or group of offices in a primary, a second primary, subject to the conditions specified in this section, shall be held:~~

~~(1) If a nominee for a single office is to be selected and no aspirant receives a substantial plurality of the votes cast, the aspirant receiving the highest number of votes shall be declared nominated by the appropriate board of elections unless the aspirant receiving the second highest number of votes shall request a second primary in accordance with the provisions of subsection (c) of this section. In the second primary only the two aspirants who received the highest and next highest number of votes shall be voted for.~~

~~(2) If nominees for two or more offices (constituting a group) are to be selected and aspirants for some or all of the positions within the group do not receive a substantial plurality of the votes, those candidates equal in number to the positions remaining to be filled and having the highest number of votes shall be declared the nominees unless some one or all of the aspirants equal in number to the positions remaining to be filled and having the second highest number of votes shall request a second primary in accordance with the provisions of subsection (c) of this section. In the second primary to select nominees for the positions in the group remaining to be filled, the names of all those candidates receiving the highest number of votes and all those receiving the second highest number of votes and demanding a second primary shall be printed on the ballot.~~

~~(c) Procedure for Requesting Second Primary.~~

~~(1) A candidate who is apparently entitled to demand a second primary, according to the unofficial results, for one of the offices listed below, and desiring to do so, shall file a request for a second primary in writing with the Executive Director of the State Board of Elections no later than 12:00 noon on the ninth day (including Saturdays and Sundays) following the date on which the primary was conducted, and such request shall be subject to the certification of the official results by the State Board of Elections. If the vote certification by the State Board of Elections determines that a candidate who~~

was not originally thought to be eligible to call for a second primary is in fact eligible to call for a second primary, the Executive Director of the State Board of Elections shall immediately notify such candidate and permit him to exercise any options available to him within a 48-hour period following the notification:

Governor,
Lieutenant Governor,
All State executive officers,
District Attorneys of the General Court of Justice,
United States Senators,
Members of the United States House of Representatives,
State Senators in multi-county senatorial districts, and
Members of the State House of Representatives in multi-county representative districts.

(2) A candidate who is apparently entitled to demand a second primary, according to the unofficial results, for one of the offices listed below and desiring to do so, shall file a request for a second primary in writing with the chairman or director of the county board of elections no later than 12:00 noon on the ninth day (including Saturdays and Sundays) following the date on which the primary was conducted, and such request shall be subject to the certification of the official results by the county board of elections:

State Senators in single-county senatorial districts,
Members of the State House of Representatives in single-county representative districts, and
All county officers.

(3) Immediately upon receipt of a request for a second primary the appropriate board of elections, State or county, shall notify all candidates entitled to participate in the second primary, by telephone followed by written notice, that a second primary has been requested and of the date of the second primary.

(d) Tie Votes; How Determined. –

(1) In the event of a tie for the highest number of votes in a first primary between two candidates for party nomination for a single county, or single-county legislative district office, the board of elections of the county in which the two candidates were voted for shall conduct a recount and declare the results. If the recount shows a tie vote, a second primary shall be held on the date prescribed in subsection (e) of this section between the two candidates having an equal vote, unless one of the aspirants, within three days after the result of the recount has been officially declared, files a written notice of withdrawal with the board of elections with which he filed notice of candidacy. Should that be done, the remaining aspirant shall be declared the nominee. In the event of a tie for the highest number of votes in a first primary among more than two candidates for party nomination for one of the offices mentioned in this subdivision, no recount shall be held, but all of the tied candidates shall be entered in a second primary.

(2) In the event of a tie for the highest number of votes in a first primary between two candidates for a State office, for United States Senator, or for any district office (including State Senator in a multi-county senatorial district and member of the State House of Representatives in a multi-county representative district), no recount shall be held solely by reason of the tie, but the two candidates having an equal vote shall be entered in a second

~~primary to be held on the date prescribed in subsection (e) of this section, unless one of the two candidates files a written notice of withdrawal with the State Board of Elections within three days after the result of the first primary has been officially declared and published. Should that be done, the remaining aspirant shall be declared the nominee. In the event of a tie for the highest number of votes in a first primary among more than two candidates for party nomination for one of the offices mentioned in this subdivision, no recount shall be held, but all of the tied candidates shall be entered in a second primary.~~

~~(3) In the event one candidate receives the highest number of votes cast in a first primary, but short of a substantial plurality, and two or more of the other candidates receive the second highest number of votes cast in an equal number, the proper board of elections shall declare the candidate having the highest vote to be the party nominee, unless all but one of the tied candidates give written notice of withdrawal to the proper board of elections within three days after the result of the first primary has been officially declared. If all but one of the tied candidates withdraw within the prescribed three-day period, and the remaining candidate demands a second primary in accordance with the provisions of subsection (c) of this section, a second primary shall be held between the candidate who received the highest vote and the remaining candidate who received the second highest vote.~~

~~(e) Date of Second Primary; Procedures. – If a second primary is required under the provisions of this section, the appropriate board of elections, State or county, shall order that it be held 10 weeks after the first primary if any of the offices for which a second primary is required are for a candidate for the office of United States Senate or member of the United States House of Representatives. Otherwise, the second primary shall be held seven weeks after the first primary.~~

~~There shall be no registration of voters between the dates of the first and second primaries. Persons whose qualifications to register and vote mature after the day of the first primary and before the day of the second primary may register on the day of the second primary and, when thus registered, shall be entitled to vote in the second primary. The second primary is a continuation of the first primary and any voter who files a proper and timely written affirmation of change of address within the county under the provisions of G.S. 163-82.15, in the first primary may vote in the second primary without having to refile that written affirmation if the voter is otherwise qualified to vote in the second primary. Subject to this provision for registration, the second primary shall be held under the laws, rules, and regulations provided for the first primary.~~

~~(f) No Third Primary Permitted. – In no case shall there be a third primary. The candidates receiving the highest number of votes in the second primary shall be nominated. If in a second primary there is a tie for the highest number of votes between two candidates, the proper party executive committee shall select the party nominee for the office in accordance with the provisions of G.S. 163-114.~~"

SECTION 6. G.S. 163-226(c) reads as rewritten:

"(c) The Term "Election". – As used in this Subchapter, unless the context clearly requires otherwise, the term "election" includes a general, primary, ~~second primary,~~ runoff election, bond election, referendum, or special election."

SECTION 7. G.S. 163-227.1 is repealed.

SECTION 8. G.S. 163-227.3(b) is repealed.

SECTION 9. G.S. 163-258.9(a) reads as rewritten:

"(a) Not later than 60 days before the statewide general election in even-numbered years and not later than 50 days before any other election, the county board of elections shall transmit

a ballot and balloting materials to all covered voters who by that date submit a valid military-overseas ballot ~~application, except for a second primary.~~application. Provided, in a presidential election year, the board of elections shall provide general election ballots no later than three days after nomination of the presidential and vice presidential candidates if that nomination occurs later than 63 days prior to the statewide general election and makes compliance with the 60-day deadline impossible. However, in the case of municipal elections, absentee ballots shall be made available no later than 30 days before an election. ~~For a second primary which includes a candidate for federal office, the county board of elections shall transmit a ballot and balloting material to all covered voters who by that date submit a valid military-overseas ballot application no later than 45 days before the second primary. For a second primary which does not include a candidate for federal office, the transmission of the ballot and ballot materials shall be as soon as practicable and shall be transmitted electronically no later than three business days and by mail no later than 15 days from the date the appropriate board of elections orders that the second primary be held pursuant to G.S. 163-111.~~ If additional offices are added to the ballot to fill a vacancy occurring after the deadline provided by this subsection, those ballots shall be transmitted as soon as practicable."

SECTION 10. G.S. 163-258.16(a) reads as rewritten:

"(a) Not later than 100 days before a regularly scheduled election to which this Article applies, and as soon as practicable in the case of an election or vacancy election not regularly scheduled, each county board of elections shall prepare an election notice for that jurisdiction to be used in conjunction with the federal write-in absentee ballot described in G.S. 163-258.11. ~~For a second primary required by G.S. 163-111, the county board of elections shall prepare, no later than the day following the date the appropriate board of elections orders that a second primary be held, an election notice for that jurisdiction to be used in conjunction with the federal write-in absentee ballot.~~ The election notice shall contain a list of all of the ballot measures and federal, State, and local offices that, as of that date, the official expects to be on the ballot on the date of the election. The notice also shall contain specific instructions for how a voter is to indicate on the federal write-in absentee ballot the voter's choice for each office to be filled and for each ballot measure to be contested."

SECTION 11. G.S. 163-258.29 reads as rewritten:

"**§ 163-258.29. Absentee voting at office of board of elections.**

Notwithstanding any other provisions of this Chapter, any covered voter under this Article shall be permitted to vote an absentee ballot pursuant to G.S. 163-227.2 if the covered voter has not already voted an absentee ballot which has been returned to the board of elections, and if the covered voter will not be in the county on the day of the primary or election.

In the event an absentee application or ballot has already been mailed to the covered voter applying to vote pursuant to G.S. 163-227.2, the board of elections shall void the application and ballot unless the voted absentee ballot has been received by the board of elections. The covered voter shall be eligible to vote pursuant to G.S. 163-227.2 no later than 5:00 P.M. on the day next preceding the ~~primary, second~~ primary or election."

SECTION 12. G.S. 163-278.6(8) reads as rewritten:

"**§ 163-278.6. Definitions.**

When used in this Article:

...

(8) The term "election" means any general or special election, a ~~first or second~~ primary, a run-off election, or an election to fill a vacancy. The term "election" shall not include any local or statewide referendum."

SECTION 13. G.S. 163-278.13(d) reads as rewritten:

"(d) For the purposes of this section, the term "an election" means the period of time from January 1 of an odd-numbered year through the day of the ~~primary, the day after the primary through the day of the second primary,~~primary or the day after the primary through

December 31 of the next even-numbered year, without regard to whether the candidate is opposed or unopposed in the ~~election, except that where a candidate is not on the ballot in a second primary, that second primary is not "an election" with respect to that candidate.~~election."

SECTION 14. G.S. 163-278.13B(d) is repealed.

SECTION 15. G.S. 163-278.40B(2) reads as rewritten:

"**§ 163-278.40B. Campaign report; partisan election.**

In any city election conducted on a partisan basis in accordance with G.S. 163-279(a)(2) and 163-291, the following reports shall be filed in addition to the organizational report:

...

(2) Pre-election Report. – The treasurer shall file a report 10 days before the ~~election, unless a second primary is held and the candidate appeared on the ballot in the second primary, in which case the report shall be filed 10 days before the second primary.~~election."

SECTION 16. G.S. 163-279(a)(2) reads as rewritten:

"(a) Primaries and elections for offices filled by election of the people in cities, towns, incorporated villages, and special districts shall be held in 1973 and every two or four years thereafter as provided by municipal charter on the following days:

...

(2) If the election is partisan, the election shall be held on Tuesday after the first Monday in ~~November, the first~~November and the primary shall be held on the second Tuesday after Labor ~~Day, and the second primary, if required, shall be held on the fourth Tuesday before the election.~~Day."

SECTION 17. G.S. 163-291 reads as rewritten:

"**§ 163-291. Partisan primaries and elections.**

The nomination of candidates for office in cities, towns, villages, and special districts whose elections are conducted on a partisan basis shall be governed by the provisions of this Chapter applicable to the nomination of county officers, and the terms "county board of elections," "chairman of the county board of elections," "county officers," and similar terms shall be construed with respect to municipal elections to mean the appropriate municipal officers and candidates, except that:

...

(5) The canvass of the primary ~~and second primary~~ shall be held on the seventh day following the ~~primary or second~~ primary. In accepting the filing of complaints concerning the conduct of an election, a board of elections shall be subject to the rules concerning Sundays and holidays set forth in G.S. 103-5.

~~(6) Candidates having the right to demand a second primary shall do so not later than 12:00 noon on the Thursday following the canvass of the first primary.~~"

SECTION 18. G.S. 163-329(b1) reads as rewritten:

"(b1) Method for Vacancy Election. – If a vacancy for the office of justice of the Supreme Court, judge of the Court of Appeals, or judge of the superior court occurs more than 60 days before the general election and after the opening of the filing period for the primary, then the State Board of Elections shall designate a special filing period of one week for candidates for the office. If more than two candidates file and qualify for the office in accordance with G.S. 163-323, then the Board shall conduct ~~the election for the office as follows:~~

~~(1) When the vacancy described in this section occurs more than 63 days before the date of the second primary for members of the General Assembly, a special primary shall be held on the same day as the second primary. The two candidates with the most votes in the special primary shall have their~~

~~names placed on the ballot for the general election held on the same day as the general election for members of the General Assembly.~~

~~(2)~~ ~~When the vacancy described in this section occurs less than 64 days before the date of the second primary,~~ a general election for all the candidates ~~shall be held~~ on the same day as the general election for members of the General Assembly and the results shall be determined on a plurality basis as provided by G.S. 163-292.

~~(3)~~ ~~Repealed by Session Laws 2013-381, s. 51.1, effective January 1, 2014.~~"

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

HOUSE JOINT RESOLUTION 668

Sponsors: Representatives T. Moore, McElraft, Glazier, and Szoka (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

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

April 14, 2015

A JOINT RESOLUTION HONORING THE MEMORY AND LIVES OF VICTIMS OF THE HOLOCAUST, INCLUDING THOSE WHO PERISHED IN AND THOSE WHO SURVIVED NAZI CONCENTRATION CAMPS, AND RECOGNIZING AND HONORING THE UNITED STATES ARMED FORCES WHOSE COURAGE AND BRAVERY LED TO THE LIBERATION OF THOSE CAMPS ON THIS SEVENTIETH ANNIVERSARY OF THE UNITED STATES ARMY'S LIBERATION OF THE INFAMOUS DACHAU CONCENTRATION CAMP.

Whereas, April 29, 2015, marks the 70th anniversary of the liberation of the infamous Nazi concentration camp at Dachau, Germany; and

Whereas, in 1933, Dachau became the first major concentration camp established by the Nazi regime, serving as a training center for SS concentration camp guards and incarcerating clergy, Jews, political opponents of the Nazis, and homosexuals and others labeled as "undesirable elements" by the Nazis; and

Whereas, prisoners were executed in Dachau and its many surrounding sub-camps, as well as being starved to death and worked to death; and

Whereas, Dachau included an "experimental station," which conducted medical experiments through the use of hypothermia, forced diseases, and other atrocities to observe and document their gruesome and agonizing effects on defenseless prisoners; and

Whereas, Dachau was one of a system of concentration camps and their sub-camps in which millions perished during World War II; and

Whereas, the estimates of prisoners who died or were executed at Dachau is nearly 50,000 persons; and

Whereas, prior to its liberation, Dachau held nearly 70,000 prisoners; and

Whereas, the United States Armed Forces, and particularly the United States Seventh Army's 42nd and 45th Infantry Divisions, with support of the 20th Armored Division, played the lead role in the liberation of Dachau and its surrounding camps; and

Whereas, on April 29, 1945, these divisions of the U.S. Army, which had fought their way through Europe and were proceeding to capture the German city of Munich, arrived at the concentration camp at Dachau on April 29, 1945, and seized control of that camp; and

Whereas, upon their arrival at Dachau, the United States Army discovered a string of approximately 40 railway cars sitting on a siding near the camp entrance, loaded with thousands of emaciated corpses of prisoners who had been moved from other concentration camps; and

Whereas, the Dachau concentration camp included a crematorium, gas chamber, and adjacent rooms piled high with naked and emaciated human corpses at the time the U.S. Army liberated the camp; and

Whereas, on the days prior to and following the liberation of Dachau, the U.S. Army liberated Jews and others who were on forced death marches or transports to and from Dachau and other concentration camps, including North Carolina residents Morris Glass, Abe Piasek, Harry Weiss, and others; and

Whereas, on the days following their liberation of Dachau, the U.S. Seventh Army took over administration of the Dachau camp, supplying food and medical supplies and establishing evacuation hospitals to assume the care and feeding of the prisoners; and

Whereas, a Dachau survivor gave U.S. Army Air Corps soldier David Walter Corsbie, Jr., an "ashcake" containing the ashes of an unknown number of individuals killed at Dachau and urged him to take them home as a reminder of the horrors of the Holocaust; and

Whereas, David Walter Corsbie hid the ashes in his Surry County home until shortly before his death in 1986, before transmitting them to his son Joe; and

Whereas, through the efforts of David Walter Corsbie's family and Holocaust survivors and their children, and The Holocaust Speakers Bureau in Chapel Hill and Durham's Beth El Synagogue, those ashes were given a proper burial at the Durham Hebrew Cemetery on May 25, 2014; and

Whereas, North Carolina is the home to many Holocaust survivors and veterans who were involved in the liberation of concentration camps during World War II and whose age and mortality are diminishing their ranks, including the recently deceased U.S. Army veteran liberators Robert Patton and Bud Parsons, North Carolinians who spoke at the State's commemoration of the annual "Days of Remembrance" program in 2011, presented by the North Carolina Council on the Holocaust; and

Whereas, North Carolina is the home of major military bases, including Fort Bragg, the Marine Corps Air Station Cherry Point, Marine Corps Air Station New River, Marine Corps Base Camp Lejeune, Seymour Johnson and Pope Air Force bases, and the Coast Guard station at Elizabeth City, as well as the North Carolina National Guard; and

Whereas, the North Carolina Veterans of Foreign Wars, American Legion, and Division of Veterans Affairs serve and bear witness to the courage of the United States Armed Forces involved in these liberation efforts; and

Whereas, the North Carolina Council on the Holocaust, established by the State in 1981, works tirelessly with Holocaust survivors to promote and provide Holocaust education for our teachers and students throughout the State and has worked tirelessly to organize this and various other recognitions to give meaning to the promise, "never again"; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly of North Carolina honors the courage, memories, and sacrifices of victims of the Holocaust, including those who perished in and those who survived Nazi concentration camps, including Dachau.

SECTION 2. The General Assembly recognizes and honors the courage and bravery of United States Armed Forces whose mighty and heroic efforts led to the liberation of those camps.

SECTION 3. The General Assembly of North Carolina recognizes and honors those Holocaust survivors, together with military commanders and representatives of the liberators of the United States Armed Forces based in North Carolina and representatives of the American Legion, Veterans of Foreign Wars, and North Carolina Division of Veterans Affairs.

SECTION 4. The General Assembly of North Carolina expresses gratitude to those persons and entities hosting and participating in events this year commemorating the 70th anniversary of the liberation of Dachau and other concentration camps and applauds the efforts of the North Carolina Council on the Holocaust and its members and hereby reaffirms its

support of and commitment to educational efforts to teach current and future generations about the Holocaust, to preserve the memory of those murdered, and to prevent future genocides.

SECTION 5. The Secretary of State shall transmit a certified copy of this resolution to the Secretary of the United States Army in recognition of its liberation of the Dachau concentration camp, and to the commanders of all military bases in North Carolina, the North Carolina Council on the Holocaust, the Holocaust Speakers Bureau in Chapel Hill, the Director of the United States Holocaust Memorial Museum, and the Director of the North Carolina Museum of History.

SECTION 6. This resolution is effective upon ratification.

HOUSE JOINT RESOLUTION 670

Sponsors: Representatives Insko, T. Moore, Meyer, and R. Johnson (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

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

April 14, 2015

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF DEAN EDWARDS SMITH, LEGENDARY MEN'S BASKETBALL COACH OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL.

Whereas, Dean Edwards Smith was born on February 28, 1931 in Emporia, Kansas, to Alfred and Vesta Smith, both public school teachers; and

Whereas, Dean Smith graduated from Topeka High School in 1949 and attended the University of Kansas on an academic scholarship, during which time he was a student athlete playing varsity basketball and baseball and freshman football, and was a member of the Jayhawk basketball team that won the NCAA title in 1952 and finished second in 1953; and

Whereas, after graduating college in 1953, Dean Smith remained at the University of Kansas where he served as an assistant basketball coach to Phog Allen and Dick Harp; and

Whereas, in 1954, Dean Smith joined the U.S. Air Force, where he played and coached basketball in Europe and later served as an assistant basketball coach to Bob Spear, and was the head coach of the Air Force Academy's baseball and golf teams; and

Whereas, in 1958, Coach Smith became an assistant to Frank McGuire at the University of North Carolina at Chapel Hill (UNC) and, in 1961, at the age of 30, became the head coach when Coach McGuire resigned to become head coach of the NBA's Philadelphia Warriors; and

Whereas, in 1966, Coach Smith helped integrate UNC athletics by recruiting Charles Scott, the first African-American scholarship player at the university and one of the first black athletes to sign at a major college in the South; and

Whereas, with a fierce winning spirit and talented players, Coach Smith guided the Tar Heels in ACC play to a record of 364-136 and won 13 ACC Tournament titles and finished at least third in the ACC regular-season standings for 33 successive seasons, including 17 first place titles, 11 second place finishes, and five third place finishes; and

Whereas, the Tar Heels under Coach Smith's skilled hand won at least 20 games in 27 straight seasons, including 30 of his last 31 games, a record matched by no other coach; and

Whereas, Coach Smith led his teams to 27 NCAA appearances of which 23 were consecutive; 13 straight Sweet 16 appearances from 1981 to 1993; 11 Final Four appearances; NCAA championships in 1982 and 1993; and a NIT championship in 1971; and

Whereas, as head coach, Coach Smith was instrumental in guiding the United States basketball team to a gold medal at the 1976 Olympic Games; and

Whereas, on March 15, 1997 Coach Smith became the "all-time winningest coach" in the history of NCAA Division I basketball by passing Adolph Rupp's record of 876 wins; and

Whereas, Dean Smith retired from coaching on October 9, 1997 with a record of 879-254 and the distinction of having won more games than any other Division I men's basketball college coach in history, a record that held until 2007; and

Whereas, at UNC, Coach Smith established a tradition of excellence during his 36 years as head coach, building an outstanding men's basketball program made up of young men who succeeded not only on the basketball court but also in the classroom where they achieved a graduation rate better than 95%; and

Whereas, Coach Smith created or perfected the run-and-jump and scramble defenses, the team huddle before a free throw, the clenched fist to signal a needed rest from the game, the acknowledgment of an assist by pointing to the passer, and the "Four Corners" offense that proved so effective the shot clock was instituted by the NCAA in 1985; and

Whereas, many of Coach Smith's players went on to become professional basketball players, basketball coaches, entrepreneurs, professionals, and other leaders, many of whom still contribute to their communities throughout the world; and

Whereas, Coach Smith received numerous awards and honors, as he was named the ACC Coach of the Year eight times, National Coach of the Year four times, and the Sportsman of the Year by Sports Illustrated, and received the Arthur Ashe Award for Courage at the ESPY Awards and the Naismith Good Sportsmanship Award; and

Whereas, Coach Smith was the first recipient of the Mentor Award for Lifetime Achievement given by the University of North Carolina Committee on Teaching Awards for "a broader range of teaching beyond the classroom" and was the recipient of the Order of the Longleaf Pine in 1988 and the Presidential Medal of Freedom in 2013, the highest civilian award granted by the United States government; and

Whereas, Coach Smith was recognized by SportsCentury, an award-winning program on ESPN, as one of the top seven coaches of the 20th century; and

Whereas, Coach Smith was honored with The University Award, the highest distinction bestowed by UNC, in 1998 in recognition of his "illustrious service to higher education"; and an Honorary Doctor of Laws from UNC in 2007, which recognizes "outstanding service to humanity in the world arena, in our nation, in the American South, or our State of North Carolina; people who have made outstanding contributions to knowledge in the world of scholarship; people whose talent and creativity in the world of the arts has enriched our lives; and people whose devotion to and support of our University merits our highest recognition"; and

Whereas, Coach Smith was inducted into the North Carolina Sports Hall of Fame in 1981, Naismith Memorial Basketball Hall of Fame in 1983, National Collegiate Basketball Hall of Fame in 2006, and FIBA Hall of Fame in 2007; and

Whereas, Coach Smith was a very humble man who did not seek fame or fortune or recognition for any of the things he did for others; and

Whereas, Coach Smith was a man of great character who believed in equality for every citizen that was demonstrated over and over in his life's work, including when he, in the late 1960s, integrated a segregated Chapel Hill restaurant when he walked in with his pastor and black theology student; and

Whereas, Coach Smith was revered and loved by his players, coaching staff, and members of the UNC basketball family and was respected and admired by his peers, colleagues, and UNC fans; and

Whereas, Coach Smith was an active member of Binkley Baptist Church in Chapel Hill; and

Whereas, Dean Smith died on February 7, 2015 at the age of 83 leaving his wife, Linnea; children, Sharon, Sandy, Scott, Kristen, and Kelly; seven grandchildren; and one great-grandchild to mourn his loss; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly honors the memory of Dean Edwards Smith, former head coach of the men's basketball team at the University of North Carolina at Chapel Hill, and expresses the appreciation of this State for his many contributions to the game of basketball, the University of North Carolina at Chapel Hill, and thereby the entire State of North Carolina as well as public education and social justice.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Dean Edwards Smith for the loss of a beloved family member.

SECTION 3. The Secretary of State shall send certified copies of this resolution to the family of Dean Edwards Smith.

SECTION 4. This resolution is effective upon ratification.

HOUSE BILL 159:
Dog Breeding Stds./Law Enforcement Tools

2013-2014 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 22, 2015
Introduced by:	Reps. Saine, McGrady, Catlin, Harrison	**Prepared by:**	Wendy Graf Ray Committee Counsel
Analysis of:	PCS to First Edition H159-CSSU-17		

SUMMARY: The Proposed Committee Substitute for House Bill 159 would create standards of care for large commercial dog breeders and would provide criminal offenses for failing to comply with those standards.

CURRENT LAW: Article 47 of Chapter 14 of the General Statutes addresses cruelty to animals and contains the following criminal penalties:

If any person shall intentionally overdrive, overload, wound, injure, torment, kill, or deprive of necessary sustenance any animal, every such offender shall be guilty of a Class 1 misdemeanor.

If any person shall maliciously kill, or cause to be killed, any animal by intentional deprivation of necessary sustenance, that person shall be guilty of a Class H felony.

If any person shall maliciously torture, mutilate, maim, cruelly beat, disfigure, poison, or kill any animal is guilty of a Class H felony.

Instigating or promoting cruelty to animals is a Class 1 misdemeanor.

Abandonment of animals a Class 2 misdemeanor.

There are also provisions addressing: cockfighting, dog fighting and baiting, animal fights and baiting (other than cock fights, dog fights, and dog baiting), among others.

Article 3 of Chapter 19A of the General Statutes is the Animal Welfare Act. The act requires persons who operate boarding kennels, public auctions, and pet shops or who act as animal dealers, to obtain a license from the Director of the Animal Welfare Section of the Animal Health Division of the Department of Agriculture and Consumer Services. Persons operating animal shelters are required to obtain a certificate of registration.

In addition, those persons operating kennels, public auctions, pet shops, and animal shelters must comply with rules adopted by the Board of Agriculture which provide standards of care for the animals kept at these facilities.

Failure to obtain a license for the operation of a pet shop, kennel, or public auction is a Class 3 misdemeanor with a penalty of no less than $5 and no more than $25. Failure to obtain a license to act as a dealer is a Class 2 misdemeanor. Failure to adequately house, feed, and water animals is a Class 3 misdemeanor and the person shall be subject to a fine of not less than $5 per animal with a total cap of $1,000. In addition, the Director may assess a civil penalty of not more than $5,000 for a violation of the provisions of the article. The Director must consider the degree and extent of harm caused by the violation in assessing the penalty.

BILL ANALYSIS:

Section 1 provides standards of care for large commercial dog breeders. The standards apply to: any person who owns, has custody of, or maintains 10 or more female dogs that are over six months of age, capable of reproduction, and are kept primarily for the purpose of breeding and selling the offspring as pets. Those standards include all of the following:

- Access to exercise on a daily basis.
- Access to fresh food and water.
- Access to fresh food provided at appropriate intervals to maintain a healthy weight.
- Appropriate veterinary care, including routine and preventative care.
- Daily assessment of each dog's overall health and behavior.
- Prompt treatment or attention to any deviation in health.
- Preventative care to keep dogs free from parasites.
- When necessary, euthanasia performed humanely.
- A primary enclosure that meets specified standards.
- Protection from adverse or extreme weather conditions.
- Flooring that provides solid footing.
- Lighting that provides a regular lighting cycle for the dogs.
- Bedding material must be clean and not pose a risk to the dogs.
- The facility and primary enclosures must be kept clean and free from debris and odor. Feces must be removed as frequently as necessary to ensure the health of the dogs.

Failure to comply with the standards is a Class 3 misdemeanor punishable by a fine of not less than $25.00 per animal, but not more than a total of $1,000. If the person has previously pled guilty or nolo contendere to, or been found guilty of, a violation of this section, each violation is a Class 1 misdemeanor. Each violation is a separate offense. The act does not apply to kennels or boarding facilities in which the majority of dogs are being bred or trained or maintained for hunting, sporting, field trials, or show, or kept for purposes other than the sale of offspring for pets.

The act makes clear that it is in addition to, and not in lieu of other State and federal laws dealing with animal welfare. It does not prevent the application of State laws and does not prohibit local governing bodies from adopting their own laws. The act does not limit (1) the number of dogs a person may own when those dogs are not used for breeding and selling as pets or (2) hunting and the ability to raise, sell, or possess dogs with the intention of using the dogs for hunting.

Section 2 is a severability clause providing that if any provision of the act is held to be unconstitutional or invalid, then that invalidity will not affect other provisions of the act.

EFFECTIVE DATE: The act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 159
PROPOSED COMMITTEE SUBSTITUTE H159-CSSU-17 [v.1]

4/21/2015 6:48:59 PM

Short Title: Dog Breeding Stds./Law Enforcement Tools. (Public)

Sponsors:

Referred to:

March 5, 2015

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH STANDARDS OF CARE FOR LARGE COMMERCIAL DOG BREEDING FACILITIES AND TO PROVIDE LAW ENFORCEMENT WITH TOOLS TO ENSURE THAT DOGS AT THOSE FACILITIES ARE TREATED HUMANELY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 47 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-362.4. Standards of care for large commercial dog breeders.**

(a) Any person who owns, has custody of, or maintains 10 or more female dogs over the age of six months that are capable of reproduction and kept primarily for the purpose of breeding and selling the offspring as pets shall provide the following for each dog owned, kept, or maintained by that person:

(1) Access to exercise on a daily basis.

(2) Access to fresh food and water.

(3) Access to fresh food provided at appropriate intervals to maintain a healthy weight.

(4) Appropriate veterinary care, including routine and preventative care.

(5) Daily assessment of each dog's overall health and behavior.

(6) Appropriate and prompt treatment or attention to any deviation in health.

(7) Preventative care sufficient to keep dogs free from internal and external parasites.

(8) When necessary, euthanasia performed humanely.

(9) A primary enclosure that (i) is constructed and maintained so that dogs are securely confined, (ii) does not cause injury to the dogs, (iii) protects the dogs from extreme weather conditions, (iv) is maintained in a sanitary manner, and (v) is large enough that each dog can sit, stand, lie down, or turn around comfortably with no overcrowding.

(10) Protection from adverse or extreme weather conditions.

(11) Flooring that provides solid footing. If wire is used as flooring of a primary enclosure, it should be comprised of a material featuring a protective coating, be of an appropriate size to prevent injury, particularly to the dogs' feet, and must be kept in good repair. If wire is used, a solid platform of sufficient size should be provided to allow the dogs to attain solid footing and to offer a space for resting.

(12) Lighting that provides a regular lighting cycle for the dogs.

In addition, any bedding material made available to dogs shall be clean and not pose a risk to the dogs.

(b) Any person who owns, has custody of, or maintains 10 or more female dogs over the age of six months that are capable of reproduction and kept primarily for the purpose of breeding and selling the offspring as pets shall keep the facility and primary enclosures clean and free from debris and odor and shall remove feces and dispose of them as frequently as necessary so as not to pose a threat to the health of the dogs.

(c) Failure to comply with the standards established under subsections (a) and (b) of this section constitutes a Class 3 misdemeanor punishable by a fine of not less than twenty-five dollars ($25.00) per animal nor more than a total of one thousand dollars ($1,000), unless the person has previously pled guilty or nolo contendere to, or been found guilty of, a violation of this section, in which case each such violation is a Class 1 misdemeanor. Each violation shall constitute a separate offense.

(d) The provisions of this section are in addition to, and not in lieu of, any other State or federal laws protecting animal welfare. This section shall not be construed to limit any State law or regulation protecting the welfare of animals, nor shall anything in this section prevent a local governing body from adopting and enforcing its own animal welfare laws and regulations in addition to this section. This section shall not be construed to place any numerical limits on the number of dogs a person may own or control or to regulate persons' ownership of dogs when those dogs are not used for breeding and selling any offspring for use as a pet. Nothing in this section shall be construed to limit hunting or the ability to breed, raise, sell, control, train, or possess dogs with the intention to use those dogs for hunting or other sporting purposes.

(e) This section does not apply to kennels or boarding facilities in which the majority of the dogs are:

(1) Being bred or trained primarily for hunting, sporting, field trials, or show;

(2) Being maintained primarily for hunting, sporting, field trials, or show; or

(3) Kept primarily for purposes other than the sale of offspring as pets."

SECTION 2. If any provision of this act, or the application of this act to any person or circumstances, is held invalid or unconstitutional, that invalidity or unconstitutionality shall not affect other provisions or applications of this act that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this act are severable.

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

HOUSE BILL 467: Cleveland County Coroner/ME Recommendations

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 22, 2015
Introduced by:	Rep. Hastings	**Prepared by:**	Wendy Graf Ray Committee Counsel
Analysis of:	PCS to First Edition H467-CSSU-15		

SUMMARY: ***The Proposed Committee Substitute for House Bill 467 would provide that the elected Coroner of Cleveland County shall appoint medical examiners. It would also authorize the Coroner to appoint individuals, other than specified medical professionals, that he or she deems qualified.***

[As introduced, this bill was identical to S266, as introduced by Sen. Daniel, which is currently in Senate Re-ref to Health Care. If fav, re-ref to Judiciary I.]

CURRENT LAW: Under G.S. 130A-382, the Chief Medical Examiner in each county has authority to appoint one or more county medical examiners for three year terms. In appointing medical examiners, the Chief Medical Examiner is required to give preference to physicians licensed to practice medicine in this State but may also appoint licensed physician assistants, nurse practitioners, nurses, coroners, or emergency medical technician paramedics.

BILL ANALYSIS: The PCS for House Bill 467 would authorize the Coroner in Cleveland County, rather than the Chief Medical Examiner, to appoint medical examiners in Cleveland County. It would also allow appointment of individuals, other than listed medical professionals, that the Coroner deems qualified. The Coroner would still be required to give preference to physicians licensed to practice medicine.

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

O. Walker Reagan
Director

* H 4 6 7 - S M S U - 4 5 C S S U - 1 5 - V 1 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 467
PROPOSED COMMITTEE SUBSTITUTE H467-CSSU-15 [v.1]

4/21/2015 10:36:39 AM

Short Title: Cleveland County Coroner/ME Recommendations. (Local)

Sponsors:

Referred to:

April 2, 2015

A BILL TO BE ENTITLED

AN ACT EXPANDING THE CATEGORY OF INDIVIDUALS WHO MAY BE APPOINTED AS COUNTY MEDICAL EXAMINERS IN CLEVELAND COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 130A-382, the duly elected Coroner of Cleveland County shall appoint the medical examiners in Cleveland County. The Coroner of Cleveland County shall give preference to physicians licensed to practice medicine in this State when appointing medical examiners, but may also appoint licensed physician assistants, nurse practitioners, nurses, coroners, emergency medical technician-paramedics, and individuals he or she otherwise deems qualified.

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

HOUSE BILL 766

Short Title:	Amend CBD Oil Statute.	(Public)
Sponsors:	Representatives McElraft, Avila, and Carney (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT AMENDING THE EXEMPTION FOR USE OR POSSESSION OF HEMP EXTRACT AND AUTHORIZING CERTAIN NEUROLOGISTS TO USE HEMP EXTRACT AS AN ALTERNATIVE TREATMENT FOR INTRACTABLE EPILEPSY WITHOUT PARTICIPATING IN A PILOT STUDY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-94.1(a) reads as rewritten:

"(a) As used in this section, "hemp extract" means an extract from a cannabis plant, or a mixture or preparation containing cannabis plant material, that has all of the following characteristics:

(1) Is composed of less than ~~three-tenths~~five-tenths of one percent ~~(0.3%)~~(0.5%) tetrahydrocannabinol by weight.

(2) Is composed of at least ~~ten~~ five percent ~~(10%)~~(5%) cannabidiol by weight.

(3) Contains no other psychoactive substance."

SECTION 2. G.S. 90-113.100 reads as rewritten:

"**§ 90-113.100. Short title.**

(a) This act may be cited as the "North Carolina Epilepsy Alternative Treatment Act."

(b) The purpose of this act is to permit medical professionals to ~~conduct limited scope, evidence-based studies exploring the safety and efficacy of treating~~treat intractable epilepsy using hemp extract.

(c) The General Assembly finds ~~the following:~~

~~(1)~~ ~~There~~that there are children in this State suffering from intractable epilepsy for which currently available treatment options have been ineffective. Hemp extract shows promise in treating children with intractable epilepsy.

~~(2) Additional study of the use of hemp extract for the treatment of intractable epilepsy should be undertaken, and the medical research universities of the State of North Carolina are well-suited for this type of clinical exploration.~~"

SECTION 3. G.S. 90-113.101 reads as rewritten:

"**§ 90-113.101. Definitions.**

...

(g) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more ~~of the following universities:~~hospitals licensed in this State.

~~(1) The University of North Carolina at Chapel Hill.~~

~~(2) East Carolina University.~~

~~(3) Duke University.~~
~~(4) Wake Forest University.~~

(h) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

~~(i) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article.~~"

SECTION 4. G.S. 90-113.102 reads as rewritten:

"**§ 90-113.102. Intractable Epilepsy Alternative Treatment ~~Pilot Study~~ database; departmental duties.**

(a) The Department shall create a secure, electronic, and online Intractable Epilepsy Alternative Treatment ~~Pilot Study~~ database registry for the registration of ~~pilot studies,~~ neurologists, caregivers, and patients as provided by this Article. The registry must be accessible to law enforcement agencies in order to verify registration of caregivers. The registry must prevent an active registration of a patient by multiple neurologists. At a minimum, the database shall consist of the following:

(1) The name and address of each registered ~~caregiver and the name of the pilot study the caregiver is associated with.~~caregiver.

(2) The name and address of each registered ~~patient and the name of the pilot study the patient is associated with.~~patient.

(3) The name, address, and qualifying ~~institutional~~ hospital affiliation of neurologists ~~conducting pilot studies~~approving, recommending, or providing hemp extract as an alternative treatment for intractable epilepsy pursuant to this Article.

~~(4) The name, institutional affiliation, affiliated registered neurologists, and parameters of pilot studies.~~

(b) The Department shall contact the county department of health where the patient resides and provide the following information:

(1) The name and address of the registered caregiver.

(2) Identifying information contained on the caregiver registration card."

SECTION 5. G.S. 90-113.103 reads as rewritten:

"**§ 90-113.103. Registration of ~~pilot studies and~~ neurologists.**

(a) A neurologist seeking to ~~conduct a pilot study~~ approve, recommend, or provide hemp extract for one or more patients as an alternative treatment to intractable epilepsy pursuant to this Article shall submit an application to the Department providing all of the following information:

(1) The name of the ~~pilot study.~~neurologist.

(2) The ~~affiliated research institution.~~name of the hospital with which the neurologist is affiliated.

~~(3) The scientific and clinical parameters of the study.~~

(4) ~~The~~ An explanation of the treatment protocols established for approving, recommending, or providing hemp extract as an alternative treatment for intractable epilepsy to ensure patient safety.

~~(5) The name and address of the one or more neurologists associated with the pilot study.~~

(6) Any other information deemed necessary by the Department to ~~determine the safety and evidence-based nature of the pilot study.~~protect patient safety.

(b) The Department shall examine applications received pursuant to subsection (a) of this section and register in the database the ~~proposed pilot studies that~~ neurologists the Department ~~certifies follow minimal scientific methods and protect patient safety.~~certifies to

approve, recommend, or provide hemp extract for one or more patients as an alternative treatment for intractable epilepsy pursuant to this Article.

~~(c) The Department may monitor registered pilot studies to ensure continued adherence to patient safety protocols and the scientific parameters of the study.~~"

SECTION 6. G.S. 90-113.104 reads as rewritten:

"**§ 90-113.104. Caregiver registration card; application; fees.**

(a) The Department shall, in coordination with recommendations from the Department of Public Safety, establish the form and content of caregiver registration cards to be issued to individuals who satisfy the requirements set forth in this section.

(b) The Department shall issue a caregiver registration card, valid for a period of one year from issuance, to an individual who satisfies all of the following criteria:

(1) Is at least 18 years of age.

(2) Is a resident of North Carolina.

(3) Provides the Department with a statement signed by a neurologist ~~conducting a pilot study~~ that satisfies all of the following:

a. Demonstrates that a patient in the caregiver's care satisfies all of the following criteria:

1. Has been examined and is under the care of the neurologist.

2. Suffers from intractable epilepsy.

3. May benefit from treatment with hemp extract.

~~4. Is eligible for inclusion in the registered pilot study.~~

b. Contains a recommendation for the use of hemp extract for treatment of intractable ~~epilepsy as part of a registered pilot study.~~epilepsy.

c. Is consistent with records received from the neurologist, concerning the patient, contained in the database described in G.S. 90-113.102.

(4) Pays the Department a fee, not to exceed fifty dollars ($50.00), established by the Department under G.S. 90-113.106.

(5) Submits an application to the Department that contains all of the following:

a. The caregiver's name and address.

b. The patient's name and address.

c. A copy of the caregiver's valid government-issued photo identification.

d. Any additional information the Department finds necessary to implement this Article.

(c) The Department shall renew a caregiver registration card upon certification from the caregiver and the neurologist that all information initially provided to the Department under subsection (b) of this section is current or has been updated to reflect any changes. The Department shall charge a fee for renewal of a caregiver registration card, not to exceed twenty-five dollars ($25.00), established under G.S. 90-113.106."

SECTION 7. G.S. 90-113.105 reads as rewritten:

"**§ 90-113.105. Immunity for neurologists; medical records.**

(a) On a case-by-case basis, neurologists ~~conducting a registered pilot study~~ may approve of dispensation to a registered caregiver, as approved by this Article, hemp extract acquired from another jurisdiction.

(b) A neurologist shall not be subject to arrest or prosecution, penalized or disciplined in any manner, or denied any right or privilege for approving or recommending the use of hemp extract or providing a written statement or health records to the Department for the use of hemp extract pursuant to this Article.

(c) A neurologist ~~conducting a registered pilot study~~ who signs a statement as described in G.S. 90-113.104(b)(3) shall do the following:

(1) Keep a record of the evaluation and observation of a patient under the neurologist's care, including the patient's response to hemp extract treatment.

(2) Transmit the record described in subdivision (1) of this subsection to the Department upon request.

(d) All medical records received or maintained by the Department pursuant to this Article are confidential and may not be disclosed to the public. Nothing in this Article is intended to alter the provisions of G.S. 8-53 or G.S. 8-53.1."

SECTION 8. This act becomes effective December 1, 2015.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 766

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

H766-AMM-50 [v.1]

Amends Title [NO]
First Edition

Date 4-22 ,2015

Representative Carney

moves to amend the bill on page 4, line 8, by rewriting the line to read:

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

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

HOUSE BILL 632:
Study Student Online Data Privacy

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 21, 2015
Introduced by:	Rep. Saine	**Prepared by:**	Bill Patterson
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 632 directs the Legislative Research Commission to study issues related to protecting the privacy of data pertaining to elementary and secondary students maintained online, in cloud-based services, and in other electronic applications, and to report its findings and any recommendations to the 2016 Session of the 2015 General Assembly.

[As introduced, this bill was identical to S534, as introduced by Sen. Barefoot, which is currently in Senate Information Technology.]

BILL ANALYSIS: Section 1 of the bill directs the Legislative Research Commission (LRC) to study issues related to protecting elementary and secondary student data and personal information maintained online, in cloud-based services, and in other electronic applications that collect student data.

The LRC study would be required to include, without limitation, the following subjects:

- Third-party use of elementary and secondary student data and personal information
- The sale of such data and information
- Transparency in the disclosure of privacy policies in online, cloud-based, or electronic application services targeted at elementary and secondary students

The LRC would be required to report its findings and any recommended legislation to the 2016 Session of the 2015 General Assembly.

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

O. Walker Reagan
Director

* H 6 3 2 - S M T G - 5 0 E 1 - V 1 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 632*

Short Title:	Study Student Online Data Privacy.	(Public)
Sponsors:	Representative Saine (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY ON ISSUES RELATED TO ENSURING PRIVACY OF ONLINE STUDENT DATA.

The General Assembly of North Carolina enacts:

SECTION 1. The Joint Legislative Education Oversight Committee shall study issues related to protecting elementary and secondary student data and personal information online, in cloud-based services, and in other electronic applications which collect student data. The study shall include, but is not limited to, the use of elementary and secondary student data and personal information by third parties, sale of elementary and secondary student data and personal information, and transparency in disclosure of privacy policies in online, cloud-based, or electronic application services targeted at students in elementary and secondary schools.

The Joint Legislative Education Oversight Committee shall report on its findings, including any recommended legislation, to the 2016 Session of the 2015 General Assembly.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 892
PROPOSED COMMITTEE SUBSTITUTE H892-CSLG-4 [v.2]

4/21/2015 4:37:52 PM

Short Title: 2015 Speaker's Appointments. (Public)

Sponsors:

Referred to:

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives; and

Whereas, the Speaker of the House of Representatives has made recommendations; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Effective January 15, 2015, the Honorable Charles Travis, III, of Mecklenburg County is appointed to the North Carolina Turnpike Authority for a term expiring on January 14, 2019.

SECTION 2. John D. "JD" Solomon of Johnston County is appointed to the Environmental Management Commission for a term expiring on June 30, 2017, to fill the unexpired term of Benne C. Hutson.

SECTION 3.(a) Representative Dan Bishop of Mecklenburg County is appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for a term expiring on June 30, 2015, to fill the unexpired term Tom Murry.

SECTION 3.(b) Representative Larry Yarborough of Person County is appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for a term expiring on June 30, 2015, to fill the unexpired term of Mark Hollo.

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

HJR **670** Honor Dean E. Smith.

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

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **159** Regulate Commercial Dog Breeders.

Draft Number:	H159-PCS10356-SU-17
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Saine

HB **467** Cleveland County Coroner/ME Recommendations.

Draft Number:	H467-PCS20323-SU-15
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Hastings

HB **892** 2015 Speakers Appointments.

Draft Number:	H892-PCS40423-LG-4
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Lewis

TOTAL REPORTED: 3

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **632** Study Student Online Data Privacy.

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

HJR **668** Remembering the Holocaust.

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

HJR **670** Honor Dean E. Smith.

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

TOTAL REPORTED: 3

CMR219-V-1

Wednesday, April 22	**Room**	**Time**
RULES CALENDAR AND OPERATIONS	1228/1327	12:00 pm

Name	County	Sponsor
Lizzie O'Briant	Randolph	Pat B. Hurley
Davis Privette	Guilford	John Faircloth

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 4-22-2015 Room: 1228/1327

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: John Brandon
3. Name: Mark Cone
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

Rules — 4-22-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mia Bailey	ElectriCities
Cameron Healey	MVA
Heidi Morgan	NCRMA
Amanda Lyon	IDA
Will Parry-Hinkle	NCHFA
Scott Farmer	NCHFA
Jon Carter	Forsyth County NC
David Bauer	Town of Mint Hill
Cady Thomas	Focus Carolina
[illegible]	CSS

VISITOR REGISTRATION SHEET

Rules — 4-22-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kathy Hanks	Duke
Joey [illegible]	90 Leonard Rd Louisburg NC 27549
S. Henri McClees	NC Sporting Dog Assn
Vicki [illegible]	self
Dennis Reno	NCCA
Joy [illegible]	NCDA
Penny [illegible]	Ag Ins
Lauren Finn	PPSAT
Butch Gunnells	NC Bev
Rhian Merwald	Williams Mullen
Isabel Villa-Garcia	NCAR

VISITOR REGISTRATION SHEET

Rules — 4-22-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Angie Harris	Ward and Smith
Kelly Parkinson	Parkinson Law
Kim Alboum	HSUS
Jon Carr	NC Veterinary Medical Assoc
Tim KENT	NC BEER & WINE
Lori Ann Harris	[illegible]
Mark Bibbs	LLPC
Mattie Jenkins	DCR
Morgan Forrester	self
Matt Gross	NCR
Scott Lassiter	BSG NC
Joanna Spruill	NCATP

VISITOR REGISTRATION SHEET

Rules — 4-22-2015

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	NP
TJ Buybee	NP
Stephen Koch	CCS
Colleen Kochanek	KLG
CSH	CSH
[illegible] Peterson	Capitol

House Committee on Rules, Calendar, and Operations of the House
Monday, April 27, 2015 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on April 27, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, Lewis, Reives, Robinson, Saine, Schaffer, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 640 Outdoor Heritage Act. (Representatives Dixon, Malone, Lucas, Presnell)

SB 15 Unemployment Insurance Law Changes. (Senator Rucho)

SJR 712 Confirm Director of SBI. (Senator Newton)

The meeting came to order at 8:31PM. Rep. Boles moves favorable report of SJR 712. Motion passes. Rep. Lewis moves that the PCS for HB 640 be before the committee. Motion passes. Rep. Dixon explained bill. Rev. Mark Creech and Henri McClees gave public comment on the bill. Rep. Saine moves for a favorable adoption of the PCS, unfavorable to the original. The ayes have it. Rep. Torbett moves that DRHJR40416-LG-63A be prepared for introduction by the Clerk's Office. The motion carries. SB 15 displaced.

The meeting adjourned at 9:04PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Monday, April 27, 2015
TIME: **15 Minutes After Session**
LOCATION: **1228/1327 LB**
COMMENTS: **SJR712 Confirm Director of SBI has been added to the calendar.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 640	Outdoor Heritage Act.	Representative Dixon Representative Malone Representative Lucas Representative Presnell
SB 15	Unemployment Insurance Law Changes.	Senator Rucho
SJR 712	Confirm Director of SBI.	Senator Newton

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:09 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE JOINT RESOLUTION 712: Confirm Director of SBI

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 27, 2015
Introduced by:	Sen. Newton	**Prepared by:**	Wendy Graf Ray
Analysis of:	Second Edition		Committee Counsel

SUMMARY: ***Senate Joint Resolution 712 provides for the confirmation by the General Assembly of the appointment by the Governor of Bernard Warren (B.W.) Collier, II as Director of the State Bureau of Investigation.***

CURRENT LAW: G.S. 143-926 provides that the Director of the State Bureau of Investigation shall be appointed by the Governor for a term of eight years subject to confirmation by the General Assembly by joint resolution. The term of office of the Director of the State Bureau of Investigation shall be for eight years; the first full term shall begin July 1, 2015.

BILL ANALYSIS: Senate Joint Resolution 712 provides for the confirmation by the General Assembly of the appointment by the Governor of Bernard Warren (B.W.) Collier, II as Director of the State Bureau of Investigation.

Attached are several documents related to the confirmation of the appointment of Bernard Warren (B.W.) Collier, II:

1. Resume of Bernard Warren (B.W.) Collier, II
2. Appointment letter from Governor Pat McCrory
3. Statutory authority for the appointment and confirmation: G.S. 143B-926
4. State Ethics Commission Evaluation of the Economic Interest filed by Bernard Warren (B.W.) Collier, II
5. 2015 Statement of Economic Interest of Bernard Warren (B.W.) Collier, II

EFFECTIVE DATE: Upon ratification.

Giles Perry, counsel to the Senate Select Committee on Nominations, substantially contributed to this summary.

O. Walker Reagan
Director

* S 7 1 2 - S M S U - 5 6 E 2 - V 1 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

SENATE JOINT RESOLUTION 712
Corrected Copy 4/15/15

Sponsors:	Senator Newton (Primary Sponsor).
Referred to:	Select Committee on Nominations.

April 14, 2015

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF BERNARD WARREN (B.W.) COLLIER, II, AS DIRECTOR OF THE STATE BUREAU OF INVESTIGATION.

Whereas, under the provisions of G.S. 143B-926, the appointment made by the Governor of the Director of the State Bureau of Investigation is subject to confirmation by the General Assembly by joint resolution; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee, Bernard Warren (B.W.) Collier, II, for a term to begin July 1, 2015, and expire June 30, 2023; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The appointment of Bernard Warren (B.W.) Collier, II, as Director of the State Bureau of Investigation for a term to begin July 1, 2015, and expire June 30, 2023, is confirmed.

SECTION 2. This resolution is effective upon ratification.

North Carolina General Assembly
House Of Representatives

REPRESENTATIVE DAVID R. LEWIS
SERVING HARNETT COUNTY

OFFICE: 2301 LEGISLATIVE BUILDING
16 W. JONES STREET
RALEIGH, NC 27601-1096
PHONE: (919) 715-3015
EMAIL: DAVID.LEWIS@NCLEG.NET

COMMITTEES:

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE, CHAIRMAN
ELECTIONS, CHAIRMAN
AGRICULTURE
APPROPRIATIONS
COMMERCE AND JOB DEVELOPMENT
EDUCATION—UNIVERSITIES
FINANCE
HEALTH
UNIVERSITY BOARD OF GOVERNORS NOMINATION

April 27, 2015

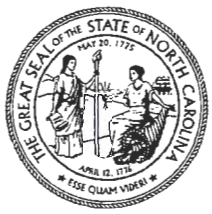
Dear Members of the House Committee on Rules, Calendar, and Operations of the House,

Attached are several documents regarding the confirmation of Bernard Warren (B.W.) Collier, II as Director of the State Bureau of Investigation for your review.

We will hold a hearing for this confirmation during the Rules, Calendar, and Operations of the House Meeting 15 minutes after session.

Sincerely,

David R. Lewis



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT MCCRORY
GOVERNOR

February 19, 2015

The Honorable Philip E. Berger
Senate President Pro Tempore
Legislative Building, Room 2008
Raleigh, North Carolina 27601-2008

Dear Senator Berger:

Pursuant to North Carolina General Statute §143B-926, I am pleased to nominate Mr. Bernard Warren (B.W.) Collier, II, to serve as the Director of the North Carolina State Bureau of Investigation. Mr. Collier has a distinguished career with the SBI and has served as acting director since August 2014. Under his leadership the SBI is making tremendous progress and I urge his confirmation.

Included you will find biographical information for Mr. Collier and the required disclosure forms. Please feel free to contact my staff for any additional information.

Sincerely,

Pat McCrory
Governor

Cc: Ms. Sarah Lang
Ms. Denise Weeks

Sarah Lang
2-19-15
5:00p.m.

20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301 • TELEPHONE: 919-814-2000
WWW.GOVERNOR.STATE.NC.US

§ 143B-926. Appointment and term of the Director of the State Bureau of Investigation.

(a) The Director of the State Bureau of Investigation shall be appointed by the Governor for a term of eight years subject to confirmation by the General Assembly by joint resolution. The term of office of the Director of the State Bureau of Investigation shall be for eight years; the first full term shall begin July 1, 2015. The name of the person to be appointed by the Governor shall be submitted by the Governor to the General Assembly for confirmation by the General Assembly on or before May 1 of the year in which the term for which the appointment is to be made expires. Upon failure of the Governor to submit a name as herein provided, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit a name of an appointee to the General Assembly on or before May 15 of the same year. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, the effective date of the appointment, the date of expiration of the term, the residence of the appointee, and that the appointment is made upon the joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Nothing precludes any member of the General Assembly from proposing an amendment to any bill making such an appointment. If there is no vacancy in the office of the Director of the State Bureau of Investigation, and a bill that would confirm the appointment of the person as Director fails a reading in either chamber of the General Assembly, then the Governor shall submit a new name within 30 days.

(b) The Director may be removed from office only by the Governor and solely for the grounds set forth in G.S. 143B-13(b), (c), and (d). In case of a vacancy in the office of the Director of the State Bureau of Investigation for any reason prior to the expiration of the Director's term of office, the name of the Director's successor shall be submitted by the Governor to the General Assembly not later than 60 days after the vacancy arises. If a vacancy arises in the office when the General Assembly is not in session, an acting Director shall be appointed by the Governor to serve pending confirmation by the General Assembly. However, in no event shall an acting Director serve (i) for more than 12 months without General Assembly confirmation or (ii) after a bill that would confirm the appointment of the person as Director fails a reading in either chamber of the General Assembly. (2014-100, s. 17.1(ppp).)

BERNARD WARREN COLLIER, II

bwcollier@gmail.com • 252.343.1359

WORK EXPERIENCE

NORTH CAROLINA STATE BUREAU OF INVESTIGATION

Acting Director, NC State Bureau of Investigation — **August 2014 - Present**

- This position serves as the Acting Director of the North Carolina State Bureau of Investigation and Alcohol Law Enforcement. This position provides oversight and direction of both law enforcement agencies that function as an independent law enforcement agency, while administratively supported by the Department of Public Safety. The SBI has statewide jurisdiction in specific areas of criminal investigations while primarily serving as an assisting law enforcement agency to local, state and federal law enforcement agencies. The SBI has 253 Sworn Agents and 156 non-sworn employees.

Director, NC Alcohol Law Enforcement, Department of Public Safety — **October 2013 - August 2014**

- This position serves as the Director of North Carolina Alcohol Law Enforcement and provides oversight of operations of the 104 sworn law enforcement agents and 28 support staff. NC ALE provides statewide law enforcement with statutory authority to investigate any criminal violations with its primary focus on Alcohol, Drugs, and Lottery laws.

North Carolina State Bureau of Investigation

Director, NC Information Sharing and Analysis Center (NC ISAAC) — **August 2010 - October 2013**

Special Agent in Charge, Criminal Intelligence Unit (CIU)

- This position serves as Director of NC ISAAC, a federally recognized homeland security task force comprised of local, state, federal and private sector partners. This task force provides the exchange and analysis of information among public and private sectors for homeland security matters. In addition to serving as Director of NC ISAAC, this position serves as the Special Agent in Charge of CIU, the intelligence unit of the NCSBI. These units provide strategic and tactical intelligence information and products for the law enforcement community.
- This position is also responsible for providing managerial oversight of sworn and non-sworn personnel, management of state and federal grants/programs, coordination of intelligence information for state-wide events, investigative guidance to local, state, and federal law enforcement related to homeland security matters, and report homeland security information/intelligence to the NC Homeland Security Advisor.
- This position also serves on the law enforcement sub-committee of the State Emergency Response Committee as a law enforcement representative and conducts ISAAC Governance Board meetings on a quarterly basis.

Special Agent IV, Special Operation Division, Bomb Squad Commander — **2004 - 2010**

- This position serves as the commander of the SBI Bomb Squad and is responsible for the coordination and response to hazardous devices, training of bomb technicians, management of personnel assigned to the bomb squad, research and procurement of equipment for operational sustainability, and oversight and management of homeland security grants.

Special Agent III, Intelligence and Technical Services, Technical Agent — **2002 - 2004**

- This position serves as a team member of the technical unit and is responsible for the deployment and maintenance of surveillance systems, platforms, telephonic surveillance equipment, the design and development of covert concealment products and the operation of mobile command center and surveillance platforms. This position also conducts covert surveillance operations and assists in criminal investigations.

Special Agent I, II, & III, Northeastern District, Arson Agent and Crime Scene Agent — **1994 - 2002**

- This position serves as an arson and crime scene investigator and is responsible for conducting cause and origin fire investigations in addition to associated criminal case work. This position also conducts crime scene investigations and is responsible for the documentation, collection, submission of evidence to the state crime laboratory. This position is also responsible for courtroom testimony and testifies as an expert witness.

BERNARD WARREN (B.W.) COLLIER, II

Acting Director

North Carolina State Bureau of Investigation

On February 18th, 2015, Governor Pat McCrory nominated B.W. Collier to serve an 8 year term as the Director of the North Carolina State Bureau of Investigation (SBI). B.W. has served as acting director of the SBI since August 11th, 2014. Prior to this appointment, B.W. served as the Director of NC Alcohol Law Enforcement, following 26 years in the SBI .

"B.W. Collier's distinguished law enforcement background and leadership skills make him the ideal candidate to lead this elite agency. The SBI has made tremendous progress under B.W. Collier's leadership, His intelligence and experience has reformed the agency and I am pleased to nominate him as the official SBI director." – **Governor Pat McCrory**

During his tenure with the SBI, B.W. served as a **drug investigator, pilot, arson and crime scene agent, canine handler, technical agent and bomb squad commander.** B.W. was director and special agent in charge of the North Carolina Information Sharing and Analysis Center, the SBI section that coordinates criminal information and intelligence gathering.

B.W. is a North Carolina native and North Carolina State University graduate. He served in the N.C. Army National Guard from 1983 to 1989. His mother is a retired school teacher and his father is a retired State Highway Patrol Lieutenant. B.W. was raised in eastern North Carolina, but attended East Rutherford High School in Rutherford County, due to his father's assignment as a Trooper.

B.W. and his wife, Ann, have two grown children. His daughter recently graduated from the United States Naval Academy, and is currently attending flight school to become a Naval Aviator. B.W.'s son attends Appalachian State University where he is pursing a degree in Appropriate Technology.

B.W. was selected to attend the FBI National Academy in 2009, a professional course of study for U.S. and international law enforcement leaders. Its mission is "to support, promote, and enhance the personal and professional development of law enforcement leaders by preparing them for complex, dynamic, and contemporary challenges through innovative techniques, facilitating excellence in education and research, and forging partnerships throughout the world."

Printed in-house

BERNARD WARREN (B.W.) COLLIER, II

North Carolina State Bureau of Investigation (SBI)

Acting Director **2014-Present**

- Manages approximately 600 positions within the SBI, including the branch of Alcohol Law Enforcement.
- The SBI has statewide jurisdiction and investigates homicides, robberies, property crimes and other serious cases. Involvement is at the request of the local department that maintains original jurisdiction over the case.
- The SBI headquarters is located in Wake County, with field agents located in eight districts across North Carolina. Specialized investigators in financial crimes, computer crimes, Medicaid fraud, and other disciplines are located around the state.

North Carolina Alcohol Law Enforcement (ALE)

Director **2013- 2014**

- Directed North Carolina ALE and 102 sworn law enforcement agents and 28 support staff. ALE provides statewide law enforcement with statutory authority to investigate any criminal violations with its primary focus on Alcohol, Drugs, and Lottery laws.

North Carolina State Bureau of Investigation

Director, NC Information Sharing and Analysis Center (NC ISAAC) **2010 – 2013**

Special Agent in Charge, Criminal Intelligence Unit (CIU)

- Directed NC ISAAC, a federally recognized homeland security task force comprised of local, state, federal and private sector partners. This task force provides the exchange and analysis of information among public and private sectors for homeland security matters. Also served as the Special Agent in Charge of CIU, the intelligence unit of the SBI. These units provide strategic and tactical intelligence information and products for the law enforcement community.
- Managed sworn and non-sworn personnel, state and federal grants/programs, coordination of intelligence information for state-wide events, investigative guidance to local, state, and federal law enforcement related to homeland security matters, and report homeland security information/intelligence to the N.C. Homeland Security Advisor. Also served on the law enforcement sub-committee of State Emergency Response Committee as a law enforcement representative and conducts ISAAC Governance Board meetings on a quarterly basis.

Special Agent IV, Special Operation Division, Bomb Squad Commander **2004 – 2010**

- Led the SBI Bomb Squad and was responsible for the coordination and response to hazardous devices, training of bomb technicians, management of personnel assigned to the bomb squad, research and procurement of equipment for operational sustainability, and oversight and management of homeland security grants.

Special Agent III, Intelligence and Technical Services, Technical Agent **2002 – 2004**

- Served as a team member of the technical unit and was responsible for the deployment and maintenance of surveillance systems, platforms, telephonic surveillance equipment, the design and development of covert concealment products and the operation of mobile command center and surveillance platforms, also conducts covert surveillance operations and assists in criminal investigations.

Special Agent I, II, & III, Northeastern District, Arson Agent and Crime Scene Agent **1994 – 2002**

- Investigated arson and crime scenes, and was responsible for conducting cause and origin fire investigations in addition to associated criminal case work, documented, collected, and submitted evidence to the state crime laboratory. Testified in Court and as an expert witness.

Special Agent I / Pilot III, SBI Air Wing, Pilot **1989 – 1994**

- Led airborne aviation operations, conducted airborne surveillance operations, and coordinated ground surveillance team, marijuana eradication, prisoner transport for extradition purposes, as well as law enforcement personnel transport.

Special Agent I, Southeastern District, Drug Agent **1988 – 1989**

- Served as a drug investigator and conducted undercover operations, coordinated drug surveillance operations and drafts and serves search and arrest warrants related to illegal drug activity, prepared investigative reports and testified for prosecution.

EDUCATION

North Carolina State University **1986**

Bachelor of Arts in Political Science

HIGHLIGHTED TRAINING

Fusion Center Leadership Program • Naval Post Graduate School, 2011 • FBI National Academy, 2009 • LINCOLN Administrator Training, 2009 NIMS 100/200/700/800, 2006 • ICS 400 Advanced Incident Command System, 2006 • ATF Advanced Explosion Destruction Techniques, 2006 FBI Hazardous Devices School (HDS), 2004 • ATF Advanced Explosives Investigative Techniques, 1997 • ATF Advanced Cause & Origin/Courtroom Testimony Techniques, 1996 • ATF Accelerant Detection K-9 Training, 1994 - 2002 • Connecticut State Police Accelerant Detection K-9 School, 1994 & 1999 • Firearms Training (ongoing) • NC SBI In-Service Training (ongoing) • NC SBI 19th Academy, 1987 – 1988

CERTIFICATIONS

Advanced Professional Law Enforcement Certification • Bomb Technician Certification • Arson Investigator Certification • ATF Accelerant Detection K-9 Handler • Confined Space Certification • Clandestine Laboratory Certification • Instrument Rated Commercial Pilot

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 10, 2015

Senator Tom Apodaca
NC Senate
16 W. Jones Street, Room 2010
Raleigh, NC 27601-2808

Via e-mail

Re: Evaluation of Statement of Economic Interest filed by Bernard W. Collier

Dear Senator Apodaca:

Our office is in receipt of **Bernard Warren Collier's** 2015 Statement of Economic Interest as the prospective **Director** of the **NC State Bureau of Investigation**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest or the potential for a conflict of interest.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Please contact our office if you have any questions concerning this evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Pamela B. Cashwell

Pamela B. Cashwell
Assistant Director

cc: Bernard W. Collier

NORTH CAROLINA STATE ETHICS COMMISSION

2015 STATEMENT OF ECONOMIC INTEREST

919-715-2071 www.ethicscommission.nc.gov

COMPLETE THIS FORM AND MAIL SIGNED, ORIGINAL TO
STATE ETHICS COMMISSION, 1324 MAIL SERVICE CENTER, RALEIGH, NC 27699-1324

FILER'S NAME (FIRST, MIDDLE, LAST)			
First Name	**Middle Name**	**Last Name**	**Suffix**
Bernard	Warren	Collier	II

CURRENT EMPLOYER	JOB TITLE
NC State Bureau of Investigation	Director

NATURE OR TYPE OF BUSINESS
Law Enforcement

REASON FOR FILING (SELECT ALL THAT APPLY)	
☑ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered)	☐ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered)
Governor, Office of the	
☐ JUDICIAL OFFICER (Please specify the office you hold)	☐ LEGISLATOR (Please specify House or Senate)

Do other immediate family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household**.

Minors are emancipated by marriage, enlistment in the US military, or court action for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Ann Wackerhagen Collier	Spouce	Oakley Collier Architects	Architect	Architecture
INITIALS FOR UNEMANCIPATED CHILDREN	**RELATIONSHIP**	**EMPLOYER**	**JOB TITLE**	**NATURE OF BUSINESS**
SLC	Son	N/A	N/A	N/A

PROPERTY INTERESTS

1. As of December 31, 2014, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☑ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Bernard W. Collier II and Ann W. Collier	100	Nashville	Nash

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2013 or 2014 , did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2014, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☐ Yes ☑ No

▸ Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)

B. Stock Options in a company or business?

☐ Yes ☑ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☑ Yes ☐ No **If "No", proceed to question 4.**

Owner of Interest	Name of Company or Business Entity
Ann Collier	Oakley Collier Architects

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known*.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☑ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☑ None or Not Known	

4. As of December 31, 2014, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled by you?
Do not list assets held in blind trusts. See 2015 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."
☐ Yes ☑ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

5. As of December 31, 2014, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.
☑ Yes ☐ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)
Bernard Collier	Commercial Bank
Ann Collier	Commercial Bank
Bernard Collier	Auto Loan
Ann Collier	Auto Loan

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2014. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do not include income received from the following sources:

- **Capital gains**
- **Federal government retirement**
- **Military retirement**
- **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2014.			
Bernard Collier	N.C. State Bureau of Investigation	Law Enforcement	Salary
Ann Collier	Oakley Collier Architects	Private Business	Salary

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2014, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☐ Yes ☑ No **If "No", proceed to question 8.**

- Do not list State boards or entities, or entities created by a political subdivision of the State.
- Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☑ None or Not Known	

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

8. During 2014, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☑ Yes ☐ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

▸ Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)
Bernard Collier	N.C. State Bureau of Investigation	Director

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations			
Ann W. Collier	Wife	Oakley Collier Architects, PA	Owner

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2014, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ Not applicable (No entities listed on #9a) ☑ No relationship / Not known	

10. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2014.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2014, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☐ Yes ☑ No

Type of Business	Nature of Services Rendered

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Are you, your spouse, or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2014 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

• receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, **and**

• when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**

• the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

- Do not report gifts given by members of your extended family.
- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

15. During 2014 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid to attend a conference, meeting, or similar event.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☐ Yes ☑ No

If "Yes", list all contributions you (NOT immediate family members) made during 2014 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☑ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☑ Yes ☐ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☑ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2014 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☑ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☑ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☑ No

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☑ No If yes, please provide such information below.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree. It is my intention that this check box constitutes my electronic signature. By checking this box I certify that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

****Notarization is no longer required****

Bernard Warren Collier, II

Printed Name

Filed Electronically

Signature

3/4/2015

Date

HOUSE BILL 640:
Outdoor Heritage Act

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 27, 2015
Introduced by:	Reps. Dixon, Malone, Lucas, Presnell	**Prepared by:**	Chris Saunders
Analysis of:	PCS to First Edition H640-CSTQ-13 [v.8]		Committee Counsel

SUMMARY: ***The Proposed Committee Substitute (PCS) for House Bill 640 directs the Wildlife Resources Commission (WRC) to study the establishment of the North Carolina Outdoor Heritage Trust Fund, establishes the Outdoor Heritage Advisory Council, creates several WRC studies, and makes various changes to WRC laws.***

The PCS makes the following changes from the First Edition:

- ***Gives the Governor the authority to designate the initial Chair of the Outdoor Heritage Advisory Council.***
- ***Amends the limitations for hunting on Sunday to prohibit: (i) hunting of all migratory birds on Sunday, (ii) the use of a firearm to take deer that are run or chased by dogs on Sunday, (iii) hunting on Sunday within 500 yards of a place of worship or within 300 yards of a residence not owned by the landowner, and (iv) hunting on Sunday in a county with a population over 700,000 people.***
- ***Allows counties to prohibit Sunday hunting by ordinance beginning October 1, 2017.***
- ***Eliminates a provision granting WRC the authority to restrict or prohibit the use of dogs in hunting foxes during the breeding and raising seasons for game between April 1 and August 1 of each year.***
- ***Amends a statement of intent regarding hunting with dogs.***
- ***Eliminates a provision requiring that WRC officers wear body cameras during the execution of certain warrants.***

CURRENT LAW AND BILL ANALYSIS:

Section 1 of the PCS would direct the WRC, in conjunction with the Outdoor Heritage Advisory Council, to develop a plan for establishing and implementing the North Carolina Outdoor Heritage Trust Fund for Youth Outdoor Heritage Promotion. The Trust Fund would be used to provide for the expansion of outdoor opportunities for persons 16 years of age or younger, would be funded through voluntary check-off donations of not more than $2.00 on transactions processed through WRC, and would be administered by the Outdoor Heritage Advisory Council.

Section 2 of the PCS would establish the Outdoor Heritage Advisory Council (Council), an independent entity tasked with advising State agencies and the General Assembly on the promotion of outdoor recreational activities. The Council would have 11 members, 3 to be appointed by the President Pro Tempore of the Senate, 3 to be appointed by the Speaker of the House, 3 to be appointed by the Governor, 1 to be appointed by the Commissioner of Agriculture, and 1 to be appointed by the Chair of

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

the Wildlife Resources Commission. The members would have staggered four-year terms. This section would become effective July 1, 2015.

Section 3 of the PCS would direct the Legislative Research Commission (LRC) to study the need for expanded access to public lands, including the ways in which public land management plans affect opportunities to engage in outdoor recreational activities, and make recommendations on how to increase the public's opportunities to access public lands for outdoor recreational purposes.

Section 4 of the PCS would require a two-year suspension of a hunting license for any individual who receives a third or subsequent conviction for trespassing on posted property for the purpose of hunting. Section 4 would also direct the WRC to review the statutes that provide for the suspension of hunting privileges for a conviction of criminally negligent hunting and make recommendations as to whether those provisions should be amended or expanded. The WRC must consult with organized hunting clubs and public interest groups in developing its findings.

Section 5 of the PCS would allow hunting with firearms seven days a week, except that the following activities would be prohibited on Sunday: (i) hunting of migratory birds; (ii) using a firearm to take deer that are run or chased by dogs; (iii) hunting within 500 yards of a place of worship or any accessory structure thereof, or within 300 yards of a residence not owned by the landowner; and (iv) hunting in a county having a population having greater than 700,000 people. After October 1, 2017, counties would have the authority to prohibit hunting on Sunday by ordinance. Any such ordinance would have to be applicable for the entire calendar year, allow for retrieval of animals shot lawfully in an adjacent county, and be applicable to the entire county.

Section 6 of the PCS would require the WRC to amend its rules to provide that cub bears are those bears that weigh less than 75 pounds. Currently, a cub bear is defined by WRC rule as weighing less than 50 pounds.

Section 7 of the PCS would require the WRC to prohibit the use of dogs for fox hunting between April 1 and August 1 in Bladen Lakes State Forest Game Land. This section would become effective June 1, 2015.

Section 8 of the PCS would codify a policy statement recognizing the importance of hunting with dogs to North Carolina's outdoor heritage and encouraging cooperative and neighborly agreements between landowners and hunters for the retrieval of hunting dogs, and would provide that any landowner or lessee who grants a hunter permission to enter the land to retrieve hunting dogs owes that hunter the same duty of care that the landowner or lessee would owe a trespasser.

Section 9 of the PCS contains a severability clause.

EFFECTIVE DATE: Except as otherwise provided, this act would become effective October 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 640
PROPOSED COMMITTEE SUBSTITUTE H640-CSTQ-13 [v.8]
4/26/2015 3:37:32 PM

Short Title: Outdoor Heritage Act. (Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO PRESERVE NORTH CAROLINA'S OUTDOOR HERITAGE FOR FUTURE GENERATIONS AND AMEND VARIOUS WILDLIFE RESOURCES COMMISSION LAWS.

The General Assembly of North Carolina enacts:

PART I. DEVELOPMENT OF NORTH CAROLINA OUTDOOR HERITAGE TRUST FUND

SECTION 1. The Wildlife Resources Commission, in conjunction with the Outdoor Heritage Advisory Council established by Section 2 of this act, shall develop a plan for establishing and implementing the North Carolina Outdoor Heritage Trust Fund for Youth Outdoor Heritage Promotion. The plan shall provide for the Trust Fund:

(1) To provide for the expansion of opportunities for persons age 16 and under to engage in outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing, in order to pass on North Carolina's outdoor heritage to future generations.

(2) To be eligible for the receipt of funds through check-off donations of not more than two dollars ($2.00) by persons paying for transactions processed through the Commission, including, but not limited to, hunting and fishing licenses, or paying outdoor access fees issued by other organizations and also through donations from private organizations or citizens.

(3) To be administered by the Outdoor Heritage Advisory Council established by Section 2 of this act.

The Wildlife Resources Commission and the Outdoor Heritage Advisory Council shall provide a final report on the development of the plan for establishing and implementing the Trust Fund to the 2015 General Assembly when it reconvenes in 2016.

PART II. ESTABLISHMENT OF OUTDOOR HERITAGE ADVISORY COUNCIL

SECTION 2.(a) Article 7 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 36. Outdoor Heritage Advisory Council.

"**§ 143B-344.60. Outdoor Heritage Advisory Council.**

(a) The Outdoor Heritage Advisory Council is established within the North Carolina Wildlife Resources Commission for organizational and budgetary purposes only. The Council shall exercise all of its statutory powers independent of control by the Executive Director of the

Wildlife Resources Commission. The Council shall advise State agencies and the General Assembly on the promotion of outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing, in order to preserve North Carolina's outdoor heritage for future generations.

(b) The Council shall consist of 11 members, appointed as follows:

(1) Three members appointed by the General Assembly, upon the recommendation of the President Pro Tempore of the Senate.

(2) Three members appointed by the General Assembly, upon the recommendation of the Speaker of the House of Representatives.

(3) Three members appointed by the Governor.

(4) One member appointed by the Commissioner of Agriculture.

(5) One member appointed by the Chair of the Wildlife Resources Commission.

All members of the Council shall have knowledge and experience in outdoor recreational activities and have a demonstrated interest in promoting outdoor heritage.

(c) The terms of the initial members of the Council shall commence October 1, 2015. Of the Governor's initial appointments, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. Of the initial appointments by the President Pro Tempore of the Senate, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. Of the initial appointments by the Speaker of the House of Representatives, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. The members appointed by the Commissioner of Agriculture and the Chair of the Wildlife Resources Commission shall each serve an initial term of four years. After the initial appointees' terms have expired, all members shall be appointed for a term of four years. No member shall serve more than two successive terms.

Any appointment to fill a vacancy on the Council created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.

(d) The initial chair of the Council shall be designated by the Governor from the Council members. The initial chair shall hold this office for not more than one year. Subsequent chairs shall be elected by the Council for terms of two years.

(e) The Council shall meet quarterly and at other times at the call of the chair. A majority of members of the Council shall constitute a quorum.

(f) Council members shall be reimbursed for expenses incurred in the performance of their duties in accordance with G.S. 138-5 and G.S. 138-6, as applicable.

(g) The Executive Director of the Wildlife Resources Commission shall provide clerical and other assistance as needed."

SECTION 2.(b) This section becomes effective July 1, 2015.

PART III. EXPANDED ACCESS TO PUBLIC LANDS

SECTION 3.(a) The Legislative Research Commission shall study the need for expanded access to public lands. The Commission shall examine the ways in which public land management plans affect opportunities to engage in outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing, and make recommendations for increasing the public's opportunities to access public lands for those purposes.

SECTION 3.(b) The Legislative Research Commission may make an interim report to the 2015 General Assembly when it reconvenes in 2016 and shall make its final report to the 2017 General Assembly when it convenes.

PART IV. "THREE STRIKES" RULE FOR HUNTING ON POSTED PROPERTY AND REVIEW SUSPENSION OF HUNTING PRIVILEGES FOR NEGLIGENT HUNTERS

SECTION 4.(a) G.S. 113-276.3(d) is amended by adding a new subdivision to read:

"**§ 113-276.3. Mandatory suspension of entitlement to license or permit for fixed period upon conviction of specified offenses.**

...

(d) Any violation of this Subchapter or of any rule adopted by the Wildlife Resources Commission under the authority of this Subchapter which is subject to a penalty greater than the one provided in G.S. 113-135(a)(1) is a suspension offense. Conviction of any of the following suspension offenses results in a suspension for a period of two years:

(1) A violation of G.S. 113-294(b).
(2) A violation of G.S. 113-294(c).
(2a) A violation of G.S. 113-294(c1).
(3) A violation of G.S. 113-294(e).
(4) Repealed by Session Laws 1999-120, s. 2, effective October 1, 1999.
(5) A violation of G.S. 113-291.1A.
(6) A third or subsequent violation of G.S. 14-159.6(a).

A conviction of any other suspension offense results in a suspension for a period of one year."

SECTION 4.(b) The Wildlife Resources Commission shall review the provisions of Article 21B of Chapter 113 of the General Statutes that provide for the suspension of hunting privileges upon conviction of criminally negligent hunting and determine whether those provisions should be amended or expanded to provide increased protection to the public from negligent or reckless hunting. In developing its findings, the Wildlife Resources Commission shall consult with organized hunting clubs and propose recommendations to address individuals who repeatedly violate club rules and regulations. The Wildlife Resources Commission shall also consult with public interest groups in developing its findings. The Wildlife Resources Commission shall report its findings and recommendations to the 2015 General Assembly when it reconvenes in 2016.

PART V. ALLOW SEVEN-DAY HUNTING ON PRIVATE LAND WITH PERMISSION OF THE OWNER

SECTION 5.(a) G.S. 103-2 reads as rewritten:

"**§ 103-2. ~~Hunting~~Method of take when hunting on Sunday.**

(a) ~~If any person shall, except in defense of his own property, hunt on Sunday, having with him a shotgun, rifle, or pistol, he~~Any landowner or member of his or her family, or any person with written permission from the landowner, may hunt with the use of firearms on Sunday on the landowner's property except that:

(1) Hunting of migratory birds on Sunday is prohibited.
(2) The use of a firearm to take deer that are run or chased by dogs on Sunday is prohibited.
(3) Hunting on Sunday within 500 yards of a place of worship or any accessory structure thereof, or within 300 yards of a residence not owned by the landowner, is prohibited.
(4) Hunting on Sunday in a county having a population greater than 700,000 people is prohibited.

(b) A person who hunts on Sunday in a manner prohibited under subsection (a) of this section shall be guilty of a Class 3 misdemeanor. Provided, that the provisions ~~hereof shall not be~~of this section are not applicable to military reservations, the jurisdiction of which is exclusively in the federal government, ~~or~~ to field trials authorized by the Wildlife Resources ~~Commission.~~Commission, or to actions taken in defense of a person's property. Wildlife protectors are granted authority to enforce the provisions of this section."

SECTION 5.(b) G.S. 153A-129 reads as rewritten:

"**§ 153A-129. Firearms.**

(a) ~~A~~ Except as provided in this section, a county may by ordinance regulate, restrict, or prohibit the discharge of firearms at any time or place except in any of the following instances:

(1) ~~when~~When used to take birds or animals pursuant to Chapter 113, Subchapter ~~IV,~~IV.

(2) ~~when~~When used in defense of person or ~~property,~~property.

(3) ~~or when~~When used pursuant to lawful directions of law-enforcement officers.

(b) A county may by ordinance prohibit hunting on Sunday as allowed under G.S. 103-2, provided the ordinance complies with all of the following:

(1) The ordinance shall be applicable from January 1 until December 31 of any year of effectiveness.

(2) The ordinance shall allow for individuals hunting in an adjacent county with no restriction on Sunday hunting to retrieve any animal lawfully shot from the adjacent county.

(3) The ordinance shall be applicable to the entire county.

(c) A county may ~~also~~ regulate the display of firearms on the public roads, sidewalks, alleys, or other public property.

(d) This section does not limit a county's authority to take action under Article 1A of Chapter 166A of the General Statutes."

SECTION 5.(c) Section 5(b) becomes effective October 1, 2017. A county may adopt an ordinance to prohibit Sunday hunting prior to October 1, 2017, but any such ordinance shall not become effective until October 1, 2017. The remainder of this section becomes effective October 1, 2015.

PART VI. MINIMUM WEIGHT OF ADULT BEARS

SECTION 6. Any rule adopted by the Wildlife Resources Commission that regulates the taking of female bears with cubs or that regulates the taking or possession of cub bears shall define cub bears as bears weighing less than 75 pounds.

PART VII. EXTEND BREEDING SEASON FOR FOXES AT BLADEN LAKES STATE FOREST GAME LANDS

SECTION 7.(a) G.S. 113-291.4 is amended by adding two new subsections to read:

"**§ 113-291.4. Regulation of foxes; study of fox and fur-bearer populations.**

...

(j) The Wildlife Resources Commission shall prohibit the use of dogs in hunting foxes during the period April 1 through August 1 in Bladen Lakes State Forest Game Land."

SECTION 7.(b) This section becomes effective June 1, 2015.

PART VIII. EXEMPTION FROM CIVIL LIABILITY FOR LANDOWNERS GIVING PERMISSION TO RETRIEVE HUNTING DOGS

SECTION 8. Article 22 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"**§ 113-291.5A. Exemption from civil liability for landholder permitting retrieval of hunting dogs.**

(a) It is the intent of the General Assembly to recognize that hunting with dogs is a valuable part of the outdoor heritage of the State of North Carolina, and it is further the intent of the General Assembly to encourage cooperative and neighborly agreements between landowners and hunters to allow legal retrieval of hunting dogs.

(b) Any person, as an owner, lessee, occupant, or otherwise in control of land, who gives permission to a hunter to enter upon the land for the purpose of retrieving hunting dogs that have strayed onto the land owes that hunter the same duty of care the person owes a trespasser."

PART X. EFFECTIVE DATE AND SEVERABILITY CLAUSE

SECTION 9.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 9.(b) Except as otherwise provided, this act becomes effective October 1, 2015.

Outdoor Heritage List of Supporting Stakeholders

NC Dept. of Agriculture

NC Farm Bureau

NC State Grange

NC Wildlife Resources Commission

NC Pork Council

NC Poultry Federation

NC Travel Industry Assn.

Weyerhaeuser

NC Parks and Recreation Association

NC Association of County Commissioners

Agriculture Alliance of NC

Blue Ridge Pkwy Association

Eastern Band of Cherokee

NC Game Fowl Breeders Association

NC Travel & Tourism Coalition

Audubon Society

NC Horse Council

American Kennel Club

NC Sportsman Caucus

Congressional Sportsmen's Foundation

NC Rifle & Pistol Association

NC Trappers Association

Opposing Stakeholders

Christian Action League

NC Sporting Dog Association

REPRESENTATIVE JIMMY DIXON
N.C. HOUSE OF REPRESENTATIVES
4TH DISTRICT

1002 LEGISLATIVE BUILDING
16 W. JONES STREET
RALEIGH, NC 27601-1096
(919) 715-3021
JIMMY.DIXON@NCLEG.NET

DISTRICT ADDRESS:
PO BOX 222
WARSAW, NC 28398
CELL: 910-590-1740
jimdixon222@att.net

Resolution of the North Carolina Wildlife Resources Commission Supporting House Bill 640 (Outdoor Heritage Act) of the 2015 Session of the North Carolina General Assembly

WHEREAS, the great State of North Carolina is blessed with a heritage of outdoor activities that has enriched the lives of our residents and travelers from across the country and world; and

WHEREAS, the value of North Carolina's outdoors is reinforced in North Carolina's constitutional declarations regarding the importance of preserving North Carolina's outdoor places as part of our state's common heritage; and

WHEREAS, House Bill 640, the "Outdoor Heritage Act," of the 2015 Session of the North Carolina General Assembly provides a comprehensive blueprint to protect North Carolina's rich outdoor heritage for future generations through focused investments in North Carolina's youth, increased public access and opportunity, protection of private property rights, and expanded hunting opportunities on Sunday; and

WHEREAS, the mission of the North Carolina Wildlife Resources Commission is to conserve North Carolina's wildlife resources and their habitats and provide programs and opportunities that allow hunters, anglers, boaters, and other outdoor enthusiasts to enjoy wildlife-associated recreation; and

WHEREAS, the Outdoor Heritage Act aligns seamlessly with the goals of the Commission's Strategic Plan, particularly in relation to investments in youth, access, and expanded opportunity; and

WHEREAS, in fulfilling its mission to provide opportunities for hunters to enjoy wildlife-associated recreation, the Commission adopted regulations in 2009 authorizing hunting on Sundays on private lands with archery equipment; and

WHEREAS, many North Carolina residents currently seek hunting opportunities in neighboring states that offer Sunday hunting, thereby generating economic activity outside of North Carolina instead of providing substantial economic benefits to rural areas and businesses within our borders; and

WHEREAS, expanding hunting methods on Sunday substantially increases the number of hunting days for youths during the school year and provides additional options for hardworking adults with limited weekend hunting opportunities; and

WHEREAS, the current prohibition against expanded options for Sunday hunting serves no purpose regarding conservation of North Carolina's wildlife resources and their habitats; and

WHEREAS, North Carolinians have been hunting on Sunday since 2010 without conflict; and

NOW, THEREFORE, BE IT RESOLVED, the North Carolina Wildlife Resources Commission hereby affirms full support to House Bill 640, the "Outdoor Heritage Act," of the 2015 Session of the North Carolina General Assembly.

Approved, this the 21st day of April, 2015 in an official meeting by the North Carolina Wildlife Resources Commission.

Jim Cogdell, Chairman

Gordon Myers, Executive Director

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SJR **712** Confirm Director of SBI.

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

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **640** Outdoor Heritage Act.

Draft Number:	H640-PCS40438-TQ-13
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Dixon

TOTAL REPORTED: 2

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Shuping	NCCCS
Tim KENT	NC BEER & WINE
[signature]	[illegible]
Tracy Kimbrell	Parker Poe

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Michelle Frazier	MFS
Rick Zechman	WN
Rob Lamm	RSA
Dennis Allen	NCRPA
Anthony Roglitic	NRA
Kara Weishaar	SA
Jennifer Gasperini	NCMS
Dave Horne	Smith Anderson

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Richard S. Phelps	R. Phelps & Assoc.
Bill Seaford	TJ
Colleen Kochanek	NCCEP
Annaliese Dolph	DL
Joanna Spruill	NCAFP
CS Hollis	CSH
TJ Bryhee	NP
[illegible]	[illegible]
Tom West	NCICU
Fred Baron	Baron & Assoc
Sarah Bales	Brooker & Assoc.

VISITOR REGISTRATION SHEET

House Committee on Rules / /2015

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Reston Jones	NCDOT
Adam Sholar	DHHS
[illegible]	[illegible]
Marquett Duke	OSHR
David Fell	VB
Dana Sipes	SCI
Jim Harrell	B+H
Viddia Torbett	Rep Torbett
[illegible]	NCWRC
Ken [illegible]	[illegible]
[illegible]	Misc

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McClure	BSP
Ryan Thomas	Gov's Office
[illegible]	Burbank + Associates
Colleen Kochanek	KLG
TJ Bugbee	NP
Lockhart Taylor	DES
Sam Skinner	NCACC
Butch Gunnells	NC Ber.
laura de vivo	WCSR
Jim Willis	UNC-CH
Jonathan Koppler	UNC GA

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bo Heath	McGuire Woods
[illegible]	ENC FAA
Michelle Frazier	NF+S
JAKE PARKER	NCFB
[illegible]	NF+S
PRESTON HOWARD	NCMA
[illegible]	EDOR
MARK J. PRAK	BP
CHRIS McCLURE	BP

VISITOR REGISTRATION SHEET

House Committee On Rules — 4-27-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
B.W. Collier	NC SBI
Fred Steen	Gov's Office
Brian Neil	NC SBI
Jarret Burr	NC OPS
MARK SENTER	ALCOHOL LAW ENFORCEMENT
Tom West	NCICH
Rev. Mark Creech	CAL
Kathy Hawkins	Duke Energy
Hayden Bauguess	FSP
Harry Ennis	ENCFHA
Sandra Williams	ENCFHA

House Committee on Rules, Calendar, and Operations of the House
Tuesday, April 28, 2015 at 2:00 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 2:00 PM on April 28, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hanes, Hastings, Lewis, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 661 Teacher Recruitment and Scholarships. (Representatives Horn, Langdon, Elmore, Bryan)

HB 777 Exempt Isolation Float Tanks from Pool Laws. (Representative Malone)

The meeting came to order at 2:10 PM. Rep. Torbett moves for PCS for HB 661 to be before the committee. Rep. Torbett moves for a favorable report to the PCS, unfavorable to the original. The motion carries. HB 777 before the committee. Rep. Torbett moves for a favorable report. The motion carries.

The meeting adjourned at 2:25 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1: HB 777 has been added for consideration.

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, April 28, 2015
TIME: **2:00 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 661	Teacher Recruitment and Scholarships.	Representative Horn Representative Langdon Representative Elmore Representative Bryan
HB 777	Exempt Isolation Float Tanks from Pool Laws.	Representative Malone

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:10 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 777:
Exempt Isolation Float Tanks from Pool Laws

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 28, 2015
Introduced by:	Rep. Malone	**Prepared by:**	Wendy Graf Ray Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 777 would exempt isolation float tanks from public swimming pool laws and clarify that licensed physical therapists are authorized to prescribe the use of isolation float tanks in the course of physical therapy

BILL ANALYSIS:

Under current law, the statutes that regulate public swimming pools do not apply to:

- Private pools serving a single family dwelling and used only by the residents of the dwelling and their guests.
- Therapeutic pools used in physical therapy programs operated by medical facilities licensed by the Department of Health and Human Services or operated by a licensed physical therapist.
- Therapeutic chambers drained, cleaned, and refilled after each individual use.

Section 1 of House Bill 777 would provide that the exemption for therapeutic pools includes isolation float tanks.

Under current law, "physical therapy" is defined as the evaluation or treatment of any person by the use of physical, chemical, or other properties of heat, light, water, electricity, sound, massage, or therapeutic exercise, or other rehabilitative procedures, with or without assistive devices, for the purposes of preventing, correcting, or alleviating a physical or mental disability. Physical therapy includes the performance of specialized tests of neuromuscular function, administration of specialized therapeutic procedures, interpretation and implementation of referrals from licensed medical doctors or dentists, and establishment and modification of physical therapy programs for patients.

Section 2 of House Bill 777 would provide that physical therapy programs include programs prescribed solely at the discretion of a physical therapist that involve the use of isolation float tanks.

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

Jeff Hudson, counsel to House Regulatory Reform, substantially contributed to this summary.

O. Walker Reagan
Director

H777-SMSU-59-E1-V1

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 777

Short Title:	Exempt Isolation Float Tanks from Pool Laws.	(Public)
Sponsors:	Representative Malone (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Regulatory Reform.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT EXEMPTING ISOLATION FLOAT TANKS FROM PUBLIC SWIMMING POOL LAWS AND CLARIFYING THAT LICENSED PHYSICAL THERAPISTS ARE AUTHORIZED TO PRESCRIBE THE USE OF ISOLATION FLOAT TANKS IN THE COURSE OF PHYSICAL THERAPY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-280 reads as rewritten:

"**§ 130A-280. Scope.**

This Article provides for the regulation of public swimming pools in the State as they may affect the public health and safety. As used in this Article, the term "public swimming pool" means any structure, chamber, or tank containing an artificial body of water used by the public for swimming, diving, wading, recreation, or therapy, together with buildings, appurtenances, and equipment used in connection with the body of water, regardless of whether a fee is charged for its use. The term includes municipal, school, hotel, motel, apartment, boarding house, athletic club, or other membership facility pools and spas. This Article does not apply to a private pool serving a single family dwelling and used only by the residents of the dwelling and their guests. This Article also does not apply to therapeutic ~~pools~~ pools, including isolation float tanks, used in physical therapy programs operated by medical facilities licensed by the Department or operated or owned by a licensed physical therapist, nor to therapeutic chambers drained, cleaned, and refilled after each individual use."

SECTION 2. G.S. 90-270.24(4) reads as rewritten:

"(4) "Physical therapy" means the evaluation or treatment of any person by the use of physical, chemical, or other properties of heat, light, water, electricity, sound, massage, or therapeutic exercise, or other rehabilitative procedures, with or without assistive devices, for the purposes of preventing, correcting, or alleviating a physical or mental disability. Physical therapy includes the performance of specialized tests of neuromuscular function, administration of specialized therapeutic procedures, interpretation and implementation of referrals from licensed medical doctors or dentists, and establishment and modification of physical therapy programs for ~~patients.~~patients, including programs prescribed solely at the discretion of the physical therapist that involve the use of isolation float tanks. Evaluation and treatment of patients may involve physical measures, methods, or procedures as are found commensurate with physical therapy education and training and generally or specifically authorized by regulations of the Board. Physical therapy

education and training shall include study of the skeletal manifestations of systemic disease. Physical therapy does not include the application of roentgen rays or radioactive materials, surgery, manipulation of the spine unless prescribed by a physician licensed to practice medicine in North Carolina, or medical diagnosis of disease."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 661
Committee Substitute Favorable 4/27/15
PROPOSED COMMITTEE SUBSTITUTE H661-CSTC-36 [v.2]

4/27/2015 8:26:05 PM

Short Title: Teacher Recruitment and Scholarships. (Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO TRANSFORM EDUCATOR PREPARATION IN THIS STATE.

Whereas, the purpose of this act is to create a positive transformational force for the quality of education that students receive in North Carolina public schools by recruiting, preparing, and supporting at least 1,000 extraordinary teachers every year for the State's hardest-to-staff schools and classrooms; and

Whereas, based upon research demonstrating the pivotal importance of highly effective teachers in preparing every North Carolina student for success in college and careers, the General Assembly recognizes that enrollment in the State's traditional and nontraditional teacher preparation programs has declined significantly in recent years and that local school administrative units struggle in particular schools and subject areas to recruit the top talent students need, particularly in low-wealth areas and in science, math, and special education; and

Whereas, a crucial piece of providing an excellent educator for every student is a program dedicated to aggressive recruitment of top educator candidates, rigorous preparation, and incentives for teachers to serve in hard-to-staff schools and positions; and

Whereas, the General Assembly firmly believes that one of the best ways to elevate educators and make the teaching profession more attractive to highly talented individuals is to significantly raise the bar on qualifications, including cognitive and noncognitive traits, required to enter educator preparation programs; and

Whereas, the General Assembly supports the commitment by the Board of Governors of The University of North Carolina to improve the quality of schools of education within its constituent institutions and is committed to furthering that work by targeting the State's financial support to top-performing programs; and

Whereas, to support these commitments, this act provides funds and guidelines to establish a recruitment and scholarship program for talented North Carolina high school students, college students, and working professionals to pursue rigorous training for service as teacher leaders in high-need positions and schools in North Carolina; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 3. North Carolina Competitive Teaching Scholarship Loan Program.

"**§ 116-209.60. Definitions.**

The following definitions apply in this Part:

(1) Commission. – The North Carolina Competitive Teaching Scholarship Loan Commission.

(2) Director. – The Director of the North Carolina Competitive Teaching Scholarship Loan Program.
(3) Fund. – The North Carolina Competitive Teaching Scholarship Loan Fund.
(4) Program. – The North Carolina Competitive Teaching Scholarship Loan Program.
(5) Scholarship loan. – A forgivable scholarship loan made under the Program.

"**§ 116-209.61. North Carolina Competitive Teaching Scholarship Loan Commission established; membership.**

(a) Commission Established. – There is established the North Carolina Competitive Teaching Scholarship Loan Commission. The Director of the North Carolina Competitive Teaching Scholarship Loan Program shall staff the Commission. The Authority shall be responsible for implementing scholarship loan agreements, monitoring, cancelling through service, collecting, and otherwise enforcing the agreements for the Program scholarship loans established in accordance with this Part.

(b) Membership. – The Commission shall consist of 11 members appointed or shall serve ex officio as follows:

(1) One dean of an approved school of education at a postsecondary constituent institution of The University of North Carolina, appointed by the President of The University of North Carolina.
(2) One dean of an approved school of education at a private postsecondary institution operating in the State, appointed by the President of the North Carolina Independent Colleges and Universities, Inc.
(3) The North Carolina Teacher of the Year, ex officio.
(4) A teacher who graduated from an approved teacher preparation program located in the State within three years of appointment to serve on the Commission, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
(5) The North Carolina Principal of the Year, ex officio.
(6) A principal, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
(7) The North Carolina Superintendent of the Year, ex officio.
(8) One member to represent business and industry appointed by the Governor.
(9) One local school board member appointed by the chair of the State Board of Education.
(10) The chairperson of the Board of the State Education Assistance Authority, ex officio.
(11) The Director of the North Carolina Competitive Teaching Scholarship Loan Program, ex officio. The Director shall chair the Commission.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chairperson of the Board of the State Education Assistance Authority and Director of the North Carolina Competitive Teaching Scholarship Loan Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership, the appointing authority shall appoint another person to serve for the balance of the unexpired term.

(e) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

(f) Meetings. – The Commission shall meet regularly, at times and places deemed necessary by the chair.

"**§ 116-209.62. North Carolina Competitive Teaching Scholarship Loan Program established; administration.**

(a) Program. – There is established the North Carolina Competitive Teaching Scholarship Loan Program to be administered by the Authority in collaboration with the Commission. The purpose of the Program is to recruit, prepare, and support North Carolina residents for preparation as highly effective teachers serving in hard-to-staff licensure areas and hard-to-staff schools. The Program shall be used to provide a scholarship loan to individuals interested in preparing to teach in the public schools of the State in hard-to-staff licensure areas and hard-to-staff schools.

(b) Fund. – There is established the North Carolina Competitive Teaching Scholarship Loan Program Fund to be administered by the Authority. The purpose of the Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill hard-to-staff licensure areas and hard-to-staff schools in the State. All funds appropriated to or otherwise received by the Authority to provide loans through the Program, all funds received as repayment of loans, and all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for loans made pursuant to this section and for administrative costs of the Authority.

(c) Director. – The board of directors of the Authority shall appoint a Director of the Program. The Director shall chair and staff the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients, active engagement with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and attracting candidates in hard-to-staff licensure areas. The Authority shall provide office space and clerical support staff for the Program.

(d) Student Selection Criteria. – The Commission shall determine selection criteria, methods of selection, and shall select recipients to receive scholarship loans. The Commission shall adopt stringent standards for awarding these scholarship loans based on multiple measures to ensure that only the strongest applicants receive them, including, but not limited to, the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers.

(4) Stated commitments to either serving in a hard-to-staff school or licensure in a hard-to-staff licensure area for a minimum of four years.

(e) Program Selection Criteria. – The Authority shall administer the program in cooperation with selected institutions of higher education with educator preparation programs selected by the Commission, including North Carolina community colleges, postsecondary constituent institutions of The University of North Carolina, and private postsecondary institutions operating in the State. The Commission shall adopt stringent standards for selection of only the most effective educator preparation programs, including, but not limited to, the following:

(1) Measures of program quality based on objective criteria developed by third parties.

(2) Measurable impact of prior graduates on student learning, including impact of graduates teaching in hard-to-staff schools and graduates teaching in hard-to-staff licensure areas.

(3) Demonstration of appropriate program accreditation and program approval by the State Board of Education.

(4) Measurable success of the program's clinical component based on student outcomes on a nationally normed and valid pedagogy assessment to determine clinical practice performance.

(f) Awards. – The Program shall provide scholarship loans to selected students to be used at selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to four years.

(2) Community college students applying for transfer to an educator preparation program at an institution of higher education. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

Scholarship loans may be used for tuition, fees, and the cost of books.

(g) Identification of Hard-to-Staff Licensure Areas and Hard-to-Staff Schools. – The State Board of Education shall annually identify and provide to the Commission and the Authority a list of hard-to-staff areas of licensure and a list of hard-to-staff schools by local school administrative unit using, at a minimum, the following criteria to identify those lists:

(1) Hard-to-staff licensure areas. – The number of available positions in a licensure area relative to the number of current and anticipated teachers in that area of licensure.

(2) Hard-to-staff school. – Annual teacher turnover rates, number and percentage of teaching positions unfilled for more than half of the school year, number and percentage of teachers with entry professional educator licenses intended for teachers with two or less years of teaching experience, percentage of students at school failing to meet expected growth, percentage of students at school scoring below grade level on standardized assessments, and school performance grade on the annual school report card.

The Commission shall make the list readily available to applicants. A student awarded a scholarship loan who enrolls in a program leading to a hard-to-staff licensure area shall continue to receive the scholarship and be permitted to fulfill the requirements of the scholarship loan even if that licensure area does not remain on the list following the student's year of enrollment. A student awarded a scholarship loan who, upon graduation, is employed by a local board of education to teach in a hard-to-staff school shall be permitted to fulfill the requirements of the scholarship loan even if that school does not remain on the list following the student's year of initial employment.

(h) Upon the naming of recipients of the scholarship loans by the Commission, the Commission shall transfer to the Authority its decisions. The Authority, in coordination with the Director, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rule making, dissemination of information, disbursement, receipt, liaison with participating educational institutions, determination of the acceptability of service repayment agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(i) Annual Report. – The Commission, in coordination with the Authority, shall report no later than January 1, 2017, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

(1) Loans awarded from the Fund, including the following:

a. Demographic information regarding recipients.

b. Number of recipients by institution of higher education and program.

c. Information on number of recipients by anticipated program licensure area.

(2) Placement and repayment rates, including the following:
a. Number of graduates who have been employed in a hard-to-staff school and number of graduates who have been employed in a hard-to-staff area within two years of program completion.
b. Number of graduates who have begun loan repayment, including years of service, if any, prior to beginning loan repayment, including information as to whether the person was designated as hard-to-staff area or hard-to-staff subject loan.
c. Number of graduates who have fulfilled service requirements through employment in a hard-to-staff school and number of graduates who have fulfilled service requirements through employment in a hard-to-staff area.
d. Number of graduates employed in a hard-to-staff school or hard-to-staff area who have received an overall rating of at least accomplished and of meeting expected growth on applicable standards of the teacher evaluation instrument.
e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a hard-to-staff school and in a hard-to-staff area.
(3) Selected school outcomes, by program, including the following:
a. Turnover rate for scholarship loan graduates.
b. Aggregate information on student growth and proficiency in courses taught by scholarship loan graduates.
c. Fulfillment rate of scholarship loan graduates.

"**§ 116-209.63. Terms of loans; receipt and disbursement of funds.**

(a) Notes. – All scholarship loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the program leading to teacher licensure, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within seven years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves for four years as a teacher at a North Carolina public school identified as hard to staff or at a North Carolina public school in an identified hard-to-staff area of licensure, as provided in G.S. 116-209.61(d). The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for four years, within seven years after completion of the program leading to teacher licensure at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the scholarship loan by cash payments, all indebtedness shall be repaid within eight years after completion of the program leading to teacher licensure supported by the scholarship loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than 27 months after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years.

(c) Purposes of Fund. – All funds appropriated to, or otherwise received by, the Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall be placed in the Fund. The Fund may be used only for scholarship loans granted under the Program and administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program."

SECTION 1.(b) Notwithstanding the requirements established in G.S. 116-209.61, as enacted by this section, initial appointments to the Commission shall be made no later than August 15, 2015. Initial appointment to the Commission shall expire July 1, 2017.

SECTION 1.(c) The Commission shall establish initial selection criteria for recipients and institutions of higher education no later than November 15, 2015, and shall make available applications to prospective students no later than December 31, 2015.

SECTION 1.(d) The State Board of Education shall establish criteria and identify hard-to-staff areas of licensure and hard-to-staff schools by local school administrative unit and provide that information to the Commission and Authority no later than November 1, 2015.

SECTION 1.(e) The Commission shall select recipients and award the initial scholarship loans for the 2016-2017 school year no later than April 1, 2016.

SECTION 2. Section 1 of this act is subject to the availability of funds for this purpose.

SECTION 3. This act becomes effective July 1, 2015.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

HB 777 Exempt Isolation Float Tanks from Pool Laws.

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

FAVORABLE COM SUB NO. 2, UNFAVORABLE COM SUB NO. 1

HB **661 (CS#1)** Teacher Recruitment and Scholarships.

Draft Number:	H661-PCS10369-TC-36
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Horn

TOTAL REPORTED: 2

VISITOR REGISTRATION SHEET

House Comm. on Rules — 04/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Slota	DHHS
[illegible]	NC WC
CADY THOMAS	FOCUS Carolina
Wendy Kelly	"
Sharon Steeato	NCIIC
Lindsay Smith	NCIIC
Carr McLamb	TSS
Trent Wamble	DHHS
Lacy Mizell	DHHS
Jim KENT	NC BEER & WINE
Will Parry-Hall	NCHFA

VISITOR REGISTRATION SHEET

House Comm. on Rules — 04/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Wolfe	MWC
Elizabeth W Robinson	NCRMA
Amy Ellen	NCRMA
Kathy Hawks	Duke Energy
Kendra Montgomery-Blinn	NCHC
Lori Ann Harris	LHHA
Butch Gunnells	NC Bev
Michelle Frazier	MF+S

VISITOR REGISTRATION SHEET

House Comm. on Rules — 04/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rafael Villa-Lopez	NCAR

House Committee on Rules, Calendar, and Operations of the House
Tuesday, April 28, 2015 at 7:45 PM
Room 1027/1128 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 7:45 PM on April 28, 2015 in Room 1027/1128 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Carney, Cotham, Daughtry, Davis, Fraley, Goodman, Hastings, Jackson, L. Johnson, Lewis, Robinson, Schaffer, Stam, Szoka, Tine, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 164 School Calendar Flexibility. (Representative Setzer)

The meeting was called to order at 7:55 PM. Rep. Daughtry was asked to preside. Rep. Lewis moves that HB 164 be before the committee. Rep. L. Johnson sent forth an amendment. Rep. Lewis moves the adoption of the amendment. The motion carries. Kathy Hartkopf with FreedomWorks, Leanne Winner with NCSBA, and Cady Thomas with the NC Association of Realtors gave public comment on the matter. Rep. Jackson moves a favorable report as amended and that it be rolled into a new PCS. The motion carries.

The meeting adjourned at 8:35 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, April 28, 2015
TIME: **7:45 PM**
LOCATION: **1027/1128 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 164	School Calendar Flexibility.	Representative Setzer

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:10 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 164:
School Calendar Flexibility

2015-2016 General Assembly

Committee:	House Education - K-12	**Date:**	April 28, 2015
Introduced by:	Rep. Setzer	**Prepared by:**	Kara McCraw Committee Counsel
Analysis of:	Amendment to First Edition		

SUMMARY: HB 164 would require local boards of education to establish an opening date for public schools that is no earlier than August 15, with first semester examinations given before winter break, or to coincide with the opening and closing dates of a community college serving the city or county in which the school unit is located.

The amendment would remove the contents of the bill as introduced, and make the following changes:

- ***Remove the 185 days options for instructional days.***
- ***Expand the authority for variance of instructional days and hours.***
- ***Allow instructional calendars of less than 185 days to be deemed equivalent for teacher employment purposes to those of 185 days.***
- ***Require that local school administrative units (LEAs) must be permitted to administer exams before the end of a fall semester ending prior to December 31.***
- ***Require the Joint Legislative Education Oversight Committee to study LEAs that have successfully used calendar flexibility to hold semester exams prior to December 31.***

CURRENT LAW: G.S. 115C-84.2 establishes the requirements for school calendars. A local board of education must adopt a school calendar that contains a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months. The local board designates when instructional days occur and may vary by policy the number of instructional hours in an instructional day. Instructional days do not have to be uniform among the schools in the administrative unit. Local boards may also approve school improvement plans that include days with varying amounts of instructional time.

G.S. 115C-174.12 requires the State Board of Education to establish policies and guidelines for minimizing the time students spend taking tests administered through State and local testing programs, minimizing the frequency of field testing at any one school, and otherwise carrying out the provisions of the Testing Article. The statute requires that final exams for courses must be administered within the final 10 instructional days of the school year for year-long courses and within the final 5 instructional days of the semester for semester courses.

BILL ANALYSIS: The amendment for HB 164 would delete the contents of the bill as introduced and make the following changes:

- Delete the reference to 185 days as one of the options for the minimum requirements for an instructional calendar.

O. Walker Reagan
Director

H164-SMTC-46 CSTC-37 -V2

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Authorize local boards to vary the number of instructional hours in instructional days occurring in different semesters of the school year, and vary the number of days per instructional semester if hours of instruction remain equivalent between semesters.
- Provide that if a local board adopts a school calendar of less than 185 days of instruction, teachers employed for a 10 month term who work or use annual leave or sick leave for the designated instructional days are deemed to have been employed the equivalent of 185 days of instruction and will be compensated as if they had worked those days. Annual leave, sick leave, workdays, holidays, salary, and longevity for teachers who are employed at schools with instructional calendars of less than 185 days will also be equivalent to those of other teachers employed for the same number of months, respectively.
- Require that a local board of education that has implemented a school calendar that concludes the fall semester prior to December 31 must be permitted to administer assessments prior to the conclusion of the fall semester.

Additionally, the Joint Legislative Education Oversight Committee must study local school administrative units that have successfully used calendar flexibility under G.S. 115C-84.2 to hold semester exams prior to December 31, and must report to the 2016 session of the 2015 General Assembly on its findings and recommendations.

EFFECTIVE DATE: HB 164 would become effective when it becomes law and would apply beginning with the 2015-2016 school year.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 164

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

H164-ATC-31 [v.4]

Amends Title [NO]
First Edition

Date _____,2015

Representative Johnson

moves to amend the bill on page 1, lines 5-30, by deleting those lines and substituting the following:

"**SECTION 1.** G.S. 115C-84.2(a)(1) reads as rewritten:

"(1) A minimum of ~~185 days or~~ 1,025 hours of instruction covering at least nine calendar months. The local board shall designate when the instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional ~~time.~~time, including varying number of instructional hours in instructional days occurring in different semesters of the school year, and may vary the number of days per instructional semester if hours of instruction remain equivalent between semesters. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather. If a local board adopts a school calendar of less than 185 days of instruction, teachers employed for a 10 month term who work or use annual leave or sick leave for the designated instructional days are deemed to have been employed the equivalent of 185 days of instruction and shall be compensated as if they had worked those days. Annual leave, sick leave, workdays, holidays, salary, and longevity for teachers who are employed at schools with instructional calendars of less than 185 days shall be equivalent to those of other teachers employed for the same number of months, respectively."

SECTION 2. G.S. 115C-174.12(4) reads as rewritten:

"(4) All annual assessments of student achievement adopted by the State Board of Education pursuant to G.S. 115C-174.11(c)(1) and (3) and all final exams for courses shall be administered within the final 10 instructional days of the school year for year-long courses and within the final five instructional days

of the semester for semester courses. Exceptions shall be permitted to accommodate a student's individualized education program and section 504 (29 U.S.C. § 794) plans and for the administration of final exams for courses with national or international curricula required to be held at designated times. A local board of education that has implemented a school calendar that concludes the fall semester prior to December 31 shall be permitted to administer assessments prior to the conclusion of that semester."

SECTION 3. The Joint Legislative Education Oversight Committee shall study local school administrative units that have successfully used calendar flexibility under G.S. 115C-84.2 to hold semester exams prior to December 31, and shall report to the 2016 session of the 2015 General Assembly on its findings and recommendations.

SECTION 4. This act is effective when it becomes law and applies beginning with the 2015-2016 school year.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **164** School Calendar Flexibility.

Draft Number:	H164-PCS10375-TC-37
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	L. Johnson

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

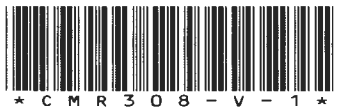
RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **164** School Calendar Flexibility.

Draft Number:	H164-PCS10375-TC-37
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	L. Johnson

TOTAL REPORTED: 1



Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 4-28-2015 Room: 1128

House Sgt-At Arms:

1. Name: Charles Godwin
2. Name: Jim Moran
3. Name:
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

Rules

Name of Committee

4-28-2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Annaliese Dolph	DC
Sarah Preston	ACLU-NC
Laurie Omeria	LALC
Colleen Kachurek	KLG
Dana Simpson	SA
Kara Weishaar	SA
Mark Foreman	NCAE
Emily Hanrahan	ETHER
Douglas Holbrook	NCSBA
Gary Robertson	AP
Ken Melton	K.M.A
JAKE PARKER	NCFB
Bruce Mildwurf	NCSBA

VISITOR REGISTRATION SHEET

Rules

4-28-2015

Name of Committee | Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dave Horne	Smith Anderson
Kathy Hartkopf	Freedom Works
Amy J Mac	Gov's Office
Margaret Dake	OSHR
Rachel V-11 or Sierra	NCAR
Cady Thomas	Focus Consulting
Rick Techini	WM
Tim KENT	NC BEER & WINE
Elizabeth Kilbon	NCA
Mary Co	NCA
Tom Mann	AOL

House Committee on Rules, Calendar, and Operations of the House
Wednesday, April 29, 2015 at 11:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 11:00 AM on April 29, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, Lewis, Reives, Robinson, Saine, Schaffer, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

At 11:13 the committee came to order.
HB 826 Study Repeal of Second Primaries. (Representatives Floyd, C. Graham, Jordan)
Rep. Floyd moved that it be before the committee. Rep. Boles moves for favorable report. Motion carries.

HB 74 Study MPO/RPO Oversight. (Representative Floyd)
Rep. Floyd spoke on the bill. Rep. Torbett moves for a favorable report to the committee substitute, unfavorable to the original. The motion carries.

HB 502 Create Chain of Survival Task Force. (Representatives Carney, Stam, Adcock
Rep. Carney spoke on the bill. Rep. Davis moves for a favorable report. The motion carries.

HB 780 Study/Economic Impact of Jones Act on NC. (Representative Catlin)
Rep. Catlin spoke on the bill. Rep. Bell moves for a favorable report. The motion carries.

HB 541 Proof Required for Debt/Fees. (Representatives Collins, Szoka, R. Moore, Jeter)
Displaced temporarily. Rep. Saine sent forth an Amendment. The Amendment is adopted upon the motion of Rep. Bumgardner. Rep. Bell moves that the amendment be rolled into a new PCS, that it be given a favorable report, unfavorable to the original. The motion carries.

HB 532 Malt Bvg Tech Changes/Sell Cider in Growlers. (Representatives McGrady, Jeter, West, Fisher)
Rep. Floyd moves that the PCS be before the committee. No objection, motion carries. Rep. McGrady spoke on the bill. Rep. Floyd moves for a favorable report to PCS, unfavorable to the original. The motion carries.

HB 496 Surcharge Transparency. (Representatives Collins, Cleveland, Jordan, Baskerville)
Rep. Collins spoke on the bill. Rep. Boles moves to bring forth an amendment. Amendment H496-ARG-5 [v.3] is adopted upon the motion of Rep. Boles. Ben Popkin of the Department of

Insurance spoke on the bill. Rep. Torbett moves that the amendment be rolled into a new PCS, that it be given a favorable report, unfavorable to the original with a serial referral to Finance. The motion carries.

HB 495 OSHR Modernization/Technical Changes. (Representatives Collins, Hurley, Floyd)

Rep. Collins spoke on the bill. The committee stood in recess from 11:50 until 12:05 upon motion of the Chair. The committee reconvened at 12:11 PM. Amendment ATV-11 [v.3] was brought before the committee upon motion of Rep. Stam. Rep. Torbett moves for a favorable report. The motion carries. Rep. Wray's amendment is before the committee. Rep. Wray moves for favorable adoption of the amendment. The motion carries. Rep. Jackson's amendment is before the committee. Rep. Floyd moves for favorable adoption. The motion passes. Rep. Floyd moves for his amendment to be before the committee. Rep. Floyd moves for the adoption of the amendment. The motion carries. Rep. Saine moves that the amendments be rolled into a PCS, and that PCS be given a favorable report, unfavorable to the original. The motion carries.

Rep. Davis is given the chair for Rep. Lewis to explain the bill.

HB 821 Proper Administration of Step Therapy. (Representatives Lewis, Wray)

Rep. Lewis moves for an amendment to be before the committee. Rep. Torbett moves for the adoption of that amendment. The motion carries. Rep. Torbett moves that the amendments be rolled into a PCS, and that PCS be given a favorable report, unfavorable to the original. The motion carries.

Stand in recess upon motion of the chair.

The meeting recessed at 1:29 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 29, 2015
TIME: **11:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 502	Create Chain of Survival Task Force.	Representative Carney Representative Stam Representative Adcock
HB 532	Malt Bvg Tech Changes/Sell Cider in Growlers.	Representative McGrady Representative Jeter Representative West Representative Fisher
HB 541	Proof Required for Debt/Fees.	Representative Collins Representative Szoka Representative R. Moore Representative Jeter
HB 495	OSHR Modernization/Technical Changes.	Representative Collins Representative Hurley Representative Floyd
HB 496	Surcharge Transparency.	Representative Collins Representative Cleveland Representative Jordan Representative Baskerville
HB 821	Proper Administration of Step Therapy.	Representative Lewis Representative Wray
HB 780	Study/Economic Impact of Jones Act on NC.	Representative Catlin
HB 826	Study Repeal of Second Primaries.	Representative Floyd Representative C. Graham Representative Jordan
HB 74	Study MPO/RPO Oversight.	Representative Floyd

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:11 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

House Committee on Rules, Calendar, and Operations of the House
Wednesday, April 29, 2015 at 7:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 7:30 PM on April 29, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Jackson, L. Johnson, Lewis, Robinson, Schaffer, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided and called the meeting to order after recess.

The following bills were considered:

HB 562 Second Amendment Affirmation Act. (Representatives Schaffer, Burr, Cleveland, Faircloth)
Rep. Lewis moves to have the PCS before the committee. No objection. Rep. Torbett sent forth an amendment. Rep. Torbett moves for the adoption of the amendment. The motion carries. Rep. Torbett moves to roll the amendment into the PCS, and give a favorable report to the PCS, unfavorable to the original, with a serial referral to Appropriations. The motion passes.

HB 708 Preservation of Historic/Heritage Trees. (Representatives Hamilton, Torbett)
Rep. Floyd moves for a favorable report. The motion carries.

HB 142 Require Safety Helmets / Under 21. (Representatives Torbett, Speciale)
Rep. Torbett explains the bill. Public comment was taken. Rep. Torbett moves for a favorable report. The motion fails.

The meeting adjourned at 8:00 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1: Members, in regards to HB562, the only matter before the Rules Committee will be an amendment to the bill re-appropriating money to the Administrative Office of the Courts for implementation and a re-referral to Appropriations.

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 29, 2015
TIME: **7:30 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 562	Second Amendment Affirmation Act.	Representative Schaffer Representative Burr Representative Cleveland Representative Faircloth
HB 708	Preservation of Historic/Heritage Trees.	Representative Hamilton Representative Torbett
HB 142	Require Safety Helmets / Under 21.	Representative Torbett Representative Speciale

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:11 AM on Friday, May 01, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 502

Short Title:	Create Chain of Survival Task Force.	(Public)
Sponsors:	Representatives Carney, Stam, Adcock, and Hager (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 2, 2015

A BILL TO BE ENTITLED

AN ACT CREATING A CHAIN OF SURVIVAL PUBLIC-PRIVATE TASK FORCE.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds the following:

(1) According to the American Heart Association, an individual goes into cardiac arrest in the United States every two minutes. In North Carolina, twenty-three percent (23%) of all deaths are attributed to heart disease, 11,765 of which are as a result of cardiac arrest. Ventricular Fibrillation (VF) is a common rhythm for which cardiopulmonary resuscitation (CPR) and defibrillation are the only effective treatments. For victims with VF, survival rates are highest when immediate bystander CPR is provided and defibrillation occurs within three to five minutes of collapse. With every minute that passes, a victim's survival rate is reduced by seven percent (7%) to ten percent (10%) if no intervention measures are taken. An estimated ninety-five percent (95%) of cardiac arrest victims die before reaching the hospital. If intervention measures are taken, survival rates are much higher; when CPR and defibrillation are immediately performed, survival rates can double.

(2) Eighty percent (80%) of all cardiac arrests occur in private or residential settings, and almost sixty percent (60%) are witnessed. Communities that have established and implemented public access defibrillation programs have achieved average survival rates for out-of-hospital cardiac arrest as high as forty-one percent (41%) to seventy-four percent (74%).

(3) Wider use of defibrillators could save as many as 40,000 lives nationally each year. Successful public access defibrillation programs ensure that cardiac arrest victims will have an immediate recognition of cardiac arrest and activation of 911 followed by early CPR with an emphasis on compressions, rapid Automatic External Defibrillator (AED) use, effective advanced care, and coordinated care afterward.

SECTION 2.(a) There is created a Chain of Survival Public-Private Task Force (Task Force) with members appointed as follows:

(1) Two Senators appointed by the President Pro Tempore of the Senate.

(2) Two members of the House of Representatives appointed by the Speaker of the House of Representatives.

(3) One representative of the Office of Emergency Medical Services designated by the Secretary of Health and Human Services.
(4) One representative of a local Emergency Medical Service designated by the Secretary of Health and Human Services.
(5) One representative of the Heart Disease and Stroke Prevention Branch designated by the Secretary of Health and Human Services.
(6) The Secretary of Administration or the Secretary's designee, ex officio.
(7) A representative of the American Heart Association.
(8) A representative of the American Red Cross.
(9) A representative of the North Carolina Hospital Association.
(10) A representative of the American College of Cardiology.
(11) A representative of the College of Emergency Physicians.
(12) A cardiac arrest survivor designated by the Secretary of Health and Human Services.

SECTION 2.(b) The Task Force shall identify, pursue, and achieve funding for the placement of AEDs and training of State employees to recognize and initiate life-saving actions to those experiencing an acute event (sudden cardiac arrest, heart attack, and stroke) in buildings and facilities that house State agencies, services, and institutions.

SECTION 2.(c) Members of the Task Force serve at the pleasure of the appointing authority.

SECTION 2.(d) The Task Force shall expire on June 30, 2017.

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

HOUSE BILL 532:
Hard Apple Cider/Growlers

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 29, 2015
Introduced by:	Reps. McGrady, Jeter, West, Fisher	**Prepared by:**	Bill Patterson Committee Counsel
Analysis of:	PCS to First Edition H532-CSTG-20		

SUMMARY: ***The PCS for House Bill 532 would permit retailers holding unfortified wine permits to sell cider and other forms of unfortified wine for off-premises consumption if dispensed from a qualified container into a cleaned, sanitized, resealable container (growler) that is sealed for consumption off of the premises, and makes other technical and conforming changes.***

CURRENT LAW: Cider is classified as an unfortified wine[1] and may be sold by retailers holding unfortified wine permits issued by the North Carolina Alcoholic Beverage Control Commission. Under current law, permittees may sell unfortified wine in the manufacturer's original container for consumption off the premises.

BILL ANALYSIS: Section 1 of the PCS would amend G.S. 18B-1001 by removing incorrect citations[2] to rules regulating the filling of a growler with malt beverages, and would allow the holders of both off-premises and on-premises unfortified wine permits to sell unfortified wine for off-premises consumption if dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off-premises and that identifies the permittee and the date the container was filled or refilled.

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

[1] Unfortified wine is " any wine of sixteen percent (16%) or less alcohol by volume made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States." G.S. 18B-101(18).

[2] The current citations are to rules found in Chapter 2 (ABC Commission) of NCAC Title 4 (Department of Commerce). The ABC Commission has been moved from Commerce to the Department of Public Safety, but the NCAC does not yet reflect the transfer of the ABC Commission rules to NCAC Title 14B (Department of Public Safety).

O. Walker Reagan
Director

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 532

Short Title:	Hard Apple Cider/Growlers.	(Public)
Sponsors:	Representatives McGrady, Jeter, West, and Fisher (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Alcoholic Beverage Control.	

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO ALLOW CERTAIN ABC PERMITTEES TO SELL HARD CIDER IN CERTAIN CONTAINERS FOR CONSUMPTION OFF THE PERMITTED PREMISES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-101 is amended by adding a new subdivision to read:

"(5b) "Cider" means any beverage, carbonated or otherwise, obtained by the fermentation of the natural sugar content of apples (i) containing 10 percent (10%) or less alcohol by volume without chaptalization or (ii) containing seven percent (7%) or less alcohol by volume regardless of chaptalization."

SECTION 2. G.S. 18B-101(15) reads as rewritten:

"(15) "Unfortified wine" means any wine of sixteen percent (16%) or less alcohol by volume made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States. This term includes cider."

SECTION 3. G.S. 18B-1001 reads as rewritten:

"**§ 18B-1001. Kinds of ABC permits; places eligible.**

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

...

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, ~~and~~ (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises.~~ premises, and (iii) the retail sale of cider in a cleaned, sanitized, resealable container as defined in 4 NCAC 2T .0308(a) that is filled or refilled and sealed for consumption off the premises, complies with 4 NCAC 2T .0303, 4 NCAC 2T .0305, and 4 NCAC 2T .0308(d)-(e), and the container identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees,

purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;
d. Private clubs;
e. Convention centers;
f. Cooking schools;
g. Community theatres;
h. Wineries;
i. Wine producers.

(4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises~~ premises, (ii) the retail sale of cider in a cleaned, sanitized, resealable container as defined in 4 NCAC 2T .0308(a) that is filled or refilled and sealed for consumption off the premises, complies with 4 NCAC 2T .0303, 4 NCAC 2T .0305, and 4 NCAC 2T .0308(d)-(e), and the container identifies the permittee and the date the container was filled or refilled, and ~~it authorizes~~ (iii) the holder of the permit to ship unfortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another off-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The permit may also be issued to the holder of a viticulture/enology course authorization under

G.S. 18B-1114.4. A school obtaining a permit under this subdivision is authorized to sell wines manufactured during its viticulture/enology program at one non-campus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee. The permit may also be issued for a winery or a wine producer for sale of its own unfortified wine during hours when the winery or wine producer's premises is open to the public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A winery obtaining a permit under this subdivision is authorized to sell wine manufactured by the winery at one additional location in the county under the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that no other alcohol sales shall be authorized at the additional location. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision.

...

(16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt beverages, unfortified wine, and fortified wine in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt ~~beverages~~ beverages, cider, or both, in a cleaned, sanitized, resealable container as defined in 4 NCAC 2T.0308(a) that is filled or refilled and sealed for consumption off the premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e), and the container identifies the permittee and the date the container was filled or refilled, and (iii) wine tastings on the premises conducted and supervised by the permittee in accordance with subdivision (15) of this section. It also authorizes the holder of the permit to ship malt beverages, unfortified wine, and fortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses whose primary purpose is selling malt beverages and wine for consumption off the premises and regularly and customarily educating consumers through tastings, classes, and seminars about the selection, serving, and storing of wine. The holder of the permit is authorized to sell unfortified wine for consumption on the premises, provided that the sale of wine for consumption on the premises does not exceed forty percent (40%) of the establishment's total sales for any 30-day period. The holder of a wine-tasting permit not engaged in the preparation or sale of food on the premises is not subject to Part 6 of Article 8 of Chapter 130A of the General Statutes.

...."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 532
PROPOSED COMMITTEE SUBSTITUTE H532-CSTG-20 [v.2]

4/27/2015 8:13:12 PM

Short Title: Malt Bvg Tech Changes/Sell Cider in Growlers. (Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO ACT TO MAKE TECHNICAL CHANGES TO THE SALE OF MALT BEVERAGES IN GROWLERS AND ALLOW CERTAIN ABC PERMITTEES TO SELL CIDER IN CERTAIN CONTAINERS FOR CONSUMPTION OFF THE PERMITTED PREMISES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-1001 reads as rewritten:

"**§ 18B-1001. Kinds of ABC permits; places eligible.**

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d) (e),~~ premises and ~~the container~~ that identifies the permittee and the date the container was filled or refilled. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:
   a. Restaurants;
   b. Hotels;
   c. Eating establishments;
   d. Food businesses;
   e. Retail businesses;
   f. Private clubs;
   g. Convention centers;
   h. Community theatres;
   i. Breweries as authorized by G.S. 18B-1104(7) and (8).

(2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit authorizes (i) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off

the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d) (e).~~premises and ~~the container~~that identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. Restaurants.
b. Hotels.
c. Eating establishments.
d. Food businesses.
e. Retail businesses.
f. The holder of a brewing, distillation, and fermentation course authorization under G.S. 18B-1114.6. A school obtaining a permit under this subdivision is authorized to sell malt beverages manufactured during its brewing, distillation, and fermentation program at one noncampus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee.

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, ~~and~~ (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises.~~premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;

d. Private clubs;
e. Convention centers;
f. Cooking schools;
g. Community theatres;
h. Wineries;
i. Wine producers.

(4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises and~~ premises, (ii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled, and (iii) ~~it authorizes~~ the holder of the permit to ship unfortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another off-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The permit may also be issued to the holder of a viticulture/enology course authorization under G.S. 18B-1114.4. A school obtaining a permit under this subdivision is authorized to sell wines manufactured during its viticulture/enology program at one non-campus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee. The permit may also be issued for a winery or a wine producer for sale of its own unfortified wine during hours when the winery or wine producer's premises is open to the public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A winery obtaining a permit under this subdivision is authorized to sell wine manufactured by the winery at one additional location in the county under the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that no other alcohol sales shall be authorized at the additional location. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision.

...

(16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt beverages, unfortified wine, and fortified wine in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt

beverages or unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e).~~premises and ~~the container~~ that identifies the permittee and the date the container was filled or refilled, and (iii) wine tastings on the premises conducted and supervised by the permittee in accordance with subdivision (15) of this section. It also authorizes the holder of the permit to ship malt beverages, unfortified wine, and fortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses whose primary purpose is selling malt beverages and wine for consumption off the premises and regularly and customarily educating consumers through tastings, classes, and seminars about the selection, serving, and storing of wine. The holder of the permit is authorized to sell unfortified wine for consumption on the premises, provided that the sale of wine for consumption on the premises does not exceed forty percent (40%) of the establishment's total sales for any 30-day period. The holder of a wine-tasting permit not engaged in the preparation or sale of food on the premises is not subject to Part 6 of Article 8 of Chapter 130A of the General Statutes.

..."

SECTION 2. The North Carolina Alcoholic Beverage Control Commission rules regulating the retail sale of malt beverages in growlers shall apply to the retail sale of unfortified wine in growlers until such time as the Commission shall adopt administrative rules implementing this Act.

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

HOUSE BILL 541

Short Title:	Proof Required for Debt/Fees.	(Public)
Sponsors:	Representatives Collins, Szoka, R. Moore, and Jeter (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Banking.	

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO ALLOW COLLECTION ONLY WHERE ADEQUATE PROOF OF INDEBTEDNESS PROVIDED; TO CONFORM TO FEDERAL LAW; TO AID DEBTORS IN IDENTIFYING ACCOUNT OWNERS TO RESOLVE CREDIT ISSUES; TO SPECIFY THAT A CHARGE-OFF STATEMENT SERVES AS PROOF OF DEBT OWED; AND TO MAKE VARIOUS RELATED CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-70-115 reads as rewritten:

"**§ 58-70-115. Unfair practices.**

No collection agency shall collect or attempt to collect any debt by use of any unfair practices. Such practices include, but are not limited to, the following:

(1) Seeking or obtaining any written statement or acknowledgment in any form containing an affirmation of any debt by a consumer who has been declared bankrupt, an acknowledgment of any debt barred by the statute of limitations, or a waiver of any legal rights of the debtor without disclosing the nature and consequences of such affirmation or waiver and the fact that the consumer is not legally obligated to make such affirmation or waiver.

(2) Collecting or attempting to collect from the consumer all or any part of the collection agency's fee or charge for services rendered, collecting or attempting to collect any interest or other charge, fee or expense incidental to the principal debt unless legally entitled to such fee or charge.

(3) Communicating with a consumer whenever the collection agency has been notified by the consumer's attorney that he represents said consumer.

(4) When the collection agency is a debt buyer or is acting on behalf of a debt buyer, bringing suit or initiating an arbitration proceeding against the debtor ~~or otherwise attempting to collect on a debt~~ when the collection agency knows, or reasonably should know, that such collection is barred by the applicable statute of limitations.

(5) When the collection agency is a debt buyer or acting on behalf of a debt buyer, bringing suit or initiating an arbitration proceeding against the debtor, or otherwise attempting to collect on the debt without (i) access to valid documentation that the debt buyer is the owner of the specific debt instrument or account at issue and (ii) reasonable verification of the amount of the debt allegedly owed by the debtor. For purposes of this subdivision, reasonable verification shall include documentation of the name of the

original creditor, the name and address of the debtor as appearing on the original creditor's records, the original consumer account number, a copy of the ~~contract~~ contract, charge-off statement, or other document evidencing the consumer debt, and an itemized accounting of the amount claimed to be ~~owed, including all fees and charges.~~ owed. If the debt that a debt buyer is attempting to collect on has been charged off, this itemized accounting shall be comprised of (i) the charge-off balance; (ii) any post charge-off interest; (iii) any post charge-off fees; and (iv) any post charge-off payments or credits.

(6) When the collection agency is a debt buyer or acting on behalf of a debt buyer, bringing suit or initiating an arbitration proceeding against the debtor to collect on a debt without first giving the debtor written notice of the intent to file a legal action at least 30 days in advance of filing. The written notice shall include the name, address, and telephone number of the debt buyer, the name of the original creditor and the debtor's original account number, a copy of the ~~contract~~ contract, charge-off statement, or other document evidencing the consumer debt, and an itemized accounting of ~~all amounts~~ the amount claimed to be owed. If the debt that a debt buyer is attempting to collect on has been charged off, this itemized accounting shall be comprised of (i) the charge-off balance; (ii) any post charge-off interest; (iii) any post charge-off fees; and (iv) any post charge-off payments or credits.

(7) Failing to comply with Part 5 of this Article.

(8) When collecting or attempting to collect on a time-barred debt where the debt is not past the date for obsolescence provided for in section 605(a) of the federal Fair Credit Reporting Act (15 U.S.C. § 1681c) failing to conspicuously include the following notice in every written communication with the debtor:

"The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it. If you do not pay the debt, [insert name of debt buyer] may [continue to] report it to the credit reporting agencies as unpaid for as long as the law permits this reporting."

(9) When collecting or attempting to collect on a time-barred debt where the debt is past the date for obsolescence provided for in section 605(a) of the federal Fair Credit Reporting Act (15 U.S.C. § 1681c) failing to conspicuously include the following notice in every written communication with the debtor:

"The law limits how long you can be sued on a debt. Because of the age of your debt, we will not sue you for it, and we will not report it to any credit reporting agency.""

SECTION 2. G.S. 58-70-150(1) reads as rewritten:

"**§ 58-70-150. Complaint of a debt buyer plaintiff must be accompanied by certain materials.**

In addition to the requirements of G.S. 58-70-145, in any cause of action initiated by a debt buyer, as that term is defined in G.S. 58-70-15, all of the following materials shall be attached to the complaint or claim:

(1) A copy of the ~~contract~~ contract, charge-off statement, or other writing evidencing the original ~~debt, which must contain a signature of the defendant. If a claim is based on credit card debt and no such signed writing evidencing the original debt ever existed, then copies of documents generated when the credit card was actually used must be attached.~~ debt."

SECTION 3. G.S. 58-70-155 reads as rewritten:

"**§ 58-70-155. Prerequisites to entering a default or summary judgment against a debtor under this Part.**

(a) Prior to entry of a default judgment or summary judgment against a debtor in a complaint initiated by a debt buyer, the plaintiff shall file evidence with the court to establish the amount and nature of the debt.

(b) The only evidence sufficient to establish the amount and nature of the debt shall be ~~properly authenticated business records that satisfy the requirements of Rule 803(6) of the North Carolina Rules of Evidence. The authenticated business records shall include~~documents containing at least all of the following items:

(1) The original account number.

(2) The original creditor.

(3) The ~~amount of the original debt.~~total amount claimed to be owed.

(4) An itemization of ~~charges and fees claimed to be owed.~~post charge-off payments or credits, where applicable.

(5) The ~~original~~ charge-off balance, or, if the balance has not been charged off, an explanation of how the balance was calculated.

(6) An itemization of post charge-off ~~additions,~~ fees, where applicable.

(7) The date of last ~~payment.~~payment, where applicable.

(8) The amount of post charge-off interest ~~claimed~~ claimed, and the basis for the interest charged."

SECTION 4. This act becomes effective October 1, 2015.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 1

H. B. No. 541 DATE

S. B. No. Amendment No. (to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE

(Rep.) Saine
(Sen.)

moves to amend the bill on page 3, lines ~~36, 37~~ 20-21

( ) WHICH CHANGES THE TITLE

by inserting ~~[illegible] the lines to read:~~ the following between the lines:

"Section 3.5. G.S. 58-70-35(a) reads as rewritten:

"(a) Upon the filing of the application and information required by this Article, the applicant shall pay a nonrefundable fee of ~~one thousand dollars ($1,000)~~ one thousand two hundred fifty dollars ($1,250), and no permit may be issued until this fee is paid. Fees collected under this subsection shall be credited to the Insurance Regulatory Fund created under G.S. 58-6-25."".

SIGNED

ADOPTED FAILED TABLED

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

HOUSE BILL 495*
Committee Substitute Favorable 4/22/15

Short Title: OSHR Modernization/Technical Changes. (Public)

Sponsors:

Referred to:

April 2, 2015

A BILL TO BE ENTITLED

AN ACT ENHANCING THE EFFECTIVENESS AND EFFICIENCY OF STATE GOVERNMENT BY MODERNIZING THE STATE'S SYSTEM OF HUMAN RESOURCES MANAGEMENT.

The General Assembly of North Carolina enacts:

PART I. CAREER STATE EMPLOYEES

SECTION 1. G.S. 126-1.1(a) reads as rewritten:

"(a) For the purposes of this Chapter, unless the context clearly indicates otherwise, "career State employee" means a State employee or an employee of a local entity who is covered by this Chapter pursuant to G.S. 126-5(a)(2) who:

(1) Is in a permanent ~~position.~~position with a permanent appointment, and

(2) Has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the North Carolina Human Resources Act for the immediate ~~24~~ 12 preceding months."

PART II. STATE HUMAN RESOURCES COMMISSION CHANGES

SECTION 2. G.S. 126-4 reads as rewritten:

"**§ 126-4. Powers and duties of State Human Resources Commission.**

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

...

(10) Programs of employee assistance, productivity incentives, equal opportunity, safety and health as required by Part 1 of Article 63 of Chapter 143 of the General Statutes, and such other programs and procedures as may be necessary to promote efficiency of administration and provide for a fair and modern system of personnel administration. ~~This subdivision may not be construed to authorize the establishment of an incentive pay program.~~

...

(19) Administration of the temporary employment service which shall provide temporary staffing services for North Carolina State Government.

The policies and rules of the Commission shall not limit the power of any elected or appointed department head, in the department head's discretion and upon the department head's determination that it is in the best interest of the Department, to transfer, demote, or separate a State employee who is not a career State employee as defined by this Chapter."

PART III. TEMPORARY EMPLOYMENT SERVICES

SECTION 3. Article 1 of Chapter 126 is amended by adding a new section to read:

"**§ 126-5.1. Temporary employment service established.**

(a) There is established in the Office of State Human Resources a temporary employment service program to be administered by the Office of State Human Resources, subject to the approval of the State Human Resources Commission. The temporary employment service program shall provide temporary staffing services for North Carolina State Government at a cost-effective rate. The State Human Resources Director shall charge the respective agencies for use of the temporary workforce, which shall include the cost of administering the program. The Director shall be responsible for the efficient operation of the program that meets the needs of State agencies.

(b) Except as to the provisions of Articles 6, 7, 14, and 15 of this Chapter, the provisions of this Chapter shall not apply to employees staffed through the temporary employment service.

(c) All divisions, departments, and agencies of the State may only employ temporary employees through the temporary employment service as established in this section.

(d) The State Human Resources Commission shall promulgate all policies necessary for the administration of the temporary employment service and necessary to implement this section.

(e) Compliance.

(1) A temporary assignment in the same agency and same job function cannot exceed 12 months.

(2) An agency with a need for services to be performed for more than a year may obtain an extension from the State Human Resources Director upon a showing that the agency has requested funding for the job function from the General Assembly and such funding has not been approved.

(3) If no extension is granted under subdivision (2) of this subsection, and a temporary assignment in a division, department, or agency exceeds 12 months, the State Human Resources Director, with the approval of the State Human Resources Commission, shall implement corrective action as provided in G.S. 126-3(9)."

PART IV. OTHER MODERNIZING AND CONFORMING CHANGES

SECTION 4. G.S. 126-6.2(a) reads as rewritten:

"(a) Beginning January 1, 1998, and ~~quarterly~~ annually thereafter, the head of each State agency, department, or institution employing State employees subject to the North Carolina Human Resources Act shall report to the Office of State Human Resources on the following:

(1) The costs associated with the defense or settlement of administrative grievances and lawsuits filed by current or former State employees and applicants for State employment, including the costs of settlements, attorneys' fees, litigation expenses, damages, or awards incurred by the respective State agencies, departments, and institutions. The report shall include an explanation of the fiscal impact of these costs upon the operations of the State agency, department, or institution.

(2) Any other human resources functions or actions as may be requested by the Director of the Office of State Human Resources in order for the Office to evaluate the efficiency, productivity, and compliance of a State agency, department, or institution with policies, including, but not limited to, the compensation of State employees, voluntary shared-leave programs, equal employment opportunity plans and programs, and work options programs."

PART V. ORGANIZATIONAL AND EMPLOYEE POLICY CHANGES

SECTION 5.1. G.S. 126-7.1 reads as rewritten:

"**§ 126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First ~~hiring.~~hiring; reorganization through reduction.**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:

(1) The personnel office of the agency, department, or institution having the vacancy; and

(2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Human Resources for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Human Resources to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Human Resources that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(b) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(c) The State Human Resources Commission shall adopt rules ~~to provide that~~and policies governing the priority and salary rights of State employees separated from State employment as the result of reductions in ~~force who accept a position in State government shall be paid a salary no higher than the maximum of the salary grade of the position accepted.~~force.

(d) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(e) If a State employee subject to this section:

(1) Applies for another position of State employment that would constitute a promotion; and

(2) Has ~~substantially equal~~ greater qualifications as an applicant who is not a State employee;

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(f) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Has ~~substantially equal~~ greater qualifications as any other applicant;

then within all State agencies, the State employee who has been notified of or separated due to a reduction in force shall receive priority consideration over all other applicants. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment

priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal.

(f1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force accepts or rejects an offer for a position of State employment that is equal to or higher than the position held or equal to or higher than the salary earned by the employee at the time of separation or notification, then the employee's acceptance or rejection of that offer shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section.

(f2) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force and who applies for a position equal to or higher than the position held by the employee at the time of separation or notification, but declines an interview for the position for which the employee applied, then the employee's rejection of an offer of the interview for the position shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section. The State Human Resources Commission shall adopt a policy to carry out this subsection.

(g) "Qualifications" within the meaning of subsection (e) of this section shall consist of:

(1) Training or education;

(2) Years of applicable experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(h) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First Program participants.

(i) Each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.

(j) A department or office listed in G.S. 126-5(d)(1) or (2) may reorganize and restructure its positions through a voluntary separation process, in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget and Management."

SECTION 5.2. G.S. 126-8.1(c) reads as rewritten:

"(c) The ~~Department of Administration~~ Office of State Human Resources may adopt such rules and regulations as are reasonable and necessary to carry out the provisions of this section, with the approval of the Governor."

SECTION 5.3. G.S. 126-14.2 reads as rewritten:

"**§ 126-14.2. Political hirings limited.**

(a) It is the policy of this State that State departments, agencies, and institutions select from the pool of ~~the most~~ qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select from the pool of ~~the most~~ qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, ~~the "most qualified"~~"qualified persons" shall mean each of the State employees or applicants for initial State employment who:

(1) Have timely applied for a position in State government;

(2) Have the essential qualifications for that position; and

(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this

Chapter, and State personnel policies approved by the State Human Resources Commission.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;

(2) The complaining State employee or applicant for initial State employment was not hired into the position;

(3) The complaining State employee or applicant for initial State employment was among ~~the most~~ qualified persons applying for the position as defined in this Chapter;

(4) The successful applicant for the position was not among ~~the most~~ qualified persons applying for the position; and

(5) The hiring decision was based upon political affiliation or political influence.

(d) The provisions of this section shall not apply to positions exempt from this Chapter, except that this section does apply to exempt managerial positions as defined by G.S. 126-5(b)(2)."

SECTION 5.4. G.S. 126-23(a) reads as rewritten:

"(a) Each department, agency, institution, commission and bureau of the State shall maintain a record of each of its employees, showing the following information with respect to each such employee:

(1) Name.

~~(2) Age.~~

(3) Date of original employment or appointment to State service.

(4) The terms of any contract by which the employee is employed whether written or oral, past and current, to the extent that the agency has the written contract or a record of the oral contract in its possession.

(5) Current position.

(6) Title.

(7) Current salary.

(8) Date and amount of each increase or decrease in salary with that department, agency, institution, commission, or bureau.

(9) Date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that department, agency, institution, commission, or bureau.

(10) Date and general description of the reasons for each promotion with that department, agency, institution, commission, or bureau.

(11) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the department, agency, institution, commission, or bureau. If the disciplinary action was a dismissal, a copy of the written notice of the final decision of the head of the department setting forth the specific acts or omissions that are the basis of the dismissal.

(12) The office or station to which the employee is currently assigned."

SECTION 5.5. G.S. 126-24 reads as rewritten:

"**§ 126-24. Confidential information in personnel files; access to such information.**

All other information contained in a personnel file is confidential and shall not be open for inspection and examination except to the following persons:

(1) The employee, applicant for employment, former employee, or his properly authorized agent, who may examine his own personnel file in its entirety except for (i) letters of reference solicited prior to employment, or (ii) information concerning a medical disability, mental or physical, that a

prudent physician would not divulge to a patient. An employee's medical record may be disclosed to a licensed physician designated in writing by the employee;

(2) The supervisor of the employee;

(2a) A potential State or local government supervisor, during the interview process, only with regard to performance management documents and disciplinary actions;

(3) Members of the General Assembly who may inspect and examine personnel records under the authority of G.S. 120-19;

(4) A party by authority of a proper court order may inspect and examine a particular confidential portion of a State employee's personnel file; and

(5) An official of an agency of the federal government, State government or any political subdivision thereof. Such an official may inspect any personnel records when such inspection is deemed by the department head of the employee whose record is to be inspected or, in the case of an applicant for employment or a former employee, by the department head of the agency in which the record is maintained as necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution, nor for purposes of assisting in a tax investigation.

Notwithstanding any other provision of this Chapter, any department head may, in his discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or nonemployment of any applicant, employee or former employee employed by or assigned to his department or whose personnel file is maintained in his department and the reasons therefor and may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that the release of such information or the inspection and examination of such file or portion thereof is essential to maintaining the integrity of such department or to maintaining the level or quality of services provided by such department; provided that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances which the department head deems to require such disclosure and the information to be disclosed. The memorandum shall be retained in the files of said department head and shall be a public record."

PART VI. EFFECTIVE DATE

SECTION 6. Part V of this act becomes effective October 1, 2015, and applies to employees separated on or after that date. The remainder of this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 2

H. B. No. 495 DATE 4/29/15

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Jackson
Sen.)

moves to amend the bill on page 4, line 40

( ) WHICH CHANGES THE TITLE

by rewriting the line to read:

"~~from the pool of~~ the most qualified persons for State government employment based upon".

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 495*

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

H495-ASU-26 [v.1]

Amends Title [NO]
Second Edition

Date 4-29- ,2015

Representative Floyd

moves to amend the bill on page 3, lines 26-29, by rewriting the lines to read:

"(c) The State Human Resources Commission shall adopt rules to provide that State employees separated from State employment as the result of reductions in force who accept a position in State government shall be paid a salary no higher than the maximum of the salary grade of the position accepted.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 495 DATE 4/29/15

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Wray
)
Sen.)

1 moves to amend the bill on page 4, line ~~19~~ 18

2 ( ) WHICH CHANGES THE TITLE

3 by rewriting the line to read:

4

5 "(2) years of experience; and".

6

7

8

9

10

11

12

13

14

15

16

17

18

19

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 495*

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

H495-ATV-11 [v.3]

Amends Title [NO]
Second Edition

Date _____,2015

Representative Collins Stam

moves to amend the bill on page 3, line 35
to rewrite the line to read:
"(2) Has ~~substantially~~ equal qualifications as an applicant who is not a"; and

moves to amend the bill on page 3, line 45
"(2) Has ~~substantially~~ equal qualifications as any other applicant;"; and

moves to amend the bill on page 6, lines 6-7
by rewriting those lines to read:
"process, only with regard to performance management documents;".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

H495-ATV-11-V-3

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 495 DATE _____

S. B. No. _____ Amendment No. _____ (to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

~~Rep.~~) Stam
Sen.)

Amendment H495-ATV-11[v.3]

moves to amend the bill on page _____, line _____

( ) WHICH CHANGES THE TITLE

by rewriting lines 3 of the amendment to read:

"(2) Has substantially equal qualifications as an applicant who is not a"; and

and on line 6 to read:

"(2) Has substantially equal qualifications as any other applicant;".

SIGNED Stam

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

HOUSE BILL 496:
Surcharge Transparency

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 29, 2015
Introduced by:	Reps. Collins, Cleveland, Jordan, Baskerville	**Prepared by:**	Wendy Graf Ray Kristen Harris Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 496 would provide that auto insurance surcharges imposed to subsidize the losses of the North Carolina Motor Vehicle Reinsurance Facility be itemized and displayed to the policyholder.

[As introduced, this bill was identical to S428, as introduced by Sen. Brock, which is currently in Senate Insurance.]

CURRENT LAW: Under current law, an insurer may cede to the Reinsurance Facility any eligible risk it chooses for liability and other required coverages. The Facility is required to establish a separate subclassification for owners and operators who are "clean risks." A "clean risk" is defined as "any owner of a nonfleet private passenger motor vehicle…if the owner, principal operator, and each licensed operator in the owner's household have two years' driving experience…and none of the persons has been assigned any Safe Driver Incentive Plan Points" in the preceding three years. All rates in the Facility must be actuarially sound and calculated to not produce a profit or loss. However, the rates for clean risks may not exceed rates for clean risks outside of the Facility, even if the rate is not actuarially sound. This rate is the base rate approved by the Commissioner for all drivers.

The difference in the actuarially sound rate for clean risks and the rate charged to clean risks in the Facility is recouped by a surcharge on all policies in the State, known as the "Facility surcharge." Currently, law requires that this rate be "combined with and displayed as a part of the applicable premium charges."

BILL ANALYSIS: House Bill 496 would require that the surcharge be itemized and displayed to the policyholder in the same manner as the premium.

EFFECTIVE DATE: House Bill 496 is effective when it becomes law and applies to auto policies issued or renewed on or after January 1, 2017.

Staff Attorney Tim Hovis substantially contributed to this summary.

O. Walker Reagan
Director

H496-SMTU-36 E1 -V2

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 496

Short Title:	Surcharge Transparency.	(Public)
Sponsors:	Representatives Collins, Cleveland, Jordan, and Baskerville (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Insurance.	

April 2, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT NORTH CAROLINA AUTO INSURANCE SURCHARGES IMPOSED TO SUBSIDIZE THE LOSSES OF THE NORTH CAROLINA MOTOR VEHICLE REINSURANCE FACILITY BE CLEARLY COMMUNICATED TO POLICYHOLDERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-37-40(f) reads as rewritten:

"(f) The plan of operation shall provide that every member shall, following payment of any pro rata assessment, begin recoupment of that assessment by way of a surcharge on motor vehicle insurance policies issued by the member or through the Facility until the assessment has been recouped. Any surcharge under this subsection or under subsection (e) of this section shall be a percentage of premium adopted by the Board of Governors of the Facility; and the charges determined on the basis of the surcharge shall be ~~combined with and displayed as a part of the applicable premium charges.~~ itemized and displayed to the policyholder in substantially the same manner as the applicable premium charge is displayed in communications with the policyholder. Recoupment of losses sustained by the Facility since September 1, 1977, with respect to nonfleet private passenger motor vehicles may be made only by surcharging nonfleet private passenger motor vehicle insurance policies. If the amount collected during the period of surcharge exceeds assessments paid by the member to the Facility, the member shall pay over the excess to the Facility on a date specified by the Board of Governors. If the amount collected during the period of surcharge is less than the assessments paid by the member to the Facility, the Facility shall pay the difference to the member. Except as otherwise provided in this Article, the amount of recoupment shall not be considered or treated as a rate or premium for any purpose. The Board of Governors shall adopt and implement a plan for compensation of agents of Facility members when recoupment surcharges are imposed; that compensation shall not exceed the compensation or commission rate normally paid to the agent for the issuance or renewal of the automobile liability policy issued through the North Carolina Reinsurance Facility affected by the surcharge. However, the surcharge shall include an amount necessary to recover the amount of the assessment to member companies and the compensation paid by each member, under this section, to agents."

SECTION 2. This act is effective when it becomes law and applies to motor vehicle insurance policies issued or renewed on or after January 1, 2017.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 496

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

H496-ARG-5 [v.3]

Amends Title [NO]
First Edition

Date _____,2015

Representative _____

moves to amend the bill on page 1, lines 14-16, by rewriting the lines to read:
"~~applicable premium charges.~~ itemized and displayed to the policyholder at the time of policy issuance and renewal on the declaration page or renewal notice approved by the Commissioner below the coverage and premium information only as follows:

"The Premium Clean Risk Surcharge is $_____ and is included in your premium above."

Recoupment of losses sustained by the Facility since ~~September 1, 1977~~, with"

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE BILL 821

Short Title:	Proper Administration of Step Therapy.	(Public)
Sponsors:	Representatives Lewis and Wray (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Health.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO ENSURE THE PROPER ADMINISTRATION OF STEP THERAPY PROTOCOLS FOR PRESCRIPTION DRUGS.

Whereas, health benefit plans are increasingly making use of step therapy protocols under which patients are required to try one or more prescription drugs before coverage is provided for a drug selected by the patient's health care provider; and

Whereas, when step therapy protocols are based on well-developed scientific standards and administered in a flexible manner that takes into account the individual needs of patients, the protocols can play an important role in controlling health care costs; and

Whereas, in some cases, requiring a patient to follow a step therapy protocol may have adverse and even dangerous consequences for the patient who may either not realize a benefit from taking a prescription drug or may suffer harm from taking an inappropriate drug; and

Whereas, without uniform policies in the State for step therapy protocols, patients may not receive the best and most appropriate treatment; and

Whereas, it is imperative that step therapy protocols preserve the heath care provider's right to make treatment decisions in the best interest of the patient; and

Whereas, the General Assembly declares it a matter of public interest that it require health benefit plans base step therapy protocols on appropriate clinical practice guidelines developed by independent experts with knowledge of the condition or conditions under consideration; that patients be exempt from step therapy protocols when inappropriate or otherwise not in the best interest of the patients; and that patients have access to a fair, transparent, and independent process for requesting an exception to a step therapy protocol when appropriate; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Article 50 of Chapter 58 of the General Statutes is amended by adding a new Part to read:

"Part 8. Administration of Step Therapy Protocols.

"**§ 58-50-300. Definitions.**

Unless the context clearly indicates otherwise, the following words or phrases, as used in this Article, have the following meanings:

(1) "Clinical practice guidelines" means a systematically developed statement to assist health care provider and patient decisions about appropriate health care for specific clinical circumstances and conditions.

(2) "Clinical review criteria" means the written screening procedures, decision abstracts, clinical protocols, and practice guidelines used by an insurer, health plan, or utilization review organization to determine the medical necessity and appropriateness of health care services.

(3) "Step therapy override determination" means a determination as to whether a step therapy protocol should apply in a particular situation, or whether the step therapy protocol should be overridden in favor of immediate coverage of the health care provider's selected prescription drug. This determination is based on a review of the patient's or prescriber's request for an override, along with supporting rationale and documentation.

(4) "Step therapy protocol" means a protocol or program that establishes the specific sequence in which prescription drugs for a specified medical condition are medically appropriate for a particular patient and are covered by an insurer or health plan.

(5) "Utilization review organization" as defined in G.S. 59-50-61(a)(18).

"**§ 58-50-305. Clinical review criteria.**

Clinical review criteria used to establish a step therapy protocol shall be based on clinical practice guidelines that meet all the following requirements:

(1) Recommend that the prescription drugs be taken in the specific sequence required by the step therapy protocol.

(2) Are developed and endorsed by an independent, multidisciplinary panel of experts not affiliated with a health benefit plan or utilization review organization.

(3) Are based on high quality studies, research, and medical practice.

(4) Are created by an explicit and transparent process that:

a. Minimizes biases and conflicts of interest;

b. Explains the relationship between treatment options and outcomes;

c. Rates the quality of the evidence supporting recommendations; and

d. Considers relevant patient subgroups and preferences.

(5) Are continually updated through a review of new evidence and research.

"**§ 58-50-310. Exceptions process transparency.**

(a) Exceptions Process. – When coverage of a prescription drug for the treatment of any medical condition is restricted for use by a health benefit plan or utilization review organization through the use of a step therapy protocol, the patient and prescribing practitioner shall have access to a clear and convenient process to request a Step Therapy Exception Determination. A health benefit plan or utilization review organization may use its existing medical exceptions process to satisfy this requirement. The process shall be made easily accessible on the health benefit plan's or utilization review organization's Web site.

(b) Exceptions. – A step therapy override determination request shall be expeditiously granted if any of the following apply:

(1) The required prescription drug is contraindicated or will likely cause an adverse reaction or physical or mental harm to the patient.

(2) The required prescription drug is expected to be ineffective based on the known relevant physical or mental characteristics of the patient and the known characteristics of the prescription drug regimen.

(3) The patient has tried the required prescription drug while under their current or a previous health insurance or health benefit plan or another prescription drug in the same pharmacologic class or with the same mechanism of action and such prescription drug was discontinued due to lack of efficacy or effectiveness, diminished effect, or an adverse event.

(4) The required prescription drug is not in the best interest of the patient, based on medical appropriateness.

(5) The patient is stable on a prescription drug selected by their health care provider for the medical condition under consideration.

(c) Effect of Exception. – Upon the granting of a step therapy override determination, the health benefit plan or utilization review organization shall authorize coverage for the prescription drug prescribed by the patient's treating health care provider, provided such prescription drug is a covered prescription drug under such policy or contract.

(d) Limitations. – This section shall not be construed to prevent:

(1) A health benefit plan or utilization review organization from requiring a patient to try an AB-rated generic equivalent prior to providing coverage for the equivalent branded prescription drug; or

(2) A health care provider from prescribing a prescription drug that is determined to be medically appropriate.

"**§ 58-50-315. Rules.**

The Commissioner shall adopt rules to implement this Article."

SECTION 2. This act becomes effective October 1, 2015, and applies to health benefit contracts issued, renewed, or amended on or after that date.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 812

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

H812-ATK-26 [v.2]

Amends Title [NO]
First Edition

Date _____,2015

Representative Lewis

moves to amend the bill on page 3, lines 13-14, by rewriting the lines to read:
""**§ 58-50-315. Rules and limitation of Part.**
(a) The Commissioner shall adopt rules to implement this Article.
(b) Nothing in this Part shall be construed to impact an insurers' ability to substitute a generic drug for a name brand drug."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 812

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

H812-ATK-26 [v.2]

Amends Title [NO]
First Edition

Date _____, 2015

Representative _____

moves to amend the bill on page 3, lines 13-14, by rewriting the lines to read:
""**§ 58-50-315. Rules and limitation of Part.**
(a) The Commissioner shall adopt rules to implement this Article.
(b) Nothing in this Part shall be construed to impact an insurers' ability to substitute a generic drug for a name brand drug."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE BILL 826

Short Title:	Study Repeal of Second Primaries.	(Public)
Sponsors:	Representatives Floyd, C. Graham, and Jordan (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO STUDY SECOND PRIMARIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Joint Legislative Elections Oversight Committee shall study current laws related to second primaries and recommend any legislation that it deems advisable. The study may include any of the following:

(1) The administrative burden of voter registration and addresses changes between first and second primaries.
(2) The impact of statutory increases in the length of time between the first and second primary.
(3) The frequency and cost of second primaries.
(4) The continued need for second primaries in the election cycle.
(5) If the second primary process were repealed, should there be any modifications to the method of determining the result of the primary.
(6) Any other information the Committee finds relevant to second primaries.

SECTION 1.(b) The Committee shall report its findings and recommendations on this study to the 2016 Regular Session of the 2015 General Assembly no later than April 15, 2016.

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

HOUSE BILL 74
Committee Substitute Favorable 4/28/15

Short Title: Study MPO/RPO Oversight. (Public)

Sponsors:

Referred to:

February 12, 2015

A BILL TO BE ENTITLED

AN ACT TO STUDY THE OVERSIGHT OF METROPOLITAN PLANNING ORGANIZATIONS AND RURAL TRANSPORTATION PLANNING ORGANIZATIONS AND THEIR ROLE IN TRANSPORTATION PLANNING.

The General Assembly of North Carolina enacts:

SECTION 1. The Study Committee on Metropolitan Planning Organizations and Rural Transportation Planning Organizations is created. The Committee shall consist of five members of the House of Representatives, appointed by the Speaker of the House of Representatives, and five members of the Senate, appointed by the President Pro Tempore of the Senate. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate one member as a cochair. Vacancies to the Committee shall be filled by the same appointing authority making the initial appointment. The Committee will meet upon the call of the cochairs. A quorum shall be a majority of the Committee members.

SECTION 2. The Committee shall study the organization, structure, and oversight of Metropolitan Planning Organizations and Rural Transportation Planning Organizations, the role they play in transportation planning, and the way the organization, structure, and oversight might be revised to better match their role in transportation planning while maintaining compliance with federal transportation requirements.

SECTION 3. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may meet in the Legislative Building or the Legislative Office Building. Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.

The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The House of Representatives shall assign clerical staff to the Committee, and the expenses relating to the clerical employees shall be borne by the Committee. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02.

SECTION 4. The Committee may make a report, including any proposed legislation, to the 2016 Regular Session of the 2015 General Assembly. The Committee shall terminate upon filing its final report or upon the convening of the 2016 Regular Session of the 2015 General Assembly, whichever is earlier.

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

HOUSE BILL 780

Short Title:	Study/Economic Impact of Jones Act on NC.	(Public)
Sponsors:	Representative Catlin (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT DIRECTING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY THE ECONOMIC IMPACT OF THE JONES ACT ON NORTH CAROLINA.

Whereas, since 1920, the Jones Act has required that all domestic coastwise trade in the United States be carried on vessels built and flagged in this country; and

Whereas, today, the size of the U.S. flag fleet is less than 200 vessels compared to over 3,000 ships in the 1960s and presently has less than 49 eligible tankers in the entire United States eligible under the Jones Act; and

Whereas, the increase in domestic crude oil production has drastically reduced the price of U.S. petroleum products and increased the domestic demand for those products; and

Whereas, there is a shortage of vessels flagged in the United States to bring crude oil and petroleum products from the Gulf of Mexico to the East Coast; and

Whereas, this scarcity increases the cost of transporting to East Coast facilities oil that is either produced in the Gulf of Mexico or which is produced elsewhere in the United States and reaches port in the Gulf; and

Whereas, the shortage of vessels has created winter-time shortages of domestic heating oil and other products for some regions of the East Coast; and

Whereas, the higher transportation costs of petroleum products caused by the requirement to use vessels built and flagged in the United States in the coastwise trade have had an adverse impact on petroleum distributors and marketers in North Carolina, forcing some of them out of business; and

Whereas, North Carolina fuel terminals have gone out of business or may soon go out of business due to the cost and shortage of Jones Act compliant ships; and

Whereas, oil product pipelines can be, and have been, put out of commission by storms, making it critical to use ships to get petroleum products to North Carolina and elsewhere along the East Coast; and

Whereas, the petroleum terminals that previously existed in North Carolina saved our economy and public safety by providing backup fuel supplies when Hurricane Katrina shut down the Colonial Pipeline; and

Whereas, this Homeland Security backup supply of petroleum may be going out of business due to required compliance with the Jones Act; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The Legislative Research Commission shall study the economic impacts of the U.S. Jones Act on North Carolina. The Commission shall include the following issues within this study:

(1) Fuel shipping to fuel terminals.
(2) Shipping to ports.
(3) Beach nourishment.
(4) Inlet and intracoastal waterways maintenance.
(5) River and port harbor maintenance and deepening.

SECTION 2. The Legislative Research Commission may make an interim report to the 2015 General Assembly when it reconvenes in 2016 and shall make its final report to the 2017 General Assembly when it convenes.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 562
Committee Substitute Favorable 4/28/15
PROPOSED COMMITTEE SUBSTITUTE H562-PCS20350-SA-60

Short Title: Second Amendment Affirmation Act. (Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO ENACT THE SECOND AMENDMENT AFFIRMATION ACT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

...

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or ~~investigator;~~investigator. Notwithstanding the provisions of this subsection, a district attorney may carry a concealed weapon while in a courtroom;

...

(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body;

(9) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-415.27 reads as rewritten:

"**§ 14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.
(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, if any of the following conditions are met:

(1) ~~who~~ The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.
(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.
(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:
    a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.
    b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4.(a) Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted. Any prohibition under this section shall be posted conspicuously in compliance with G.S. 14-415.28.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).

(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 4.(b) The Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, shall study the best method to allow persons with concealed handgun permits to carry a concealed handgun on their person from a parking lot to the entrance of the State Fairgrounds, and a secure method of storage for and retrieval of those handguns at or near the entrance. The Department of Agriculture shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2016, with recommendations, including any necessary legislation.

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"**§ 14-409.46. Sport shooting range protection.**

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"**§ 14-409.47. Application of Article.**

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.

b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.

c. An offense for which the offender was armed with or used a firearm or other deadly weapon.

d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) ~~Is~~ Except as provided in subdivision (8b) of this section, or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General Statutes, or a violation of a misdemeanor under G.S. ~~14-225.2,~~ 14-226.1, 14-258.1, 14-269.2, 14-269.3,

14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, 14-277.3A, ~~14-281.1, 14-283,~~14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A,~~ 14-318.2, 14-415.21(b), 14-415.26(d), or former ~~G.S. 14-277.3.~~G.S. 14-277.3 within three years prior to the date on which the application is submitted.

(8a) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(8b) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of assault or a threat to assault a law enforcement officer, probation or parole officer, person employed at a State or local detention facility, firefighter, emergency medical technician, medical responder, or emergency department personnel.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.

(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm or short-barreled rifle that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 9. G.S. 14-415.21 reads as rewritten:

"**§ 14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. Any person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of subdivision (c)(8) of G.S. 14-415.11 shall be guilty of an infraction and may be required to pay a fine of up to five hundred dollars ($500.00). In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(a) The following statutes are repealed: G.S. 14-402, 14-403, 14-404, 14-405, and 14-407.1.

SECTION 10.(b) G.S. 14-315(b1) reads as rewritten:

"(b1) Defense. – It shall be a defense to a violation of this section if all of the following conditions are met:

~~(1) The person shows that the minor produced an apparently valid permit to receive the weapon, if such a permit would be required under G.S. 14-402 for transfer of the weapon to an adult.~~

(2) The person reasonably believed that the minor was not a minor.

(3) The person either:

a. Shows that the minor produced a drivers license, a special identification card issued under G.S. 20-37.7, a military identification card, or a passport, showing the minor's age to be at least the required age for purchase and bearing a physical description of the person named on the card reasonably describing the minor; or

b. Produces evidence of other facts that reasonably indicated at the time of sale that the minor was at least the required age."

SECTION 10.(c) G.S. 14-404(c1) reads as rewritten:

"(c1) ~~Excluding Saturdays, Sundays, and holidays, after receiving notice of any of the judicial findings, court orders, or other factual matters, relevant to any of the disqualifying conditions specified in subsection (c) of this section, the clerk of superior court shall determine which information can practicably be transmitted to the National Instant Criminal Background Check System (NICS) and shall transmit that information to NICS within 48 hours of that determination. The information shall include a reference to the relevant statutory provision of G.S. 14-404 that precludes the issuance of a permit.~~Excluding Saturdays, Sundays, and holidays, the clerk of superior court shall transmit to the National Instant Criminal Background Check System (NICS) those judicial findings and determinations entered and maintained by the clerks in the Administrative Office of the Courts record management systems that can be used to confirm a disqualifying factor as outlined in G.S. 14-404(c) within 48 hours of such entry, provided that NICS requests that such data be transmitted and that the data can be transmitted in a format acceptable by NICS."

SECTION 10.(d) The Administrative Office of the Courts (AOC), in consultation with the State Bureau of Investigation (SBI), shall work with the National Instant Criminal Background Check System (NICS) to determine the feasibility of reporting additional information to NICS from the State's court and law enforcement records relevant to the disqualifiers for purchase or possession in G.S. 14-404(c)(1), (c)(2), (c)(3), and (c)(8). On or before March 1, 2016, the AOC and SBI shall report to the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the following:

(1) Any progress in providing to NICS additional information relevant to the disqualifiers referenced in this section.

(2) Any specific barriers or roadblocks to transmitting to NICS that additional information.

(3) Any legislative changes necessary to facilitate enhanced reporting to NICS relevant to the disqualifiers.

(4) An estimate of the funding, technology, or resource needs required to facilitate the additional reporting relevant to the disqualifiers.

SECTION 10.(e) The Administrative Office of the Courts shall use the sum of up to twenty thousand dollars ($20,000) available to it for the 2014-2015 fiscal year from the Administrative Office of the Courts Internet Technology Fund to implement the provisions of subsection (c) of this section.

SECTION 11. G.S. 14-409.40 reads as rewritten:

"**§ 14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, taxation, manufacture, transportation, or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 12. Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.41. Chief law enforcement officer certification; certain firearms.**

(a) Definitions. – The following definitions apply in this section:

(1) Certification. – The participation and assent of the chief law enforcement officer necessary under federal law for the approval of the application to transfer or make a firearm.

(2) Chief law enforcement officer. – Any official the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives, or any successor agency, identified by regulation or otherwise as eligible to provide any required certification for the transfer or making of a firearm.

(3) Firearm. – Any firearm that meets the definition of firearm in 26 U.S.C. § 5845.

(b) When a chief law enforcement officer's certification is required by federal law or regulation for the transfer or making of a firearm, the chief law enforcement officer shall, within 15 days of receipt of a request for certification, provide the certification if the applicant is not prohibited by State or federal law from receiving or possessing the firearm and is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm. If the chief law enforcement officer is unable to make a certification as required by this section, the chief law enforcement officer shall provide the applicant with a written notification of the denial and the reason for the denial.

Nothing in this section shall require a chief law enforcement officer to make a certification the chief law enforcement officer knows to be untrue, but the chief law enforcement officer may not refuse to provide certification based on a generalized objection to private persons or entities making, possessing, or receiving firearms or any certain type of firearm the possession of which is not prohibited by law.

(c) An applicant whose request for certification is denied may appeal the decision of the chief law enforcement officer to the district court of the district in which the request for certification was made. The court shall make a de novo review of the chief law enforcement officer's decision to deny the certification. If the court finds that the applicant is not prohibited by State or federal law from receiving or possessing the firearm, is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm, and that no substantial evidence supports the chief law enforcement officer's determination that the chief law enforcement officer cannot truthfully make the certification, the court shall order the chief law enforcement officer to issue the certification and award court costs and reasonable attorneys' fees to the applicant.

(d) Chief law enforcement officers and their employees who act in good faith are immune from liability arising from any act or omission in making a certification as required by this section."

SECTION 13. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff shall issue or deny the permit within 90 calendar days from the date on which the application was submitted regardless of the receipt of required records concerning

the mental health or capacity of the applicant. Such denial shall not be issued unless the applicant is determined to be ineligible under G.S. 14-415.12.

The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks."

SECTION 14. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 15. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 1L.

"Preserving Firearms Privacy for Patients.

"**§ 90-21.75. Findings and intent.**

(a) Findings. – The General Assembly makes all of the following findings:

(1) That individuals have a right under the United States Constitution and the North Carolina Constitution to keep and bear arms, which arms include firearms and their ammunition.

(2) That an individual's decision to exercise this right is a private matter.

(3) That lawfully possessed, stored, and used firearms and ammunition are not a threat to the public health.

(4) That health care providers do not have any special expertise in the safe storage or use of firearms and ammunition merely by virtue of their status as health care providers. To the extent that health care providers have general advice to impart concerning firearms and ammunition, they may do so without knowing whether any particular patient actually possesses or uses these items.

(5) That health care providers do not need to know whether a patient lawfully possesses or uses firearms and ammunition unless the patient (i) specifically exhibits symptoms of illness or injury that the health care provider could reasonably attribute to the possession or use of firearms and ammunition or (ii) has expressed a desire to harm self or others.

(6) That a patient should not be compelled to participate in a health care provider's gathering of statistical or demographic information about the use, storage, and possession of firearms and ammunition for research or other purposes not directly related to the patient's own health.

(b) Intent. – It is the intent of the General Assembly to ensure that (i) every patient may obtain health care free from discrimination based on knowledge of, or unwarranted inquiry into, constitutionally protected conduct involving firearms and ammunition and (ii) health care providers may still obtain information about patient activities with respect to firearms and ammunition when directly relevant to the patient's own health care.

"**§ 90-21.76. Definitions.**

The following definitions apply in this section:

(1) Health care provider. – Without limitation, any person who, pursuant to the provisions of Chapter 90 of the General Statutes, is licensed or is otherwise registered or certified to engage in the practice of or otherwise performs duties associated with any of the following: medicine, surgery, dentistry, pharmacy, optometry, midwifery, osteopathy, podiatry, chiropractic, radiology, nursing, physiotherapy, pathology, anesthesiology, anesthesia,

laboratory analysis, rendering assistance to a physician, dental hygiene, psychiatry, psychology, or a hospital.

(2) Patient. – Means a person under the care of or who seeks professional services from a health care provider.

"**§ 90-21.77. Prohibited questionnaires about firearms and ammunition; exception.**

A health care provider is prohibited from asking a patient or the patient's parent, guardian, or custodian to complete a questionnaire or other written form about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.78. Prohibited disclosure of verbal inquiries about firearms and ammunition; exception.**

Confidentiality of Verbal Inquiries About Firearms and Ammunition. – A health care provider is prohibited from disclosing to any government official or agency the response of a patient, or the patient's parent, guardian, or custodian, to verbal inquiries about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.79. Fines.**

The health care provider's licensing board may impose a fine on any health care provider that violates any provision of this Article. The fine shall not exceed two hundred fifty dollars ($250.00) for nonwillful violations and shall not exceed five hundred dollars ($500.00) for willful violations. Each intentional and willful violation of this Article constitutes a separate violation and is subject to a separate fine.

"**§ 90-21.80. Disciplinary action.**

Violation of this Article is a ground for disciplinary action against the health care provider by the health care provider's licensing board or other regulatory authority."

SECTION 16. Sections 1, 2, 3, 8, and 9 of this act become effective October 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective October 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective October 1, 2015, and applies to permit applications submitted on or after that date. Subsections (a) and (b) of Section 10 of this act become effective October 1, 2018, and apply to offenses committed on or after that date. Sections 11, 14, and 15 of this act become effective October 1, 2015, and apply to violations occurring on or after that date. Section 12 of this act becomes effective October 1, 2015. Section 13 becomes effective October 1, 2015, and applies to applications submitted on or after that date. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 562

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

H562-ALH-5 [v.4]

Amends Title [NO]
H52-PCS203050-SA-60

Date _____,2015

Representative Torbett

moves to amend the bill on page 6, lines 46-47,
by inserting between those lines the following:

"**SECTION 10.(e)** The Administrative Office of the Courts shall use the sum of up to twenty thousand dollars ($20,000) available to it for the 2014-2015 fiscal year from the Administrative Office of the Courts Internet Technology Fund to implement the provisions of subsection (c) of this section."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 562
Committee Substitute Favorable 4/28/15
PROPOSED COMMITTEE SUBSTITUTE H562-CSSA-60 [v.2]
4/29/2015 12:36:52 PM

Short Title: Second Amendment Affirmation Act. (Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO ENACT THE SECOND AMENDMENT AFFIRMATION ACT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

...

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or ~~investigator;~~investigator. Notwithstanding the provisions of this subsection, a district attorney may carry a concealed weapon while in a courtroom;

...

(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body;

(9) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-415.27 reads as rewritten:

"**§ 14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.
(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, if any of the following conditions are met:

(1) ~~who~~ The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.
(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.
(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:
    a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.
    b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4.(a) Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted. Any prohibition under this section shall be posted conspicuously in compliance with G.S. 14-415.28.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).

(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 4.(b) The Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, shall study the best method to allow persons with concealed handgun permits to carry a concealed handgun on their person from a parking lot to the entrance of the State Fairgrounds, and a secure method of storage for and retrieval of those handguns at or near the entrance. The Department of Agriculture shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2016 with recommendations, including any necessary legislation.

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"**§ 14-409.46. Sport shooting range protection.**

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"**§ 14-409.47. Application of Article.**

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.

b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.

c. An offense for which the offender was armed with or used a firearm or other deadly weapon.

d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) Except as provided in subdivision (8b) of this section, is~~Is~~ or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General Statutes, or a violation of a misdemeanor under G.S. ~~14-225.2,~~ 14-226.1, 14-258.1, 14-269.2, 14-269.3,

14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, 14-277.3A, ~~14-281.1, 14-283,~~14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A,~~ 14-318.2, 14-415.21(b), 14-415.26(d), or former ~~G.S. 14-277.3.~~G.S. 14-277.3 within three years prior to the date on which the application is submitted.

(8a) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(8b) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of assault or a threat to assault a law enforcement officer, probation or parole officer, person employed at a State or local detention facility, firefighter, emergency medical technician, medical responder, or emergency department personnel.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.

(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm or short-barreled rifle that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 9. G.S. 14-415.21 reads as rewritten:

"**§ 14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. Any person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of subdivision (c)(8) of G.S. 14-415.11 shall be guilty of an infraction, and may be required to pay a fine of up to five hundred dollars ($500.00). In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(a) The following statutes are repealed: G.S. 14-402, 14-403, 14-404, 14-405, and 14-407.1.

SECTION 10.(b) G.S. 14-315(b1) reads as rewritten:

"(b1) Defense. – It shall be a defense to a violation of this section if all of the following conditions are met:

~~(1) The person shows that the minor produced an apparently valid permit to receive the weapon, if such a permit would be required under G.S. 14-402 for transfer of the weapon to an adult.~~

(2) The person reasonably believed that the minor was not a minor.

(3) The person either:

a. Shows that the minor produced a drivers license, a special identification card issued under G.S. 20-37.7, a military identification card, or a passport, showing the minor's age to be at least the required age for purchase and bearing a physical description of the person named on the card reasonably describing the minor; or

b. Produces evidence of other facts that reasonably indicated at the time of sale that the minor was at least the required age.

SECTION 10.(c) G.S. 14-404(c1) reads as rewritten:

"(c1) ~~Excluding Saturdays, Sundays, and holidays, after receiving notice of any of the judicial findings, court orders, or other factual matters, relevant to any of the disqualifying conditions specified in subsection (c) of this section, the clerk of superior court shall determine which information can practicably be transmitted to the National Instant Criminal Background Check System (NICS) and shall transmit that information to NICS within 48 hours of that determination. The information shall include a reference to the relevant statutory provision of G.S. 14-404 that precludes the issuance of a permit.~~Excluding Saturdays, Sundays, and holidays, the clerk of superior court shall transmit to the National Instant Criminal Background Check System (NICS) those judicial findings and determinations entered and maintained by the clerks in the Administrative Office of the Courts record management systems that can be used to confirm a disqualifying factor as outlined in G.S. 14-404(c) within 48 hours of such entry, provided that NICS requests that such data be transmitted and that the data can be transmitted in a format acceptable by NICS."

SECTION 10.(d) The Administrative Office of the Courts (AOC), in consultation with the State Bureau of Investigation (SBI), shall work with the National Instant Criminal Background Check System (NICS) to determine the feasibility of reporting additional information to NICS from the State's court and law enforcement records relevant to the disqualifiers for purchase or possession in G.S. 14-404(c)(1), (c)(2), (c)(3), and (c)(8). On or before March 1, 2016, the AOC and SBI shall report to the Joint Legislative Oversight Committee on Justice and Public Safety. The report shall include the following:

(1) Any progress in providing to NICS additional information relevant to the disqualifiers referenced in this section.

(2) Any specific barriers or roadblocks to transmitting to NICS that additional information.

(3) Any legislative changes necessary to facilitate enhanced reporting to NICS relevant to the disqualifiers.

(4) An estimate of the funding, technology, or resource needs required to facilitate the additional reporting relevant to the disqualifiers.

SECTION 11. G.S. 14-409.40 reads as rewritten:

"**§ 14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, taxation, manufacture, transportation, or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation.

The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 12. Article 53B of Chapter 14 of the General statutes is amended by adding a new section to read:

"**§ 14-409.41. Chief law enforcement officer certification; certain firearms.**

(a) Definitions. – The following definitions apply in this section:

(1) Certification. – The participation and assent of the chief law enforcement officer necessary under federal law for the approval of the application to transfer or make a firearm.

(2) Chief law enforcement officer. – Any official the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives, or any successor agency, identified by regulation or otherwise as eligible to provide any required certification for the transfer or making of a firearm.

(3) Firearm. – Any firearm that meets the definition of firearm in 26 U.S.C. § 5845.

(b) When a chief law enforcement officer's certification is required by federal law or regulation for the transfer or making of a firearm, the chief law enforcement officer shall, within 15 days of receipt of a request for certification, provide the certification if the applicant is not prohibited by State or federal law from receiving or possessing the firearm and is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm. If the chief law enforcement officer is unable to make a certification as required by this section, the chief law enforcement officer shall provide the applicant with a written notification of the denial and the reason for the denial.

Nothing in this section shall require a chief law enforcement officer to make a certification the chief law enforcement officer knows to be untrue, but the chief law enforcement officer may not refuse to provide certification based on a generalized objection to private persons or entities making, possessing, or receiving firearms or any certain type of firearm the possession of which is not prohibited by law.

(c) An applicant whose request for certification is denied may appeal the decision of the chief law enforcement officer to the district court of the district in which the request for certification was made. The court shall make a de novo review of the chief law enforcement officer's decision to deny the certification. If the court finds that the applicant is not prohibited by State or federal law from receiving or possessing the firearm, is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm, and that no substantial evidence supports the chief law enforcement officer's determination that the chief law enforcement officer cannot truthfully make the certification, the court shall order the chief law enforcement officer to issue the certification and award court costs and reasonable attorneys' fees to the applicant.

(d) Chief law enforcement officers and their employees who act in good faith are immune from liability arising from any act or omission in making a certification as required by this section."

SECTION 13. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff shall issue or deny the permit within 90 calendar days from the date on which the application was submitted regardless of the receipt of required records concerning the mental health or capacity of the applicant. Such denial shall not be issued unless the applicant is determined to be ineligible under G.S. 14-415.12.

The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks."

SECTION 14. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 15. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 1L.

"Preserving Firearms Privacy for Patients.

"**§ 90-21.75. Findings and intent.**

(a) Findings. – The General Assembly makes all of the following findings:

(1) That individuals have a right under the United States Constitution and the North Carolina Constitution to keep and bear arms, which arms include firearms and their ammunition.

(2) That an individual's decision to exercise this right is a private matter.

(3) That lawfully possessed, stored, and used firearms and ammunition are not a threat to the public health.

(4) That health care providers do not have any special expertise in the safe storage or use of firearms and ammunition merely by virtue of their status as health care providers. To the extent that health care providers have general advice to impart concerning firearms and ammunition, they may do so without knowing whether any particular patient actually possesses or uses these items.

(5) That health care providers do not need to know whether a patient lawfully possesses or uses firearms and ammunition unless the patient (i) specifically exhibits symptoms of illness or injury that the health care provider could reasonably attribute to the possession or use of firearms and ammunition or (ii) has expressed a desire to harm self or others.

(6) That a patient should not be compelled to participate in a health care provider's gathering of statistical or demographic information about the use, storage, and possession of firearms and ammunition for research or other purposes not directly related to the patient's own health.

(b) Intent. – It is the intent of the General Assembly to ensure that (i) every patient may obtain health care free from discrimination based on knowledge of, or unwarranted inquiry into, constitutionally protected conduct involving firearms and ammunition and (ii) health care providers may still obtain information about patient activities with respect to firearms and ammunition when directly relevant to the patient's own health care.

"**§ 90-21.76. Definitions.**

The following definitions apply in this section:

(1) Health care provider. – Without limitation, any person who, pursuant to the provisions of Chapter 90 of the General Statutes, is licensed or is otherwise registered or certified to engage in the practice of or otherwise performs duties associated with any of the following: medicine, surgery, dentistry, pharmacy, optometry, midwifery, osteopathy, podiatry, chiropractic, radiology, nursing, physiotherapy, pathology, anesthesiology, anesthesia, laboratory analysis, rendering assistance to a physician, dental hygiene, psychiatry, psychology, or a hospital.

(2) Patient. – Means a person under the care of or who seeks professional services from a health care provider.

"**§ 90-21.77. Prohibited questionnaires about firearms and ammunition; exception.**

A health care provider is prohibited from asking a patient or the patient's parent, guardian, or custodian to complete a questionnaire or other written form about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving, firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.78. Prohibited disclosure of verbal inquiries about firearms and ammunition; exception.**

Confidentiality of Verbal Inquiries About Firearms and Ammunition. – A health care provider is prohibited from disclosing to any government official or agency the response of a patient, or the patient's parent, guardian, or custodian, to verbal inquiries about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.79. Fines.**

The health care provider's licensing board may impose a fine on any health care provider that violates any provision of this Article. The fine shall not exceed two hundred fifty dollars ($250.00) for nonwillful violations and shall not exceed five hundred dollars ($500.00) for willful violations. Each intentional and willful violation of this Article constitutes a separate violation and is subject to a separate fine.

"**§ 90-21.80. Disciplinary action.**

Violation of this Article is a ground for disciplinary action against the health care provider by the health care provider's licensing board or other regulatory authority."

SECTION 16. Sections 1, 2, 3, 8, and 9 of this act become effective October 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective October 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective October 1, 2015, and applies to permit applications submitted on or after that date. Subsections (a) and (b) of Section 10 of this act become effective October 1, 2018, and apply to offenses committed on or after that date. Sections 11, 14, and 15 of this act become effective October 1, 2015, and apply to violations occurring on or after that date. Section 12 of this act becomes effective October 1, 2015. Section 13 becomes effective October 1, 2015, and applies to applications submitted on or after that date. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 562
PROPOSED COMMITTEE SUBSTITUTE H562-PCS20341-SA-54

Short Title: Amend Firearm Laws. (Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS FIREARMS LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

...

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time ~~while in a courtroom or~~ while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or investigator;

...

(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body;

(9) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-415.27 reads as rewritten:

"**§ 14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.
(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, if any of the following conditions are met:

(1) ~~who~~ The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.
(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.
(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:
    a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.
    b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4. Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted. Any prohibition under this section shall be posted conspicuously in compliance with G.S. 14-415.28.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).

(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"**§ 14-409.46. Sport shooting range protection.**

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"**§ 14-409.47. Application of Article.**

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.

b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.

c. An offense for which the offender was armed with or used a firearm or other deadly weapon.

d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) Is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General Statutes, or a violation of a misdemeanor under G.S. ~~14-225.2,~~ 14-226.1, 14-258.1, 14-269.2, 14-269.3, 14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, 14-277.3A, ~~14-281.1, 14-283,~~14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A,~~ 14-318.2, 14-415.21(b), 14-415.26(d), or former ~~G.S. 14-277.3.~~G.S. 14-277.3 within three years prior to the date on which the application is submitted.

(8a) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8.(a) Article 54B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-415.28. Sign requirements.**

(a) Notwithstanding any other provision of this Article, any requirement of or allowance for the posting of signs prohibiting the carrying of a concealed handgun upon any premises shall only be satisfied by a sign meeting the requirements of this section.

(b) All signs must be posted at each entrance into a building where a person with a concealed handgun permit is prohibited from carrying a concealed handgun and must meet all of the following criteria:

(1) Be clearly visible from outside the building.

(2) Be eight inches wide by 12 inches tall in size.

(3) Contain the words "NO CONCEALED HANDGUNS ALLOWED" in black one-inch tall uppercase type at the bottom of the sign and centered between the lateral edges of the sign.

(4) Contain a black silhouette of a handgun inside a circle seven inches in diameter with a diagonal line that runs from the lower left to the upper right at a 45-degree angle from the horizontal.

(5) Be placed not less than 40 inches and not more than 60 inches from the bottom of the building's entrance door.

(c) If the premises where a person with a concealed handgun permit is prohibited from carrying a concealed handgun does not have doors, then the signs required by this section must meet all of the following criteria:

(1) Be 36 inches wide by 48 inches tall in size.

(2) Contain the words "NO CONCEALED HANDGUNS ALLOWED" in black three-inch tall uppercase type at the bottom of the sign and centered between the lateral edges of the sign.

(3) Contain a black silhouette of a handgun inside a circle 34 inches in diameter with a two-inch wide border and a diagonal line that is two inches wide and runs from the lower left to the upper right at a 45-degree angle from the horizontal.

(4) Be placed not less than 40 inches and not more than 96 inches above the ground.

(5) Be posted in sufficient quantities to be clearly visible from any point of entry onto the premises."

SECTION 8.(b) G.S. 14-415.11(c) reads as rewritten:

"(c) Except as provided in G.S. 14-415.27, a permit does not authorize a person to carry a concealed handgun in any of the following:

(1) Areas prohibited by G.S. 14-269.2, 14-269.3, and 14-277.2.

(2) Areas prohibited by G.S. 14-269.4, except as allowed under G.S. 14-269.4(6).

(3) In an area prohibited by rule adopted under G.S. 120-32.1.

(4) In any area prohibited by 18 U.S.C. § 922 or any other federal law.

(5) In a law enforcement or correctional facility.
(6) In a building housing only State or federal offices.
(7) In an office of the State or federal government that is not located in a building exclusively occupied by the State or federal government.
(8) On any private premises where notice that carrying a concealed handgun is prohibited by the posting of a ~~conspicuous notice or statement~~sign meeting the criteria of G.S. 14-415.28 by the person in legal possession or control of the premises."

SECTION 8.(c) G.S. 14-269.3(b) reads as rewritten:

"(b) This section shall not apply to any of the following:

...

(5) A person carrying a handgun if the person has a valid concealed handgun permit issued in accordance with Article 54B of this Chapter, has a concealed handgun permit considered valid under G.S. 14-415.24, or is exempt from obtaining a permit pursuant to G.S. 14-415.25. This subdivision shall not be construed to permit a person to carry a handgun on any premises where the person in legal possession or control of the premises has posted a conspicuous notice prohibiting the carrying of a concealed handgun on the premises in accordance with ~~G.S. 14-415.11(c).~~G.S. 14-415.28."

SECTION 8.(d) G.S. 14-277.2(d) reads as rewritten:

"(d) The provisions of this section shall not apply to concealed carry of a handgun at a parade or funeral procession by a person with a valid permit issued in accordance with Article 54B of this Chapter, with a permit considered valid under G.S. 14-415.24, or who is exempt from obtaining a permit pursuant to G.S. 14-415.25. This subsection shall not be construed to permit a person to carry a concealed handgun on any premises where the person in legal possession or control of the premises has posted a conspicuous notice prohibiting the carrying of a concealed handgun on the premises in accordance with ~~G.S. 14-415.11(c).~~G.S. 14-415.28."

SECTION 8.(e) G.S. 14-415.23(a) reads as rewritten:

"(a) It is the intent of the General Assembly to prescribe a uniform system for the regulation of legally carrying a concealed handgun. To insure uniformity, no political subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal corporation, town, township, village, nor any department or agency thereof, may enact ordinances, rules, or regulations concerning legally carrying a concealed handgun. A unit of local government may adopt an ordinance to permit the posting of a prohibition against carrying a concealed handgun, in accordance with ~~G.S. 14-415.11(c),~~G.S. 14-415.28, on local government buildings and their appurtenant premises."

SECTION 9. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.
(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm or short-barreled rifle that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 10. G.S. 14-415.21 reads as rewritten:

"**§ 14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, or who is found to be carrying a concealed handgun in violation of subdivision (c)(8) of G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 11.(a) G.S. 122C-54(d1) is repealed.

SECTION 11.(b) G.S. 122C-54.1 is recodified as G.S. 14-409.42.

SECTION 11.(c) G.S. 14-404(c1) is repealed.

SECTION 11.(d) Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.43. Reporting of certain disqualifiers to the National Instant Criminal Background Check System (NICS).**

(a) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of any of the following judicial determinations or findings, the clerk of superior court in the county where the determination or finding was made shall work through the Administrative Office of the Courts to cause a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS):

(1) A determination that an individual shall be involuntarily committed to a facility for inpatient mental health treatment upon a finding that the individual is mentally ill and a danger to self or others.

(2) A determination that an individual shall be involuntarily committed to a facility for outpatient mental health treatment upon a finding that the individual is mentally ill and, based on the individual's treatment history, in need of treatment in order to prevent further disability or deterioration that would predictably result in a danger to self or others.

(3) A determination that an individual shall be involuntarily committed to a facility for substance abuse treatment upon a finding that the individual is a substance abuser and a danger to self or others.

(4) A finding that an individual is not guilty by reason of insanity.

(5) A finding that an individual is mentally incompetent to proceed to criminal trial.

(6) A finding that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease.

(7) A determination to grant a petition to an individual for the removal of disabilities pursuant to G.S. 14-409.42 or any applicable federal law.

The 48-hour period for transmitting a record of a judicial determination or finding to the NICS under subsection (a) of this section begins upon receipt by the clerk of a copy of the judicial determination or finding. The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS in a uniform manner.

(b) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of the issuance of a felony warrant, indictment, criminal summons, or order for arrest, the Administrative Office of the Courts shall transmit any unserved felony warrants,

indictments, criminal summons, or order for arrests to the NCIC (or National Instant Criminal Background Check System (NICS)).

(c) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after service by the sheriff of an order issued by a judge pursuant to Chapter 50B of the General Statutes and pursuant to G.S. 50B-3(d) the sheriff shall cause a record of the order to be transmitted to the National Instant Criminal Information System."

SECTION 11.(e) G.S. 122C-54(d2) reads as rewritten:

"(d2) The record of involuntary commitment for inpatient or outpatient mental health treatment or for substance abuse treatment required ~~by subsection (d1) of this section~~ to be reported to the National Instant Criminal Background Check System (NICS) by G.S. 14-409.43 shall be accessible only by ~~an entity having proper access to NICS~~ the sheriff or the sheriff's designee for the purposes of conducting background checks under G.S. 14-404 and shall remain otherwise confidential as provided by this Article. ~~The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS as required by subsection (d1) of this section in a uniform manner.~~"

SECTION 11.(f) G.S. 14-404(a) reads as rewritten:

"(a) Upon application, and such application must be provided by the sheriff electronically, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

…."

SECTION 11.(g) G.S. 14-415.13(a) reads as rewritten:

"(a) A person shall apply to the sheriff of the county in which the person resides to obtain a concealed handgun permit. The applicant shall submit to the sheriff all of the following:

(1) An application, completed under oath, on a form provided by the ~~sheriff.~~sheriff, and such application form must be provided by the sheriff electronically. The sheriff shall not request employment information, character affidavits, additional background checks, photographs, or other information unless specifically permitted by this Article.

…."

SECTION 11.(h) G.S. 15A-502 reads as rewritten:

"**§ 15A-502. Photographs and fingerprints.**

(a) A person charged with the commission of a felony or a misdemeanor may be photographed and his fingerprints may be taken for law-enforcement records only when he has been:

(1) Arrested or committed to a detention facility, or
(2) Committed to imprisonment upon conviction of a crime, or
(3) Convicted of a felony.

(a1) It shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of a felony to be fingerprinted and to forward those fingerprints to the State Bureau of Investigation.

(a2) It shall be the duty of the arresting law enforcement agency to cause a person charged with the commission of any of the following misdemeanors to be fingerprinted, for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS), and to forward those fingerprints to the State Bureau of Investigation:

(1) G.S. 14-134.3 (Domestic criminal trespass), G.S. 15A-1382.1 (Offense that involved domestic violence), or G.S. 50B-4.1 (Violation of a valid protective order).
(2) G.S. 20-138.1 (Impaired driving), G.S. 20-138.2 (Impaired driving in commercial vehicle), G.S. 20-138.2A (Operating a commercial vehicle after

consuming alcohol), and G.S. 20-138.2B (Operating various school, child care, EMS, firefighting, or law enforcement vehicles after consuming alcohol).

(3) G.S. 90-95(d) (Possession of a controlled substance).

(a3) It shall be the duty of the arresting law enforcement agency to cause a person charged with a crime to provide to the magistrate as much of the following information as possible for the person arrested:

(1) Name including first, last, middle, maiden, and nickname or alias.
(2) Address including street, city, and state.
(3) Drivers license number and state of issuance.
(4) Date of birth.
(5) Gender.
(6) Race.
(7) Social Security number.
(8) Relationship to the alleged victim and whether it is a "personal relationship" as defined by G.S. 50B-1(b).

(a4) It shall be the duty of the arresting law enforcement agency to cause a person who has been charged with a misdemeanor offense of assault, stalking, or communicating a threat and held under G.S. 15A-534.1 to be fingerprinted for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS) and to forward those fingerprints to the State Bureau of Investigation.

(a5) It shall be the duty of the magistrate to enter into the court information system all information provided by the arresting law enforcement agency on the person arrested.

~~(a2)~~(a6) If the person cannot be identified by a valid form of identification, it shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of:

(1) Any offense involving impaired driving, as defined in G.S. 20-4.01(24a), or
(2) Driving while license revoked if the revocation is for an Impaired Driving License Revocation as defined in G.S. 20-28.2

to be fingerprinted and photographed.

(b) This section does not authorize the taking of photographs or fingerprints when the offense charged is a Class 2 or 3 misdemeanor under Chapter 20 of the General Statutes, "Motor Vehicles." Notwithstanding the prohibition in this subsection, a photograph may be taken of a person who operates a motor vehicle on a street or highway if:

(1) The person is cited by a law enforcement officer for a motor vehicle moving violation, and
(2) The person does not produce a valid drivers license upon the request of a law enforcement officer, and
(3) The law enforcement officer has a reasonable suspicion concerning the true identity of the person.

As used in this subsection, the phrase "motor vehicle moving violation" does not include the offenses listed in the third paragraph of G.S. 20-16(c) for which no points are assessed, nor does it include equipment violations specified in Part 9 of Article 3 of Chapter 20 of the General Statutes.

(b1) Any photograph authorized by subsection (b) of this section and taken by a law enforcement officer or agency:

(1) Shall only be taken of the operator of the motor vehicle, and only from the neck up.
(2) Shall be taken at either the location where the citation is issued, or at the jail if an arrest is made.

(3) Shall be retained by the law enforcement officer or agency until the final disposition of the case.

(4) Shall not be used for any purpose other than to confirm the identity of the alleged offender.

(5) Shall be destroyed by the law enforcement officer or agency upon a final disposition of the charge.

(c) This section does not authorize the taking of photographs or fingerprints of a juvenile alleged to be delinquent except under Article 21 of Chapter 7B of the General Statutes.

(d) This section does not prevent the taking of photographs, moving pictures, video or sound recordings, fingerprints, or the like to show a condition of intoxication or for other evidentiary use.

(e) Fingerprints or photographs taken pursuant to subsection (a), (a1), or (a2) of this section may be forwarded to the State Bureau of Investigation, the Federal Bureau of Investigation, or other law-enforcement agencies."

SECTION 11.(i) The Administrative Office of the Courts shall use funds available from the Court Technology Fund to comply with subsection (d) of this section and to provide all of the following historical records to the National Instant Criminal Background Check System (NICS) by May 31, 2019:

(1) Involuntary commitments for inpatient and outpatient mental health and substance abuse treatment from all counties.

(2) Findings of not guilty by reason of insanity or mentally incompetent to stand trial from all counties.

(3) Findings that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease from all counties.

(4) Convictions for misdemeanor possession of controlled substances under G.S. 90-95(d) from all counties from January 1, 2009.

(5) Convictions for all misdemeanors as identified in G.S. 14-134.3, 15A-1382.1, or 50B-4.1 from all counties.

(6) Convictions for all misdemeanors as identified in G.S. 20-138.1, 20-138.2, 20-138.2A, and 20-138.2B or convicted and sentenced under G.S. 20-179(f3) for more than two years from all counties.

(7) Active and unserved felony warrants, indictments, criminal summons, and orders for arrest from all counties.

SECTION 11.(j) G.S. 14-404(g) reads as rewritten:

"(g) An applicant shall not be ineligible to receive a permit under subdivision (c)(4) of this section because of involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(k) G.S. 14-415.3(c) reads as rewritten:

"(c) The provisions of this section shall not apply to a person whose rights have been restored pursuant to ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(l) G.S. 14-415.12(c) reads as rewritten:

"(c) An applicant shall not be ineligible to receive a concealed carry permit under subdivision (6) of subsection (b) of this section because of an adjudication of mental incapacity or illness or an involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(m) G.S. 122C-54.1(a), recodified as G.S. 14-409.42(a) by subsection (b) of this section, reads as rewritten:

"(a) Any individual over the age of 18 may petition for the removal of the disabilities pursuant to 18 U.S.C. § 922(d)(4) and (g)(4), G.S. 14-415.3, and G.S. 14-415.12 arising out of a determination or finding required to be transmitted to the National Instant Criminal

Background Check System by subdivisions (1) through (6) ~~of subsection (d1) of G.S. 122C-54.~~ of subsection (a) of G.S. 14-409.43. The individual may file the petition with a district court judge upon the expiration of any current inpatient or outpatient commitment."

SECTION 11.(n) G.S. 15A-534(a) reads as rewritten:

"(a) In determining conditions of pretrial release a judicial official must impose at least one of the following conditions:

(1) Release the defendant on his written promise to appear.

(2) Release the defendant upon his execution of an unsecured appearance bond in an amount specified by the judicial official.

(3) Place the defendant in the custody of a designated person or organization agreeing to supervise him.

(4) Require the execution of an appearance bond in a specified amount secured by a cash deposit of the full amount of the bond, by a mortgage pursuant to G.S. 58-74-5, or by at least one solvent surety.

(5) House arrest with electronic monitoring.

If condition (5) is imposed, the defendant must execute a secured appearance bond under subdivision (4) of this subsection. If condition (3) is imposed, however, the defendant may elect to execute an appearance bond under subdivision (4). If the defendant is required to provide fingerprints pursuant to ~~G.S. 15A-502(a1) or (a2),~~G.S. 15A-502(a1), (a2), (a4), or (a6), or a DNA sample pursuant to G.S. 15A-266.3A or G.S. 15A-266.4, and (i) the fingerprints or DNA sample have not yet been taken or (ii) the defendant has refused to provide the fingerprints or DNA sample, the judicial official shall make the collection of the fingerprints or DNA sample a condition of pretrial release. The judicial official may also place restrictions on the travel, associations, conduct, or place of abode of the defendant as conditions of pretrial release. The judicial official may include as a condition of pretrial release that the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney."

SECTION 11.(o) Subsections (f) and (g) of this section become effective October 1, 2015, and apply to applications submitted on or after that date. Subsections (h) and (n) of this section become effective on October 1, 2015. Subsections (a), (d), and (m) of this section become effective on January 1, 2016. The remaining subsections of this section are effective when they become law.

SECTION 12. G.S. 14-409.40 reads as rewritten:

"**§ 14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, taxation, manufacture, transportation, or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing plaintiff in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 13. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 1L.

"Preserving Firearms Privacy for Patients.

"**§ 90-21.75. Findings and intent.**

(a) Findings. – The General Assembly makes all of the following findings:

(1) That individuals have a right under the United States Constitution and the North Carolina Constitution to keep and bear arms, which arms include firearms and their ammunition.

(2) That an individual's decision to exercise this right is a private matter.

(3) That lawfully possessed, stored, and used firearms and ammunition are not a threat to the public health.

(4) That health care providers do not have any special expertise in the safe storage or use of firearms and ammunition merely by virtue of their status as health care providers. To the extent that health care providers have general advice to impart concerning firearms and ammunition, they may do so without knowing whether any particular patient actually possesses or uses these items.

(5) That health care providers do not need to know whether a patient lawfully possesses or uses firearms and ammunition unless the patient (i) specifically exhibits symptoms of illness or injury that the health care provider could reasonably attribute to the possession or use of firearms and ammunition or (ii) has expressed a desire to harm self or others.

(6) That a patient should not be compelled to participate in a health care provider's gathering of statistical or demographic information about the use, storage, and possession of firearms and ammunition for research or other purposes not directly related to the patient's own health.

(b) Intent. – It is the intent of the General Assembly to ensure that (i) every patient may obtain health care free from discrimination based on knowledge of, or unwarranted inquiry into, constitutionally protected conduct involving firearms and ammunition and (ii) health care providers may still obtain information about patient activities with respect to firearms and ammunition when directly relevant to the patient's own health care.

"**§ 90-21.76. Definitions.**

The following definitions apply in this section:

(1) Health care provider. – Without limitation, any person who, pursuant to the provisions of Chapter 90 of the General Statutes, is licensed or is otherwise registered or certified to engage in the practice of or otherwise performs duties associated with any of the following: medicine, surgery, dentistry, pharmacy, optometry, midwifery, osteopathy, podiatry, chiropractic, radiology, nursing, physiotherapy, pathology, anesthesiology, anesthesia, laboratory analysis, rendering assistance to a physician, dental hygiene, psychiatry, psychology, or a hospital.

(2) Patient. – Means a person under the care of or who seeks professional services from a health care provider.

"**§ 90-21.77. Prohibited questionnaires about firearms and ammunition; exception.**

A health care provider is prohibited from asking a patient or the patient's parent, guardian, or custodian to complete a questionnaire or other written form about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving, firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.78. Prohibited disclosure of verbal inquiries about firearms and ammunition; exception.**

Confidentiality of Verbal Inquiries About Firearms and Ammunition. – A health care provider is prohibited from disclosing to any government official or agency the response of a patient, or the patient's parent, guardian, or custodian, to verbal inquiries about the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition, unless the patient has been adjudicated incompetent due to mental illness.

"**§ 90-21.79. Fines.**

The health care provider's licensing board may impose a fine on any health care provider that violates any provision of this Article. The fine shall not exceed two hundred fifty dollars ($250.00) for nonwillful violations and shall not exceed five hundred dollars ($500.00) for

willful violations. Each intentional and willful violation of this Article constitutes a separate violation and is subject to a separate fine.

"**§ 90-21.80. Disciplinary action.**

Violation of this Article is a ground for disciplinary action against the health care provider by the health care provider's licensing board or other regulatory authority."

SECTION 14. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff shall issue or deny the permit within 90 calendar days from the date on which the application was submitted regardless of the receipt of required records concerning the mental health or capacity of the applicant. Such denial shall not be issued unless the applicant is determined to be ineligible under G.S. 14-415.12.

The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks."

SECTION 15. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing plaintiff in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 16. Sections 1, 2, 3, 9, and 10 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. Section 8 of this act becomes effective July 1, 2015. Section 5 of this act becomes effective July 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to permit applications submitted on or after that date. Sections 12, 13, and 15 of this act become effective December 1, 2015, and apply to violations occurring on or after that date. Section 14 becomes effective October 1, 2015, and applies to applications submitted on or after that date. Except as otherwise provided in this act, the remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

HOUSE BILL 708:
Preservation of Historic/Heritage Trees

2015-2016 General Assembly

Committee:	House Local Government, if favorable, Environment, if favorable, Regulatory Reform	**Date:**	April 29, 2015
Introduced by:	Reps. Hamilton, Torbett	**Prepared by:**	Wendy Graf Ray Kristen Harris Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 708 would amend the law to require consideration of a tree's historic or heritage designation prior to State action being taken that may affect the tree.

BILL ANALYSIS:

Section 1 would amend the law to allow for discussion and possible resolution between cities and the State regarding potentially harmful action by the State to trees designated by the city as historic or heritage. Prior to approving any State funds or State action, the heads of State agencies or departments or independent agencies with State approval authority, would be required to take into account the effect of the undertaking on any tree designated by a city as historic or heritage.

If a city believed a State undertaking would have an effect on a designated tree, the State would be required to give the city reasonable opportunity to comment on the undertaking.

A city would be required to act with reasonable diligence to keep State departments and agencies affected by the provisions of the section informed of the particulars of designated trees. The State would be required to furnish each affected city with information required to implement this section.

Section 2 would amend the law to apply the provisions of Section 1 to counties as well as cities.

EFFECTIVE DATE: This act is effective when it becomes law and applies to actions taken by State Departments, boards, commissions, and agencies on or after that date.

O. Walker Reagan
Director

* H 7 0 8 - S M T U - 3 8 E 1 - V 1 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

HOUSE BILL 708

Short Title:	Preservation of Historic/Heritage Trees.	(Public)
Sponsors:	Representatives Hamilton and Torbett (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Local Government, if favorable, Environment, if favorable, Regulatory Reform.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT DIRECTING STATE DEPARTMENTS, BOARDS, COMMISSIONS, AND AGENCIES TO GIVE CONSIDERATION TO A TREE DESIGNATED AS HISTORIC OR HERITAGE BY A CITY OR COUNTY PRIOR TO TAKING ANY ACTION THAT MAY HARM THE TREE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-400.16. Preservation of trees designated as historic or heritage.**

(a) A city may provide an advisory and coordinative mechanism in and by which State undertakings of every kind that are potentially harmful to trees designated by the city as historic or heritage may be discussed, and where possible, resolved, giving due consideration to the competing public interests that may be involved. To this end, the head of any State agency having direct or indirect jurisdiction over a proposed State or State-assisted undertaking, or the head of any State department, board, commission, or independent agency having authority to build, construct, operate, license, authorize, assist, or approve any State or State-assisted undertaking, shall, prior to the approval of any State funds for the undertaking, or prior to any approval, license, or authorization, as the case may be, take into account the effect of the undertaking on any tree designated by a city as historic or heritage.

(b) Where, in the judgment of a city, an undertaking will have an effect upon any tree designated by the city as historic or heritage, the head of the appropriate State agency shall afford the city a reasonable opportunity to comment with regard to the undertaking.

(c) A city shall act with reasonable diligence to ensure that all State departments, boards, commissions, or agencies potentially affected by the provisions of this section be kept currently informed with respect to the name, location, and other significant particulars of any tree designated as historic or heritage by the city. Each affected State department or agency shall furnish, either upon its own initiative or at the request of a city, any information that may reasonably be required by a city for the proper implementation of this section."

SECTION 2. Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-437.1. Preservation of trees designated as historic or heritage.**

A county shall have the same authority regarding the preservation of trees designated as historic or heritage as is provided to cities in G.S. 160A-400.16. Any reference to "city" in G.S. 160A-400.16 shall be construed to mean "county" for purposes of this section."

SECTION 3. This act is effective when it becomes law and applies to actions taken by State departments, boards, commissions, and agencies on or after that date.

HOUSE BILL 142:
Require Safety Helmets / Under 21

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	April 29, 2015
Introduced by:	Reps. Torbett, Speciale	**Prepared by:**	Bill Patterson Kristen Harris Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 142 would allow operators of motorcycles and passengers not to wear helmets under certain circumstances and would remove court costs as a penalty for violating the helmet requirement.

[As introduced, this bill was identical to S144, as introduced by Sen. Meredith, which is currently in Rules and Operations of the Senate.]

CURRENT LAW: It is unlawful for a person to operate a motorcycle or moped upon a highway or public vehicular area unless the operator and all passengers are wearing helmets. Any person convicted of violating the helmet requirement will have committed an infraction and must pay a penalty of $25.00 plus court costs.

BILL ANALYSIS:

House Bill 142 would create exceptions to the helmet requirement for operators of and passengers riding on motorcycles and mopeds.

Operators

An operator, 21 years of age or older, would not be required to wear a helmet if:

- He or she held a motorcycle license or endorsement for more than 12 months, or
- Successfully completed the Motorcycle Safety Instruction Program or its equivalent as determined by the Commissioner of Insurance.

However, under no circumstances, would an operator be allowed to drive a motorcycle without a helmet unless he or she was covered by an insurance policy providing at least $10,000 in medical benefits for injuries resulting from a motorcycle crash.

Passengers

A passenger, 21 years of age or older, would not be required to wear a helmet if the operator meets the above requirements and the passenger is covered by a policy of insurance that would provide at least $10,000 in medical benefits for injuries resulting from a motorcycle crash.

Penalty for a Violation

A person that commits a violation of the helmet requirement would be guilty of an infraction which is defined in G.S. 14-3.1 as a noncriminal violation. The person would have to pay a penalty of $25.00, but no court costs.

EFFECTIVE DATE: This act becomes effective October 1, 2015, and applies to violations occurring on or after that date.

O. Walker Reagan
Director

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

BACKGROUND: The Motorcycle Safety Instruction Program is delivered through the Community Colleges System Office to establish statewide motorcycle safety instruction.

Tim Hovis, counsel to House Insurance Committee, substantially contributed to this summary.

HOUSE BILL 142

Short Title:	Require Safety Helmets / Under 21.	(Public)
Sponsors:	Representatives Torbett and Speciale (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Insurance.	

March 4, 2015

A BILL TO BE ENTITLED

AN ACT TO REVISE THE MOTOR VEHICLE LAWS TO PROVIDE CERTAIN EXCEPTIONS TO THE REQUIREMENT THAT ALL OPERATORS AND PASSENGERS ON MOTORCYCLES OR MOPEDS WEAR A SAFETY HELMET AND TO REMOVE THE ASSESSMENT OF COURT COSTS FROM THE PENALTIES APPLIED TO PERSONS FOUND GUILTY OF A HELMET USE INFRACTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-140.4 reads as rewritten:

"**§ 20-140.4. Special provisions for motorcycles and mopeds.**

(a) No person shall operate a motorcycle or moped upon a highway or public vehicular area:

(1) When the number of persons upon such motorcycle or moped, including the operator, shall exceed the number of persons which it was designed to carry.

(2) ~~Unless~~ Unless, except as provided in subsections (a1) and (a2) of this section, the operator and all passengers thereon wear on their heads, with a retention strap properly secured, safety helmets of a type that complies with Federal Motor Vehicle Safety Standard (FMVSS) 218.

(a1) A person 21 years of age or older may operate a motorcycle without wearing a safety helmet if (i) the operator held a motorcycle license or motorcycle endorsement for more than 12 months or (ii) the operator has successfully completed the course of instruction offered by the Motorcycle Safety Instruction Program authorized in G.S. 115D-72 or its equivalent as determined by the Commissioner, but in no case may a person operate a motorcycle without wearing a safety helmet unless the operator is covered by an insurance policy providing for at least ten thousand dollars ($10,000) in medical benefits for injuries incurred as a result of a crash while operating or riding on a motorcycle.

(a2) A person 21 years of age or older may ride upon a motorcycle as a passenger without wearing a safety helmet if the operator is allowed to operate a motorcycle without a helmet pursuant to subsection (a1) of this section and the person is covered by an insurance policy providing for at least ten thousand dollars ($10,000) in medical benefits for injuries incurred as a result of a crash while riding on a motorcycle.

(b) Violation of any provision of this section shall not be considered negligence per se or contributory negligence per se in any civil action.

(c) Any person convicted of violating this section shall have committed an infraction and shall pay a penalty of ~~twenty-five dollars and fifty cents ($25.50) plus the following court costs: the General Court of Justice fee provided for in G.S. 7A-304(a)(4), the telephone~~

~~facilities fee provided for in G.S. 7A-304(a)(2a), and the law enforcement training and certification fee provided for in G.S. 7A-304(a)(3b).~~ twenty-five dollars and fifty cents ($25.50), but shall not be assessed any court costs. Conviction of an infraction under this section has no other consequence.

(d) No drivers license points or insurance surcharge shall be assessed on account of violation of this section."

SECTION 2. This act becomes effective October 1, 2015, and applies to violations occurring on or after that date.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **74** **(CS#1)** Study MPO/RPO Oversight.

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

HB **502** Create Chain of Survival Task Force.

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

HB **780** Study/Economic Impact of Jones Act on NC.

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

HB **826** Study Repeal of Second Primaries.

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

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **532** Hard Apple Cider/Growlers.

Draft Number:	H532-PCS20347-TG-20
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	McGrady

TOTAL REPORTED: 5

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB **541** Proof Required for Debt/Fees.

Draft Number:	H541-PCS30372-TGf-23
Serial Referral:	None
Recommended Referral:	**FINANCE**
Long Title Amended:	No
Floor Manager:	Collins

FAVORABLE COM SUB NO. 2, UNFAVORABLE COM SUB NO. 1

HB **495** **(CS#1)** OSHR Modernization/Technical Changes.

Draft Number:	H495-PCS40450-SH-40
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Collins

TOTAL REPORTED: 2

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **496** Surcharge Transparency.

Draft Number:	H496-PCS40452-TU-16
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Collins

HB **821** Proper Administration of Step Therapy.

Draft Number:	H821-PCS30374-TK-48
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Lewis

TOTAL REPORTED: 2

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

HB **708** Preservation of Historic/Heritage Trees.

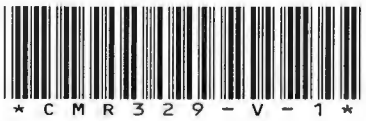
Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Hamilton

FAVORABLE COM SUB NO. 2, UNFAVORABLE COM SUB NO. 1

HB **562** **(CS#1)** Amend Firearm Laws.

Draft Number:	H562-PCS20350-SA-60
Serial Referral:	None
Recommended Referral:	**APPROPRIATIONS**
Long Title Amended:	Yes
Floor Manager:	Schaffer

TOTAL REPORTED: 2



VISITOR REGISTRATION SHEET

House Committee On Rules

Name of Committee

29

4-27-2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lori Ann Harris	LAH
Jennifer Ferrell	Moms Demand Action
Kim Yaman	Moms Demand Action
Sarah Snider	Moms Demand Action
Judith Pacht	" " "
[illegible]	MWC
Sarah Wolfe	MWC
Jenni Burke	MWC
Jan Carr	Jordan Price
John Mustin	
Kelli Mills	Duke Energy

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Amy Ellen	NCPAM
Ada Shalar	DHHS
Mildred Spearman	NCAOC
Jennifer Grasperini	NCMS
J Peters	CSS
JW JOYNER	NEW FRAME LLC
DAVID JOYNER	EVERYTOWN
John DelGiorno	Brubaker & Assoc
JERRY COHEN	Nelson Mullins
Tom West	NCICU
Jamison Ellen	NCBA

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Bales	Brubaker & Associates
Martha Babcock	VCC
Mark Fleming	BKBGNC
[illegible]	AHIP
Mary Beck	Prime Therapeutics
Jan Skinner	NCACC
Annalise Dolph	DL
Sarah Collins	NCLM
Robert Hamilton	NC ABC Commission
David Collins	SEANC
Kay Castillo	NASW-NC

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Wolfe	MWC
Joyce Peters	CSS
[illegible] Anderson	NC PSJ - Consumer Protection
Elizabeth Robinson	NCAWA
Lexi Morgan	NCAWA
Jonathan Kappler	UNC GA
Will Parry-Hill	NCHFA
Justine Tsao	NCHC
Kara Weisbaar	SA
Mary Anne Rhyne	GSK
Wendy Keck	Focus-Carolina

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J Bade	BB&T
Susan Valaurri	Nationwide
Tim KENT	NC BEER & WINE
John McMillan	NFIB
Lori Anne Harris	[illegible]
Hoyt Lyon	MLC
Paula Woodhouse	OSHR
[illegible]	[illegible]
Greg Thompson	NFIB
Cameron Hanley	MVA
Tonya Horton	TSS

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom Stager	TSP
Edward Boltz	National Association of Consumer Bankruptcy Attys
Edwin Ingram	BAKER CORP
[illegible]	MF+S
Michelle Frazier	MF+S
Ben Twilley	Express Scripts
[illegible]	R. [illegible] & Assoc.
Curtis McDonald	BMS
[illegible]	American Heart Association
Robert Pasichnyk	Young Moore
[illegible]	NMRS

VISITOR REGISTRATION SHEET

House Committee on Rules — 4/29/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
NICHOLE KARLIN	NAMI NC
Suzanne Beasley	SEANC
MICHAEL BYRNE	ATTY
Ben Popkin	DOI
Meghan Cook	OITS
Mary Shuping	NCCCS
Drew Moretz	UNCGA
Jen Willis	UNC CH
Betty Nostr	UNCC
Maren Gardner	GSK
	NCCN

House Committee on Rules, Calendar, and Operations of the House
Thursday, May 7, 2015 at Immediately After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at Immediately After Session on May 7, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Floyd, Fraley, Goodman, Hastings, L. Johnson, Lewis, Reives, Stam, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HJR 942 Confirm State Controller. (Representative Rules, Calendar, and Operations of the House)

The meeting was called to order at 12:07 PM. Rep. Lewis brought HJR 942 before the committee. Rep. Floyd moved for a favorable report. The motion passes.

The meeting adjourned at 12:11 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1: Meeting time now immediately after session

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, May 7, 2015
TIME: **Immediately After Session**
LOCATION: **1228/1327 LB**
COMMENTS: **Immediately after session.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HJR 942	Confirm State Controller.	Representative Rules, Calendar, and Operations of the House

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:07 PM on Friday, May 08, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

North Carolina General Assembly
House Of Representatives

REPRESENTATIVE DAVID R. LEWIS
SERVING HARNETT COUNTY

OFFICE: 2301 LEGISLATIVE BUILDING
16 W. JONES STREET
RALEIGH, NC 27601-1096
PHONE: (919) 715-3015
EMAIL: DAVID.LEWIS@NCLEG.NET

COMMITTEES:
RULES, CALENDAR, AND OPERATIONS OF THE HOUSE, CHAIRMAN
ELECTIONS, CHAIRMAN
AGRICULTURE
APPROPRIATIONS
COMMERCE AND JOB DEVELOPMENT
EDUCATION—UNIVERSITIES
FINANCE
HEALTH
UNIVERSITY BOARD OF GOVERNORS NOMINATION

May 7, 2015

Dear Members of the House Rules Committee,

Attached are several documents for your review regarding the confirmation of Linda Combs as the North Carolina State Controller.

Sincerely,

David R. Lewis

HOUSE JOINT RESOLUTION 942: Confirm State Controller

2013-2014 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	May 7, 2015
Introduced by:	Committee on Rules, Calendar, and Operations of the House	**Prepared by:**	Wendy Graf Ray Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Joint Resolution 942 confirms the Governor's reappointment of Dr. Linda Morrison Combs as State Controller to serve a term beginning on July 1, 2015, and expiring June 30, 2022.

BACKGROUND: The State Controller is appointed by the Governor subject to confirmation by the General Assembly in accordance with G.S. 143B-426.37. The State Controller is responsible for maintaining the State accounting system and administering the State disbursing system, in accordance with Part 28 of Article 9 of Chapter 143B of the General Statutes. (See G.S. 143B-426.39 below for powers and duties.)

In June, 2014, the General Assembly confirmed the Governor's appointment of Dr. Combs to serve the remainder of the term that expires June 30, 2015.

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

The State Controller shall:

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

(2) On the recommendation of the State Auditor, prescribe and supervise the installation of any changes in the accounting systems of an agency that, in the judgment of the State Controller, are necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful statements and reports. The State Controller shall be responsible for seeing that a new system is designed to accumulate information required for the preparation of budget reports and other financial reports.

(3) Maintain complete, accurate and current financial records that set out all revenues, charges against funds, fund and appropriation balances, interfund transfers, outstanding vouchers, and encumbrances for all State funds and other public funds including trust funds and institutional funds available to, encumbered, or expended by each State agency, in a manner consistent with the uniform State accounting system.

(4) Prescribe the uniform classifications of accounts to be used by all State agencies including receipts, expenditures, assets, liabilities, fund types, organization codes, and purposes. The State Controller shall also, after consultation with the Office of State Budget and Management, prescribe a form for the periodic reporting of financial accounts, transactions, and other matters that is compatible with systems and reports required by the State Controller

under this section. Additional records, accounts, and accounting systems may be maintained by agencies when required for reporting to funding sources provided prior approval is obtained from the State Controller.

(4a) Prescribe that, unless exempted by the State Controller, newly created or acquired component units of the State are required to have the same fiscal year as the State.

(5) Prescribe the manner in which disbursements of the State agencies shall be made and may require that warrants, vouchers, electronic payments, or checks, except those drawn by the State Auditor, State Treasurer, and Administrative Officer of the Courts, shall bear two signatures of officers as designated by the State Controller.

(6) Prescribe, develop, operate, and maintain a uniform payroll system, in accordance with G.S. 143B-426.40G and G.S. 143C-6-6 for all State agencies. This uniform payroll system shall be designed to assure compliance with all legal and constitutional requirements. When the State Controller finds it expedient to do so because of a State agency's size and location, the State Controller may authorize a State agency to operate its own payroll system. Any State agency authorized by the State Controller to operate its own payroll system shall comply with the requirements adopted by the State Controller.

(7) Keep a record of the appropriations, allotments, expenditures, and revenues of each State agency.

(8) Make appropriate reconciliations with the balances and accounts kept by the State Treasurer.

(9) Develop, implement, and amend as necessary a uniform statewide cash management plan for all State agencies in accordance with G.S. 147-86.11.

(9a) Implement a statewide accounts receivable program in accordance with Article 6B of Chapter 147 of the General Statutes.

(10) Prepare and submit to the Governor, the State Auditor, the State Treasurer, and the Office of State Budget and Management each month, a report summarizing by State agency and appropriation or other fund source, the results of financial transactions. This report shall be in the form that will most clearly and accurately set out the current fiscal condition of the State. The State Controller shall also furnish each State agency a report of its transactions by appropriation or other fund source in a form that will clearly and accurately present the fiscal activities and condition of the appropriation or fund source.

(11) Prepare and submit to the Governor, the State Auditor, the State Treasurer, and the Office of State Budget and Management, at the end of each quarter, a report on the financial condition and results of operations of the State entity for the period ended. This report shall clearly and accurately present the condition of all State funds and appropriation balances and shall include comments, recommendations, and concerns regarding the fiscal affairs and condition of the State.

(12) Prepare on or before October 31 of each year, a Comprehensive Annual Financial Report in accordance with generally accepted accounting principles of the preceding fiscal year, in accordance with G.S. 143B-426.40H. The report shall include State agencies and component units of the State, as defined by generally accepted accounting principles.

(13) Perform additional functions and duties assigned to the State Controller, within the scope and context of the State Budget Act, Chapter 143C of the General Statutes.

(14) through (16) Recodified as G.S. 143B-472.42 (1), (2), and (3) by Session Laws 1997-148, s. 3.

(17) Coordinate data integration and data sharing pursuant to G.S. 143B-426.38A across State agencies, departments, and institutions to support the State's enterprise-level business intelligence initiative.

HOUSE JOINT RESOLUTION 942

Sponsors: Committee on Rules, Calendar, and Operations of the House (Primary Sponsor).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to:

April 28, 2015

A JOINT RESOLUTION TO CONFIRM THE GOVERNOR'S REAPPOINTMENT OF DR. LINDA MORRISON COMBS TO THE OFFICE OF STATE CONTROLLER.

Whereas, under the provisions of G.S. 143B-426.37, the appointment by the Governor of a person to the Office of State Controller is subject to confirmation by the General Assembly; and

Whereas, the term of the current State Controller, Dr. Linda Morrison Combs, shall expire on June 30, 2015; and

Whereas, the Governor wishes to reappoint Dr. Linda Morrison Combs to the Office of State Controller to serve until June 30, 2022; and

Whereas, the Governor has submitted the name of Dr. Linda Morrison Combs to the Speaker of the House of Representatives and the President of the Senate by May 1, as required by G.S. 143B-426.37; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The Governor's reappointment of Dr. Linda Morrison Combs to the Office of State Controller for a term beginning on July 1, 2015, and expiring on June 30, 2022, is confirmed.

SECTION 2. This resolution is effective upon ratification.

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT MCCRORY
GOVERNOR

January 30, 2015

Lieutenant Governor Dan Forest
President of the Senate
301 N. Blount Street
Raleigh, North Carolina 27601

The Honorable Tim Moore
Speaker of the House
16 West Jones Street, Room 2304
Raleigh, North Carolina 27601

Dear Lieutenant Governor Forest and Speaker Moore:

I am pleased to once again recommend Dr. Linda Morrison Combs to serve as State Controller for a seven year term beginning July 1, 2015, and hereby submit her name for confirmation by the General Assembly pursuant to North Carolina General Statute § 143B-426.37(b). As she has demonstrated throughout her career Dr. Combs brings a wealth of knowledge and abilities to this important role. I am grateful for her willingness to continue serving the citizens of the State of North Carolina.

Enclosed, you will find biographical information for Dr. Combs. Please feel free to contact my staff for any additional information you may require.

Sincerely,

Pat McCrory
Governor

cc: The Honorable Phil Berger
Denise Weeks, House Principal Clerk
Sarah Lang, Senate Principal Clerk

State of North Carolina
Office of the State Controller

LINDA COMBS
STATE CONTROLLER

May 5, 2015

The Honorable Tim Moore
Speaker of the House of Representatives
North Carolina General Assembly
16 W. Jones Street, Room 2304
Raleigh, North Carolina 27601-1096

Dear Mr. Speaker:

I am honored that the Governor has nominated me to the position of State Controller. I look forward to working with you through the remaining legislative process in order to complete this confirmation. I am pleased to make myself available to meet with you or members of your staff at your convenience.

By way of introduction, I offer the attached information.

Sincerely,

Linda Combs

LMC/ce

Attachment

MAILING ADDRESS: 1410 Mail Service Center, Raleigh, North Carolina 27699-1410
STREET ADDRESS: 3512 Bush Street, Raleigh, North Carolina 27609
Phone (919) 707-0500 ~ Fax (919) 981-5567
http://www.osc.nc.gov ~~ An EEO/AA/AWD Employer

§ 143B-426.37. State Controller.

(a) The Office of the State Controller shall be headed by the State Controller who shall maintain the State accounting system and shall administer the State disbursing system.

(b) The State Controller shall be a person qualified by education and experience for the office and shall be appointed by the Governor subject to confirmation by the General Assembly. The term of office of the State Controller shall be for seven years; the first full term shall begin July 1, 1987.

The Governor shall submit the name of the person to be appointed, for confirmation by the General Assembly, to the President of the Senate and the Speaker of the House of Representatives by May 1 of the year in which the State Controller is to be appointed. If the Governor does not submit the name by that date, the President of the Senate and the Speaker of the House of Representatives shall submit a name to the General Assembly for confirmation.

In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for any other reason in the Office of State Controller prior to the expiration of the term of office while the General Assembly is in session, the Governor shall submit the name of a successor to the President of the Senate and the Speaker of the House of Representatives within four weeks after the vacancy occurs. If the Governor does not do so, the President of the Senate and the Speaker of the House of Representatives shall submit a name to the General Assembly for confirmation.

In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for any other reason in the Office of State Controller prior to the expiration of the term of office while the General Assembly is not in session, the Governor shall appoint a State Controller to serve on an interim basis pending confirmation by the General Assembly.

(c) The salary of the State Controller shall be set by the General Assembly in the Current Operations Appropriations Act. (1985 (Reg. Sess., 1986), c. 1024, s. 1; 1991 (Reg. Sess., 1992), c. 1039, s. 27.)

Dr. Linda Morrison Combs

Dr. Linda Morrison Combs was unanimously confirmed by the General Assembly as North Carolina's State Controller in June 2014. She is the sixth State Controller and the first woman to hold this independent office.

From 2005-2007 she was Controller of the United States. As Controller, Executive Office of the President, Office of Management and Budget, she worked on the widest possible range of issues at the highest levels of government. She routinely briefed the President of the United States on the status of financial management in the Federal departments, and frequently testified before numerous Congressional oversight committees. She led Sarbanes-Oxley compliance for the entire Federal government. Dr. Combs headed the Chief Financial Officers Council for the entire Federal government and was responsible for establishing financial management policies and requirements for the Executive branch of the Federal government, totaling $2.7 trillion in revenue.

Key selected accomplishments as Controller of the United States included:

1. Reduced audit completion time (from five months) to 45 days from end of fiscal year for the entire Federal Government – first time in history.
2. Reduced improper payments by $9 billion.
3. Disposed of $4.5 billion of unneeded real property.

During her career she has worked for three U. S. Presidents and has earned five U. S. Senate confirmations. In previous positions, Combs has been the Chief Financial Officer at the Environmental Protection Agency ($8 billion budget) where she led that agency to obtain a clean audit opinion with no material weaknesses, and received the highest honor awarded—the prestigious Crystal Eagle Award from the President. As Assistant Secretary of the Department of Transportation ($58 billion budget), she led that agency to be the first Federal Department to install a single core financial system Department-wide, resulting in the Department of Transportation being designated a Federal Financial Center of Excellence. Dr. Combs also held Assistant Secretary or equivalent COO roles at the Departments of Treasury, Veterans Affairs, and Education.

Not only does Dr. Combs understand government on the inside, she knows first-hand its impact on the private sector. In the private sector Combs' achievement record is equally significant. She founded three successful companies and took their products to worldwide distribution. She held line management positions with significant profit and loss responsibilities at a large southeastern bank.

She has a doctor's degree from Virginia Tech, undergraduate and master's degrees from Appalachian State University, and is a graduate of the Program for Senior Managers at Harvard University.

Numerous organizations have honored Combs for her excellence in leadership, exemplary performance and outstanding service. These awards include three from the President of the United States, and nine awards from various Members of the President's Cabinet. Other recognitions include over one hundred and fifty awards, citations, and honors by non-profit, volunteer organizations, higher education institutions and corporations.

Linda was born in Caldwell County and resides in Winston-Salem, North Carolina.

LINDA MORRISON COMBS

3512 Bush Street
Raleigh, North Carolina 27609 E-mail: linda.combs@osc.nc.gov Work: 919-707-0477

EXECUTIVE SUMMARY

Selected by three Presidents of the United States and earned five United States Senate Confirmations for Senior Executive positions. Over 15 years of experience in the private sector, over 10 years of experience in the federal sector, and over 25 years of experience as Chair and Member of 16 different Boards of Directors.

PROFESSIONAL EXPERIENCE

CONTROLLER, STATE OF NC June 2014 – Present

- Unanimously confirmed by the General Assembly as North Carolina's State Controller in June 2014.
- Currently serving as the sixth State Controller and the first woman to hold this independent office.

SPEAKER, AUTHOR, AND BOARD MEMBER, Winston-Salem, N.C. August 2007 – May 2014

- Retired from federal service to return to NC and pursue diverse interests including corporate and civic contributions.
- Speaker on such topics as leadership, teamwork, finance, metrics/analytics/results, and development of next generation managers.
- Author of published books and articles on executive leadership and family caregiving.
- Served on non-profit Boards of Directors devoted to education, research, and preservation.

EXECUTIVE OFFICE OF THE PRESIDENT, The White House, Washington, DC February 2005 - August 2007

Office of Management and Budget

Controller of the United States

- Selected by the President of the United States and confirmed by the United States Senate to serve as Controller of the United States. Established and maintained the reliability and integrity for all financial management policies within the entire federal government with revenues totaling $2.7 trillion.
- Managed staff of senior level employees and maintained indirect reporting relationships with all Chief Financial Officers throughout the federal government.
- Chaired the Chief Financial Officers Council comprised of Chief Financial Officers from 24 of the federal government's largest agencies and departments. While Chair, all agencies and departments in the Council reduced material weaknesses and internal control problems by over 30%.
- Reduced external audit reporting time of all federal agencies from five months to 45 days after the end of the fiscal year.
- Determined amount of inaccurate payments made by the federal government and reduced them from $45 billion to $36 billion in one year.
- Within second year of becoming Controller, established amount and value of federally-owned real property resulting in appropriate sale or disposal of property totaling $4.5 billion.
- Routinely briefed the President of the United States on the status of financial management of all federal departments, agencies, boards, and commissions. Frequently testified before Congressional oversight committees regarding federal financial management issues.
- Issued an internal controls implementation guide for use by the entire federal government. Led voluntary compliance to Sarbanes-Oxley standards for the federal government.

UNITED STATES DEPARTMENT OF TRANSPORTATION, Washington, DC November 2003 - February 2005

Office of Assistant Secretary and Chief Financial Officer

Assistant Secretary for Budget and Programs and Chief Financial Officer

- Selected by the President of the United States and confirmed by the United States Senate to serve as Assistant Secretary for Budget and Programs and Chief Financial Officer. Managed $57 billion in annual revenues for all federal transportation-related divisions (10 divisions totaling 57,000 employees), including the Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, Maritime Administration, and Federal Transit Administration.
- Implemented and required all 10 divisions to use a standard financial software system, becoming the first federal department to implement use of identical financial software throughout the entire department. Result of implementation was a cost savings of $100 million over five years.
- Left position at request of White House to assume larger responsibilities at the White House Office of Management and Budget.

PROFESSIONAL EXPERIENCE, Continued

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, Washington, DC November 2001 - November 2003
Office of Chief Financial Officer
Chief Financial Officer

- Selected by the President of the United States and confirmed by the United States Senate to serve as Chief Financial Officer of the United States Environmental Protection Agency. Accountable for the budget, finance, and strategic planning of $8 billion in annual revenues and managed approximately 350 people.
- Within one year, achieved no material internal control weaknesses, no reportable conditions in internal control processes, and obtained clean audit opinion for the first time in the 20-year history of the Environmental Protection Agency.
- Established tighter financial control metrics resulting in 99 percent of EPA's contract payments being made on time.
- Left position at request of White House to move to larger department.

AUTHOR, SPOKESPERSON, CONSULTANT, ENTREPRENEUR, Winston-Salem, N.C. May 1991 - November 2001

- Resigned position at the United States Department of the Treasury to become a caregiver for both parents while simultaneously working as an author, consultant, spokesperson, and entrepreneur.
- Wrote, published, marketed, and sold over 6,000 copies of two books on caregiving.
- Recruited by Parke-Davis Pharmaceutical Company ($500 million company) as a spokesperson. Provided 51 keynote addresses about caregiving to prominent researchers, physicians, neurologists, pharmaceutical representatives, and caregivers, with audiences frequently in excess of 2,500 people.
- Recruited by a premiere consulting firm in Washington, DC, as a Consultant to create new business opportunities in the federal government for Anexsys, an information technology company.
- Co-founded Combs Music International, a private record label and music company that produces, markets, and distributes instrumental music. Built customer database of 35,000 individual customers worldwide and over 1,000 domestic retail outlets. Provided music for two Emmy award-winning videos and received a Grammy nomination for an original album.

UNITED STATES DEPARTMENT OF THE TREASURY, Washington, DC July 1989 - May 1991
Office of the Assistant Secretary
Assistant Secretary for Management and Chief Financial Officer — Managed 1,500 employees

UNITED STATES DEPARTMENT OF VETERAN AFFAIRS, Washington, DC September 1987 - July 1989
Office of Management
Acting Associate Administrator for Management — Managed 800 employees

OFFICE OF THE GOVERNOR OF NORTH CAROLINA, Raleigh, North Carolina May 1986 - September 1987
Education Advisor

UNITED STATES DEPARTMENT OF EDUCATION, Washington, DC April 1984 - May 1986
Office of the Deputy Under Secretary for Management
Deputy Under Secretary for Management — Managed 1,200 employees

UNITED STATES DEPARTMENT OF EDUCATION, Washington, DC April 1982 - April 1984
Office of the Secretary
The Executive Secretary — Managed 30 employees

WACHOVIA CORPORATION September 1979 - April 1982
Wachovia Services
Operations Officer and Manager — Managed 80 employees

WINSTON-SALEM/FORSYTH COUNTY PUBLIC SCHOOLS September 1968 - August 1979
Assistant Principal, Teacher, Coach, Reading Coordinator, Workshop Leader

CHAIR AND BOARD POSITIONS

Appalachian State University Foundation, Chair, Board of Directors 1999 - 2001; Board Member 1992 – 2001, 2008-2014
Nutrition Research Institute Board Member 2008 - 2014
Blue Ridge Parkway Foundation Board Member 2008 - Present
United States Chief Financial Officers Council Chair 2005 - 2007; Board Member 2001 - 2007
Alzheimer's Memory Walk Campaign Chair 1996 - 1997
Member of approximately 16 boards (corporate and non-profit) 1980 - 2014

SELECTED AWARDS & RECOGNITION

The National Distinguished Leadership Award, National Association of Government Accountants
Three Outstanding Service & Excellence in Leadership Awards from the President of the United States
Nine Exemplary Performance Awards from Members of the President's Cabinet
22 Awards, Citations, and Honors from non-profit organizations, institutions of higher education and corporations
129 Leadership & Achievement Awards from federal, state, and local governments
Emmy Award, Combs Music International – two original music videos
Grammy Nomination, Combs Music International – original musical album
Honorary PhD, Gardner Webb University, Boiling Springs, NC
Chapter Honoree, Beta Gamma Sigma Business Honor Society

PRESENTATIONS AND PUBLICATIONS

Began making presentations at age 15 by presenting a prize-winning essay to an audience of 6,000 people, culminating in a standing ovation. Prize for essay was a college scholarship.

Have given approximately 375 professional presentations including congressional testimonies on such topics as leadership, performance improvement, financial management, caregiving, and education.

Authored three books and wrote 57 articles published in federal, financial, and leadership trade magazines.

EDUCATION, CERTIFICATIONS & SECURITY CLEARANCES

EdD, Virginia Polytechnic Institute and State University, Blacksburg, VA
Senior Managers Program, Harvard University, Cambridge, MA
MA, Appalachian State University, Boone, NC
BS, Appalachian State University, Boone, NC
Bank Director Certification, FDIC and NC Commissioner of Banks
Certificate of Director Education, National Association of Corporate Directors
Coursework: Finance & Banking Operations, American Bankers Association
Top Secret and Higher Security Clearances, The White House, and other Federal Departments
Five Presidential appointments, each requiring earned confirmation by the United States Senate

ELECTED PUBLIC OFFICIAL

Member, Winston-Salem/Forsyth County Board of Education (150,000 constituents) 1980 - 1982

PROFESSIONAL & COMMUNITY AFFILIATIONS

Former Member, Women Corporate Directors
Former Member, National Association of Corporate Directors
Former Member, Beta Gamma Sigma Business Honor Society
Current Life Member, Paul Harris Fellow, Rotary International

PERSONAL INFORMATION

Linda was born in Caldwell County and resides in Winston-Salem, North Carolina.

STATE ETHICS COMMISSION
1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324

John M. Tyson, Chair
Jane F. Finch, Vice Chair

Commissioners:
Barbara K. Allen
Francis X. DeLuca
William P. Farthing, Jr.
Clarence G. Newsome
J. LeRoy Roberts
George L. Wainwright, Jr.

Perry Y. Newson, Executive Director

Phone: 919-715-2071
Fax: 919-715-1644
Email: ethics.commission@doa.nc.gov
www.ethicscommission.nc.gov

April 30, 2014

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest filed by **Ms. Linda M. Combs**
Prospective State Controller – North Carolina Office of the State Controller

Dear Governor McCrory:

Our office is in receipt of **Ms. Linda M. Combs'** 2014 Statement of Economic Interest as the prospective State Controller of the **North Carolina Office of the State Controller.** We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest or the potential for a conflict of interest.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Ms. Linda M. Combs
Ms. Lindsey Wakely, Ethics Liaison

Attachment: Ethics Education Flyer

NORTH CAROLINA STATE ETHICS COMMISSION
2014 STATEMENT OF ECONOMIC INTEREST

. 919-715-2071 www.ethicscommission.nc.gov

FOR OFFICE USE ONLY

COMPLETE THIS FORM AND MAIL SIGNED, ORIGINAL TO
STATE ETHICS COMMISSION, 1324 MAIL SERVICE CENTER, RALEIGH, NC 27699-1324

FILER'S NAME (FIRST, MIDDLE, LAST)

First Name	Middle Name	Last Name	Suffix
LINDA	MORRISON	COMBS	

MAILING ADDRESS, CITY, STATE, ZIP+4

Address	City	State	Zip
5052 MARBLE ARCH ROAD	WINSTON-SALEM	NC	27104

HOME ADDRESS, CITY, STATE, ZIP+4

☒ Same as Mailing Address

Address	City	State	Zip

CURRENT EMPLOYER: RETIRED

JOB TITLE:

NATURE OF TYPE OF BUSINESS:

DAYTIME PHONE NUMBER: 336-760-2940

ALTERNATE PHONE NUMBER: 336-558-3402

E-MAIL ADDRESS: linda@morrisoncombs.com

REASON FOR FILING (SELECT ALL THAT APPLY):

☒ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered): STATE CONTROLLER

☒ BOARD/COMMISSION (Please list all boards on which you are serving or are being considered):

☐ JUDICIAL OFFICER (Please specify the office you hold):

☐ LEGISLATOR (Please specify the legislative branch - House or Senate):

Do other immediate family members reside in your household?[2]

☒ Yes ☐ No

FULL NAME[3]	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
DAVID COMBS	HUSBAND	RETIRED	—	—

[1] **With the exception of judicial officers** (including Justices or judges of the General Court of Justice, district attorneys, and clerks of court), persons holding or seeking an elected office with a residency requirement must provide a home address.

[2] **Immediate family** includes your spouse (unless legally separated), minor children, and members of your extended family (your and your spouse's adult children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) that reside in your household.

[3] Filers may use the initials of unemancipated children instead of those children's names. If initials are used, the children's names should be provided on a (non-public) supplement available from the Commission upon request.

This entire document and any attachments are public record.

I. $10,000 PLUS DISCLOSURES

If you, your spouse, or members of your immediate family have assets or liabilities with a market value of at least $10,000 in the following categories, please provide the requested information as of December 31st of the preceding year unless another time period is specified in the question.

- ▶Do not list the value of those assets or liabilities.
- ▶Do not list assets or liabilities held in a blind trust[4] established by or for the benefit of you or an immediate family member.

1. Do you, your spouse, or members of your immediate family have an ownership interest in any real estate located in North Carolina with a market value of $10,000 or more?
▶This may include your home/residence.

☒ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
DAVID & LINDA COMBS	100%	WINSTON-SALEM	FORSYTH
DAVID & LINDA COMBS	10%	SUNSET BEACH	BRUNSWICK
DAVID & LINDA COMBS	100%	BLOWING ROCK	CALDWELL

2. Do you, your spouse, or members of your immediate family lease or rent or from the State real estate with a market value of $10,000 or more?

☐ Yes ☒ No

Name of Lessor	Name of Lessee (Renter)	Location by City	Location by County

3. Within the preceding two years, have you, your spouse, or members of your immediate family sold to or bought from the State personal property with a market value of $10,000 or more?

☐ Yes ☒ No

Name of Purchaser	Name of Seller	Type of Property

4. Do you, your spouse, or members of your immediate family currently lease or rent to or from the State personal property with a market value of $10,000 or more?

☐ Yes ☒ No

Name of Lessor	Name of Lessee (Renter)	Type of Property

[4] A "blind trust" is a trust that meets all of the following criteria: (a) the owner of the trust's assets has no knowledge of the trust's holdings and sources of income, (b) the individual or entity managing the trust's assets ("the trustee") is not a member of the covered person's extended family and is not associated with or employed by the covered person or his or her immediate family, and (c) the trustee has sole discretion to manage the trust's assets. G.S. 138A-3(1).

5(a). Do you, your spouse, or members of your immediate family own interests (generally stock) valued at $10,000 or more in a publicly owned company?

[X] Yes [ ] No

► Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded, or its assets are widely diversified, and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)
DAVID COMBS	APPLE
DAVID COMBS	LINNCO, LLC

5(b). Do you, your spouse, or members of your immediate family hold stock options valued at $10,000 or more in a company or business?

[X] Yes [ ] No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

6(a). Do you, your spouse, or members of your immediate family have financial interests valued at $10,000 or more in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

[X] Yes [ ] No — If "No", proceed to question 7.

Owner of Interest	Name of Business Entity
DAVID & LINDA COMBS	COMBS MUSIC
LINDA COMBS	KERANetics, LLC
LINDA COMBS	KERAFAST, Inc.

6(b). For each of those non-publicly owned companies or business entities identified in question 6(a) (the "primary company"), please list the names of any other companies in which the primary company owns securities or equity interests valued at over $10,000, if known.

Non-Publicly Owned Company (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
[X] None or Not Known	

6(c) If you know that any company or business entity listed in 6(a) or (b) above has any material business dealings or business contracts with the State, or is regulated by the State, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ None or Not Known	
KeraNetics	Research & development of Keratin based products

7. Are you, your spouse, or members of your immediate family (the beneficiaries of a vested trust with a value of $10,000 or more that is created, established, or controlled by you?

☐ Yes ☑ No

▶ Do not list blind trusts.

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

8. Do you, your spouse, or members of your immediate family have a liability (debt) of $10,000 or more, excluding indebtedness (mortgage) on your primary personal residence? Examples include credit card debts, auto loans, and student loans.

☐ Yes ☑ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)

II. OTHER DISCLOSURES

9(a). During the preceding calendar year, were you, your spouse, or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☑ Yes ☐ No. If "No," proceed to question 10.

▶ Do not list State boards or entities, or entities created by a political subdivision of the State.
▶ Do not list organizations of which you are a mere member or subscriber.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization
DAVID COMBS	BOARD of Trustees	BLUE RIDGE PARKWAY FOUNDATION	Fundraising Support for Blue Ridge Parkway
LINDA COMBS	BOARD of Trustees	BLUE RIDGE PARKWAY FOUNDATION	Fundraising Support for Blue Ridge Parkway

LINDA COMBS	Chair Finance Comm. & Treasurer	Appalachian State University Foundation	Fundraising Support for Appalachian State U.

9(b) If the listed nonprofit corporations or organizations do business with the State or receive State funds, please provide a brief description of the nature of that business, if known, or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☐ None or Not Known	
Blue Ridge Parkway Foundation	Funding from specialty license plate sales
Appalachian State University Foundation	Funding as part of UNC System

10. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during the preceding calendar year. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your federal tax return.

Do *not* include income received from the following sources:

- ▸ Capital gains
- ▸ Federal government retirement
- ▸ Military retirement
- ▸ Social security income/SSDI

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in the preceding calendar year.			
DAVID COMBS	Alcatel-Lucent	Telecom	Retirement

11. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are associated has earned legal fees of $10,000 or more during the preceding calendar year:

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed or did not earn legal fees of $10,000 or more during the preceding calendar year	

12. Are you (1) a licensed professional (other than an attorney) or do you provide consulting services individually or as a member of a professional association and (2) did you charge or were you paid over $10,000 for those services during the preceding calendar year?

☐ Yes ☑ No

Type of Business	Nature of Services Rendered

13. Are you or your employer, your spouse or members of your immediate family, or their employer:

- Licensed by the State board or employing entity with which you are or will be associated; or
- Regulated by the State board or employing entity with which you are or will be associated; or
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ('judicial officer' is defined in footnote 1) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (If applicable)	Type of Relationship (Licensing, Regulatory, Business)

14. During the preceding calendar year, were you, your spouse, or members of your immediate family a director, officer or governing board member of any society, organization, or advocacy group which has an interest pertaining to subject matter areas over which your agency or board may have jurisdiction?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

►Do not list organizations of which you are only a member (not a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

15. Have you ever been convicted of a felony for which you have not received either (i) a pardon of innocence or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

16. During any calendar quarter in the preceding year (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you:

- Receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, and
- When both you and those person(s) were outside North Carolina at the time you accepted the gift(s), and
- The gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

►Do not report gifts given by members of your extended family.

►Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

17. During the preceding year (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) have you

- accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**
- those person(s) were outside North Carolina **and**
- the scholarship was related to your public position? **A "scholarship" is a grant-in-aid to attend a conference, meeting, or similar event.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

► Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons".
► Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

18. Are you or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the preceding 12 months?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

19(a). List the name of each business with which you are associated where you or a member of your immediate family is an employee, director, officer, partner, proprietor, or member or manager.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations - If "No Business Associations", proceed to question 20.			
DAVID COMBS	HUSBAND	COMBS MUSIC	Sole proprietor

19(b). If you know that any company or business entity listed in 19(a) above has any material business dealings or business contracts with the State, or is regulated by the State, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☑ Not applicable (No entities listed on #19a) ☐ No relationship / Not known	

20. Were you appointed to, or are you being considered for, an appointment to a covered board by the Governor or another Council of State member?

Council of State members are:

- ► Governor
- ► Lt. Governor
- ► Secretary of State
- ► State Auditor
- ► State Treasurer
- ► Superintendent of Public Instruction
- ► Attorney General
- ► Commissioner of Agriculture
- ► Commissioner of Labor
- ► Commissioner of Insurance

☐ Yes ☑ No

If "Yes", list all contributions you (not immediate family members) made during the preceding calendar year with a cumulative total of more than $1,000 to the Council of State member who appointed you.

►Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☐ No contribution(s) with a cumulative total of more than $1,000		

21. Are you now, or are you a prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: ☐ ABC Commission ☐ Coastal Resources Commission ☐ State Board of Education ☐ State Board of Elections ☐ Division of Employment Security ☐ Environmental Management Commission ☐ Industrial Commission ☐ Human Resources Commission ☐ Rules Review Commission ☐ Board of Transportation ☐ UNC Board of Governors ☐ Utilities Commission ☐ Wildlife Resources Commission	☑ Yes ☐ No If "No", proceed to question 22.
d. If so, were you appointed to, or are you being considered for, appointment to your public position by a Council of State Member (Governor, Lt. Governor, Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, or Commissioner of Insurance)?	☑ Yes ☐ No If "No", proceed to question 22.
e. If so, you must indicate whether during the preceding calendar year you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."	☐ Yes ☑ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☑ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☑ No

22. Are you aware of any other information that you believe may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☑ No

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree

LINDA COMBS
Printed Name

****Notarization is no longer required****

Linda Combs
Signature

4/24/14
Date

Submit SIGNED, ORIGINAL documents.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HJR **942**

Confirm State Controller.

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

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 5.07.2015 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Martha Gadison
3. Name: Joe Austin
4. Name: David Leighton
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

House Committee on Rules — 05.07.2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joel Maynard	gpm & associates
TJ Bugbee	NP
[signature]	[illegible]
Andy Walsh	SA
Gerry Cohen	Nelson Mullins
Fred Steen	Governor's office
Meghan Cook	OITS
[signature]	MWC
Amanda Parker	TSS

House Committee on Rules, Calendar, and Operations of the House
Wednesday, May 20, 2015 at 12:47 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 12:30 PM on May 20, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 97 2015 Appropriations Act. (Representatives Dollar, L. Johnson, McGrady, Lambeth)
The bill was moved before the committee without objection. Rep. Lewis moves that Amendment ALH-25 [v.6] be before the committee and further more divided. Version (a) ALH-25 [v.6] beginning on p. 3 line 27 was explained by Rep. Saine. Rep. Saine move for the adoption of amendment (a) of ALH-25 [v. 6]. The motion carries. Version (b) ALH-25 [v.6] beginning on page 1 line 1-page 3 line 27 was displaced. Amendment ATC-51 [v.7] was moved before the committee by Rep. Bell. The Chair moved for the adoption of Amendment ATC-51 [v.7]. The motion carries. Version (b) ALH-25 [v.6] was moved before the committee by Rep. Saine. A technical perfecting amendment was offered for Version (b) ALH-25 [v.6] that took out lines 19-24 on page 2. Rep. Saine offered the motion for adoption. The motion carries. The chair moves for adoption of the amendment with the perfecting language. The motion carries and was adopted 14-11. Rep. Torbett moves that the amendments be rolled into a new PCS and that the PCS be given a favorable report, unfavorable to the original, and that staff is authorized to make technical and perfecting changes. The motion carries.

The meeting adjourned at 1:46 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, May 20, 2015
TIME: **12:30 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **Members,**

Please bring your copy of the budget and the money report.

Thanks.

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:21 PM on Tuesday, June 09, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 97 DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Saine
)
Sen.)

amendment H97-ALH-25(v.6)

moves to amend ~~the bill~~ on page 2, lines 19-24

( ) WHICH CHANGES THE TITLE

by deleting the lines; and by

Relettering the remaining subsections

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATD-51 [v.7]

Amends Title [NO] Date _____,2015
~~Second Edition~~ PCS H97-PCS30386-LR-f-12

Representative Bell

moves to amend the bill on page 307, line 38, through page 308, line 50, by rewriting those lines to read:

"EXTEND RENEWABLE ENERGY CREDIT FOR TWO YEARS

SECTION 1.2.(a) G.S. 105-129.16A(e), as amended by Section 1 of S.L. 2015-11, reads as rewritten:

"§ 105-129.16A. Credit for investing in renewable energy property.

...

(e) Sunset. – Except for taxpayers covered by subsection (f) of this section, this section is repealed effective for renewable energy property placed into service on or after ~~January 1, 2016.~~January 1, 2018."

SECTION 1.2.(b). G.S. 105-126.19A(a) reads as rewritten:

"(a) Credit. – If a taxpayer that has constructed, purchased, or leased renewable energy property places it in service in this State during the taxable year, the taxpayer is allowed a credit equal to ~~thirty-five percent (35%)~~twenty percent (20%) of the cost of the property. In the case of renewable energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year in which the property is placed in service. For all other renewable energy property, the entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in five equal installments beginning with the taxable year in which the property is placed in service. Upon request of a taxpayer that leases renewable energy property, the lessor of the property must give the taxpayer a statement that describes the renewable energy property and states the cost of the property. No credit is allowed under this section to the extent the cost of the renewable energy property was provided by public funds. For the purposes of this section, "public funds" does not include grants made under section 1603 of the American Recovery and Reinvestment Tax Act of 2009."

SECTION 1.2.(c) G.S. 62-133.2(a1)(5) reads as rewritten:

"(5) The total delivered capacity and energy costs associated with all purchases of electric power from qualifying cogeneration facilities and qualifying small power production facilities, as defined in ~~16 U.S.C. § 796, that are subject to economic dispatch by the electric public utility.~~16 U.S.C. § 796."

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

H97-ATD-51 [v.7]

SECTION 1.2.(c). Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2017. Subsection (c) of this section is effective July 1, 2015. The remainder of this section is effective when this act becomes law.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ASU-33 [v.3]

Amends Title [NO]
H97-PCS30386-LRxf-12

Date _____,2015

Representative _____

moves to amend the bill on page 289, lines 19-20, by inserting the following between the lines:

"REPEAL PUBLIC EMPLOYEE PAYROLL DEDUCTION FOR PAYMENTS TO EMPLOYEES' ASSOCIATIONS

SECTION 30.29.(a) G.S. 143B-426.40A reads as rewritten:

"§ 143B-426.40A. Assignments of claims against State.

...

~~(g) Payroll Deduction for Payments to Certain Employees' Associations Allowed. An employee of the State or any of its political subdivisions, institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. A political subdivision may also allow periodic deductions for a domiciled employees' association that does not otherwise meet the minimum membership requirements set forth in this paragraph. The total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, shall be verified and certified annually by the State Auditor.~~

~~An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association. The total membership count and the public school teacher membership count of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, shall be verified and certified annually by the State Auditor.~~

~~An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school~~

~~administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.~~

...."

SECTION 30.29.(b) This act is effective when it becomes law.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATD-51 [v.7]

Amends Title [NO]
~~Second Edition~~ PCS H9

Date _____,2015

Representative _____

moves to amend the bill on page 307, line 38, through page 308, line 50, by rewriting those lines to read:

"**EXTEND RENEWABLE ENERGY CREDIT FOR TWO YEARS**

SECTION 1.2.(a) G.S. 105-129.16A(e), as amended by Section 1 of S.L. 2015-11, reads as rewritten:

"**§ 105-129.16A. Credit for investing in renewable energy property.**

...

(e) Sunset. – Except for taxpayers covered by subsection (f) of this section, this section is repealed effective for renewable energy property placed into service on or after ~~January 1, 2016.~~January 1, 2018."

SECTION 1.2.(b). G.S. 105-126.19A(a) reads as rewritten:

"(a) Credit. – If a taxpayer that has constructed, purchased, or leased renewable energy property places it in service in this State during the taxable year, the taxpayer is allowed a credit equal to ~~thirty-five percent (35%)~~twenty percent (20%) of the cost of the property. In the case of renewable energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year in which the property is placed in service. For all other renewable energy property, the entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in five equal installments beginning with the taxable year in which the property is placed in service. Upon request of a taxpayer that leases renewable energy property, the lessor of the property must give the taxpayer a statement that describes the renewable energy property and states the cost of the property. No credit is allowed under this section to the extent the cost of the renewable energy property was provided by public funds. For the purposes of this section, "public funds" does not include grants made under section 1603 of the American Recovery and Reinvestment Tax Act of 2009."

SECTION 1.2.(c) G.S. 62-133.2(a1)(5) reads as rewritten:

"(5) The total delivered capacity and energy costs associated with all purchases of electric power from qualifying cogeneration facilities and qualifying small power production facilities, as defined in ~~16 U.S.C. § 796, that are subject to economic dispatch by the electric public utility.~~16 U.S.C. § 796."

SECTION 1.2.(c). Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2017. Subsection (c) of this section is effective July 1, 2015. The remainder of this section is effective when this act becomes law.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-25 [v.6]

Amends Title [NO]
PCS30386-LRxf-12

Date _____,2015

Representative Saine

Moves to amend the proposed committee substitute on page 11, line 41 through page 12, line 47 by deleting those lines and substituting the following:

"**VENTURE CAPITAL MULTIPLIER FUND**

SECTION 6.3.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds. The State Treasurer may invest the funds as provided in this subsection. If an investment was authorized by this subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter.

...

(12) It is the intent of the General Assembly that the Escheat Fund provide a perpetual and sustainable source of funding for the purposes authorized by the State Constitution. Accordingly, the following provisions apply:

a. With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to ~~twenty percent (20%)~~ ten percent (10%) of such assets may be invested in the investments authorized under subdivisions ~~(7)~~(6c) through ~~(9)~~(9a) of this subsection, notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

b. The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives,

the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year.

c. The State Treasurer shall invest, in addition to those investments authorized by subdivision (12) of this subsection, ten percent (10%) of the net assets of the Escheat Fund as authorized under G.S 147-69.2A."

SECTION 6.3.(b) Article 6 of Chapter 147 of the General Statutes is amended by adding a new section to read:

"**§ 147-69.2A. Contracting authorized of investments for special funds held by the State Treasurer.**

(a) Purpose. – The purpose of this section is to establish a framework whereby the State Treasurer may contract with a North Carolina nonprofit corporation to invest in long-term illiquid investments, including those with a North Carolina nexus, in order to grow the amount of earnings available for scholarships over the long-term.

(b) Contract. – The State Treasurer may contract with a North Carolina nonprofit corporation to perform the duties set forth in G.S. 147-69.2(b)(12).

(c) Firm to administer Fund. – Following a public procurement process, a designee of the Governor, a designee of the State Treasurer, a designee of the Speaker of the House of Representatives, and a designee of the President Pro Tempore of the Senate shall jointly and unanimously select a third-party professional investment management firm, registered with the U.S. Securities and Exchange Commission, to administer the Fund and select investment opportunities appropriate for receiving allocations from the Fund on the basis of potential return on investment and the risks attendant thereto. The State Treasurer shall assign professional and clerical staff to assist in the oversight of the Fund. All costs for the third-party investment management firm and the professional and clerical staff shall be borne by the Fund pursuant to G.S. 147-69.3(f). The State Treasurer shall discharge his or her duties with respect to the Fund as a fiduciary consistent with the provisions of applicable law, including without limitation G.S. 36E-3.

(d) Organization and Reporting. – All documents of the Governor or the State Treasurer concerning the Fund are public records governed by Chapter 132 of the General Statutes and any applicable provisions of the General Statutes protecting confidential information.

The State Treasurer and the Governor shall jointly develop and adopt an investment policy statement for the Fund.

The State Treasurer and Governor shall jointly adopt a common policy to prevent conflicts of interests such that (i) the designees of the State Treasurer and Governor who

selected the third-party investment management firm, (ii) the staff of the State Treasurer overseeing the Fund, and (iii) the third-party investment management firm's employees selecting or overseeing Fund investments do not provide services for compensation (as an employee, consultant, or otherwise), within two years after the end of their service to the Fund, to any entity in which an investment from the Fund was made.

By October 1, 2015, and at least semiannually thereafter, the State Treasurer shall submit a report to the Governor, the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on investments made from the Fund and any return on investment. This report shall be made for the Fund in lieu of the reports required by G.S. 147-69.1(e), G.S. 147-69.2(b)(10a), G.S. 147-69.3(h), G.S. 147-69.3(i), and G.S. 147-69.8.

(e) Types of Investments. – Assets of the Fund may be invested in those types of investments authorized for the North Carolina Retirement Systems by G.S. 147-69.2(b), notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

(f) Report on Escheat Fund Valuation. – The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year."; and

Further moves to amend the NC House of Representatives Appropriations Committee Report on the Base, Expansion and Capital Budgets dated May 19, 2015, as follows:
On page L-2, Item 11,
by deleting that item; and

On page F-12, Item 73(Set Off Debt Collection Reinstatement),
by decreasing the reduction for FY 2015-2016 by $4 million; and

On page F-12, Item 71(Advancement Activity Limitations),
By decreasing the reduction for FY 2015-2016 by $17,913,812; and

On page F-12, Item 70 (Management Flexibility Reduction),
By decreasing the nonrecurring reduction for FY 2015-2016 by $8,100,684 NR and decreasing the recurring reduction for FY 2015-2016 by $9,985,504; and

By adjusting the appropriate totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB NO. 3, UNFAVORABLE COM SUB NO. 2

HB **97** **(CS#2)** 2015 Appropriations Act.

Draft Number:	H97-PCS10384-LRxf-13
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Dollar

TOTAL REPORTED: 1

Tuesday, May 19
RULES CALENDAR
& OPERATIONS OF
THE HOUSE

Room
1228

Time
12:30 pm

Name	County	Sponsor
Tommy Johnson	Chatham	Robert T. Reives, II
Trez Levi	Johnston	James H. Langdon, Jr.
Mary Grace McConnell	Cabarrus	William Brawley
Nate Scovens	Guilford	Garland E. Pierce

Committee Sergeants at Arms

NAME OF COMMITTEE Rules Committee

DATE: 5/20/2015 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Joe Austin
3. Name: Martha Gadison
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom Murry	NCAOC
ANDY WALSH	SA
Kara Wigsharn	SA
Tim KENT	NC BEER & WINE
Steve Marge	NCRLA
	NCCS
Johnanna Reese	NCACC
Christina Stone	Speaker's office
Geneva Holmes	Speaker's office

Susan Vick — Duke Energy

George Evans — Duke Energy

Hayden Bauguess — FSP

Kathy Winkler

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Fred Steen	Gov's Office
Trent Womble	DHHS
[illegible]	NCOA
Rachel Bard	NCDPI
J Peters	CSS
Sarah Bales	BB Baker Assoc
Jarod Ham Baker	" "
Ethan DeGiorgio	" "
[illegible]	NLC
[illegible]	NCAOP
Dan Simpson	SA

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McClure	Brooks Pierce
Scott Lassiter	SSGNC
Marie Lanier	UNCW
Lanier Hodgson	UNC Health Care
Michelle Brooks	East Carolina University
	NWC
	MWZ
Amanda Henkel	TSS
Sarah McCullen	SSG NC
Bruce Mildwurf	NCSBA
	Gov's Office

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joy Hicks	NCDA
Lynda Minges	NCHA
Clayton Dellinger	NCDA
Susan Valaika	Nationwide
Madeline Keeter	CaroMont Health
Carson Davis	[illegible]
Sean Valle	MVA
[illegible]	UNC-CH
Jonathan Kappler	UNC GA
Heidi Morgan	NCHA
Dan McCready	D-Z

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Valerie Procopio	LOLLC
Dave Horne	Smith Anderson
Mia Gopelrud	NCMMC
Mary Freeman	NCAE

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rhonda Todd	DoA
Reston Jones	NCDOT
Meghan Cook	OITS
Kasey Gifford	governor's office
Alice Miller	NCDOC
Mary Jennings	NCDOT
Michelle Frazier	NFTS
Amanda Jupson	DPI
Watts	DST
Annalise Dolph	DL
Matt Gross	NCPL
Rob Lamm	RLA

VISITOR REGISTRATION SHEET

Rules Committee — 5/20/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Butch Gunnells	NC Bev
Hope Williams	NCICU
Sue Ann Forgo	NCICU
Susan Hamm	NCSSCUA
Katherine Joyce	NCASA
H. Wells Lee	Jones Lee
Gerry Cohen	Nelson Mullins
Will Pauly Hill	NCHFA
Nelson Freeman	NC DOR
Cameron Hanley	MVA
Elizabeth Bin	Body Pin

House Committee on Rules, Calendar, and Operations of the House
Thursday, May 21, 2015 at 2:11 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 2:00 PM on May 21, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Saine, Schaffer, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 97 2015 Appropriations Act. (Representatives Dollar, L. Johnson, McGrady, Lambeth)
Rep. Lewis moves that the PCS be before the committee. No objection, motion carries. Staff speaks on the bill. Rep. Lewis sends forth an amendment. Lewis Amendment is adopted upon motion of Rep. Torbett. Rep. Bell moves that the amendment be rolled into a new PCS and that it be given a favorable report, unfavorable to the original and that the staff is authorized to make technical changes. The motion carries.

The meeting adjourned at 2:31 PM.

David R. Lewis
Representative David R. Lewis, Chair
Presiding

Mark Coggins
Mark Coggins, Committee Clerk

Corrected #2: Rules will now meet at 2pm

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, May 21, 2015
TIME: **2:00 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **Please bring your budget documents.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 97	2015 Appropriations Act.	Representative Dollar Representative L. Johnson Representative McGrady Representative Lambeth

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:19 PM on Tuesday, June 09, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 97

H. B. No. _____ DATE 5/21/15

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.)
) _____
Sen.)

PCS

moves to amend the ~~bill~~ on page 315, lines 12-23

( ) WHICH CHANGES THE TITLE

by deleting the lines.

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

GA-33-A

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB NO. 4, UNFAVORABLE COM SUB NO. 3

HB **97** **(CS#3)** 2015 Appropriations Act.

Draft Number:	H97-PCS10387-SVxf-25
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Dollar

TOTAL REPORTED: 1

Tuesday, May 19	**Room**	**Time**
RULES CALENDAR & OPERATIONS OF THE HOUSE	1228	12:00 pm

Name	County	Sponsor
Michael Allen	Cleveland	Speaker Moore
Clay Griffith	Mecklenburg	John R. Bradford, III
Tommy Johnson	Chatham	Robert T. Reives, II
Michaela O'Shell	Iredell	Rena W. Turner

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 5/21/2015 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Joe Austin
3. Name: Martha Gadison
4. Name: David Leighton
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

Rules — Name of Committee

5/21 / 2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Biser	Brooks Pierce
Austin Pruitt	Perkinson Law
Val Procopio	ROLL
Flint Benson	SEANC
Jeffrey Cohen	Nelson Mullins
Sarah Bales	Brooks Pierce.

VISITOR REGISTRATION SHEET

Rules — 5/21 / /2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
David Heinen	NC Center for Nonprofits
Adam Prideaux	NCABP
Doug Holbrook	NCSBA
Mica Hufhelmer	NCMMC
Julie Lure	NCMMC
Sarah Rich	Duke Energy
Marcia Jenkins	DCR
Tracy Kimbrell	Parker Poe
Kathy Hunter	Duke
Amanda Honaker	TSS
Paul Ford	P. Ohlson

VISITOR REGISTRATION SHEET

Rules — 3/2/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bruce Siceloff	The News & Observer
Watts	DST
Sulavi	DST
Lauren Oraie	LOCC
Reston Jones	NCDOT
Meghan Cook	OITS
Rhonda Todd	DOA
Kathryn Johnston	DOA
Ashley [illegible]	NCDOC
John Hoomani	NCDOC
Brian Merwald	WRM

VISITOR REGISTRATION SHEET

Rules — Name of Committee

5/21 / 2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	LPA & RANC - ACMA
Mary Jennings	NCDOT
Steve Mange	NCRLA
Joy Hicks	NCDA
J Gramer Sherrill	NCFB
Erica Nelson	NCHA
Daniel VanLiere	Vidant Health
Mildred Spearman	NCAOC
Evelyn Hendrickson	ETHOS
[illegible]	[illegible]
Tom West	NCIC

VISITOR REGISTRATION SHEET

Rules — 5/21/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JARRET BURR	NCDPS
Troy Holowiti MAJ	NCNG
Nelson Freeman	NC DOR
Bruce Mildwurf	NCSBA
[illegible]	NP
STEVEN WEBB	NCABA
[illegible]	[illegible]
[illegible]	[illegible]
Patrick Buffkin	NCAEC
[illegible]	MFS
Kara Weishaar	SA

VISITOR REGISTRATION SHEET

Rules — 5/21 / /2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dana Horne	Smith Anderson
[illegible]	SA
Matt Gross	NCPC
Lee Tanner	NCPCSA
Evan Lee	NCDPI
Alex Miller	KCG
Johanna Reese	NCACC
Sam Skinner	NCACC

VISITOR REGISTRATION SHEET

Rules — 5/21/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JOEL MAINARDS	GPM & ASCO
PEYTON MAINARDS	
Mark Lanier	UNCW
Leanne Winner	NCSBA
Ryan J. Vilma	Gov's Office
Ryan Combs	NC DPS
LtCol Robert Carver	NC National Guard
Christina Stone	Speaker's Office
Pam Cashwell	SEC
Nathan Batts	NCBA
Hayden Burgess	FSP
Bo Hester	McGuireWoods

House Committee on Rules, Calendar, and Operations of the House
Wednesday, June 3, 2015 at 9:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 9:00 AM on June 3, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Saine, Schaffer, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 562 Amend Firearm Laws. (Representatives Schaffer, Burr, Cleveland, Faircloth)
The Chair moved that the bill be before the committee. Reps. Schaffer, Cleveland, and Burr explained the bill. List of Public speakers are attached. Rep. Burr sent forth an amendment. Rep. Burr moves that it be adopted. Motion carries. Rep. Stam sends forth an amendment. Rep. Torbett moves that it be adopted. The motion carries. Rep. Burr moves that the amendments be rolled into a PCS, and that PCS be given a favorable report, unfavorable to the original. A voice Vote was called for. The motion carries 14-13 after the chair voted Aye.

The meeting adjourned at 11:00 AM.

David R. Lewis
Representative David R. Lewis, Chair
Presiding

Mark Coggins
Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, June 3, 2015
TIME: **9:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 562	Amend Firearm Laws.	Representative Schaffer Representative Burr Representative Cleveland Representative Faircloth

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:03 PM on Tuesday, June 09, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 562:
Second Amendment Affirmation Act

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	June 3, 2015
Introduced by:	Reps. Schaffer, Burr, Cleveland, Faircloth	**Prepared by:**	Susan Sitze Staff Attorney
Analysis of:	PCS to Third Edition H562-CSSA		

SUMMARY: The Proposed Committee Substitute for House Bill 562 would amend various firearms laws.

BILL ANALYSIS:

Section 1 would amend the exemptions to carrying a concealed weapon to allow DAs with a concealed handgun permit to carry a concealed handgun in a courtroom. This section would also add certain DPS employees (8) and Administrative Law Judges (9) who have concealed handgun permits to the list of exemptions, which would allow them to carry concealed handguns in some places the average person cannot, including courtrooms, assemblies where a fee is charged, etc. This section would allow a person to carry a pocket knife in a closed position into the State Capitol Building. Finally, this section would authorize legislators and legislative employees who have concealed handgun permits to carry concealed in State legislative buildings and grounds.

Section 2 would allow a person with a concealed handgun permit to carry concealed on their person within a locked vehicle on educational property and would allow a person within a locked vehicle on educational property to move a handgun from concealment on their person to a closed compartment and vice versa even if momentarily it is not concealed.

Section 3 would provide an affirmative defense to possession of handgun on educational property if the person was authorized to have a handgun in a locked vehicle and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified to defend self or others pursuant to G.S. 14-51.3.

Section 4 would authorize the Commissioner of Agriculture to prohibit the carrying of firearms on the State Fairgrounds during the State Fair. Law enforcement officers would be exempted, and persons with concealed handgun permits would still be authorized to have a handgun in their locked vehicle. This section also directs the Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association to study a method to allow persons to store handguns at the entrance to the State Fairgrounds.

Section 5 would expand the shooting range protection act to provide that shooting ranges are only subject to noise ordinances that were in effect at the time the shooting range began operation and do not have to comply ordinances adopted later if there has been no substantial change in use.

Section 6 would modify the firearm rights restoration statute to ensure recognition of the restoration by federal law.

O. Walker Reagan
Director

H562-SMSA-76 CSSA-66 -V1

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Section 7 would eliminate some misdemeanors from the list of misdemeanor convictions that prohibit a person from obtaining a concealed handgun permit. This section would also make most misdemeanor convictions only count against a person for 3 years and stalking convictions count for 5 years in relation to prohibiting them from obtaining a concealed handgun permit. Domestic violence convictions and convictions for assault on a law enforcement officer would remain a prohibiting conviction permanently.

Section 8 would authorize the use of suppressors on short-barreled rifles for hunting.

Section 9 would reduce the offense of carrying a concealed handgun on private posted property from a Class 1 misdemeanor to an infraction and authorize a fine of up to $500.

Section 10 would repeal the pistol purchase permit requirement effective October 1, 2021 and would make the following changes to the pistol purchase permit statutes pending that repeal:

- Allow a NICS check when purchasing a pistol from a federally licensed firearm dealer in lieu of a pistol purchase permit or a concealed carry permit.
- Specify the sheriff may only consider an applicant's conduct or criminal history for the past five years when determining "good moral character".
- Change the appeal of a denial of a permit from a singular appeal to the chief district court judge in that district to an appeal to the superior court and allow a decision by the superior court to uphold a sheriff's denial to be appealed to the Court of Appeals
- Require the Department of Public Safety, in consultation with the North Carolina Sheriffs' Association, to develop a permit application form and require all sheriffs to use that form. The specific things an applicant can be require to provide would be set forth and specifically states that the applicant cannot be required to provide any additional document or evidence.
- Require a person or entity presented with a mental health release form to promptly provide court orders concerning the mental health or capacity of the applicant.

Section 11 would make the following changes:

- Specify the information to be collected and reported to NICS for background checks and would require certain information to be transmitted to NICS by the clerk no later than 48 hours after receiving notice.
- Require pistol permit applications and concealed handgun permit applications to be provided electronically.
- Prohibit the sheriff from requesting additional information for concealed handgun permit applications unless specifically authorized by statute.
- Require arresting law enforcement agencies to fingerprint persons charged with certain misdemeanors and forward those fingerprints to NICS
- Direct AOC to use Court Technology Funds to comply with the NICS reporting requirements.

Section 12 would expand statewide uniformity of firearm regulation to specifically prohibit local governments from adopting any regulation relating to taxation, manufacture, or transportation of firearms. This section would also allow a person to bring an action for declaratory and injunctive relief against a local government that violates the section by adopting a regulation in violation of the law.

Section 13 would require certain State officials authorized by federal law to complete certifications required by federal law for transfer of certain weapons to complete those certifications within 15 days of request.

Section 14 would require a sheriff to make the request for any records concerning the mental health of an applicant for a concealed handgun permit within 15 days of receipt of the permit application and prohibit denial of the permit unless the applicant is determined to be ineligible pursuant to statute.

Section 15 would amend G.S. 14-415.23, which limits local government regulation of carrying concealed handguns to allow a person to bring an action for declaratory and injunctive relief against the local government for violation of the statute.

Section 16 would require any written questionnaire or other written form a health care provider asks a patient to complete that contains any question regarding the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition to clearly and conspicuously contain or have attached to it a notice that the patient is not required to answer those questions.

Section 17 would authorize a permanent resident of the United States to obtain a North Carolina concealed handgun permit.

EFFECTIVE DATE: Subsections (a), (b), and (c) of Section 1, and Sections 2, 3, 8, and 9 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective July 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to permit applications submitted on or after that date. Subsections (a) and (b) of Section 10 of this act become effective October 1, 2021, and apply to offenses committed on or after that date. Subsections (c) and (d) of Section 10 become effective December 1, 2015, and apply to offenses committed on or after that date. Sections 12 and 15 of this act become effective December 1, 2015, and apply to violations occurring on or after that date. Section 13 of this act becomes effective July 1, 2015. Section 14 becomes effective October 1, 2015, and applies to applications submitted on or after that date. Section 16 of this act becomes effective October 1, 2015. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 562
Committee Substitute Favorable 4/28/15
Committee Substitute #2 Favorable 4/30/15
PROPOSED COMMITTEE SUBSTITUTE H562-CSSA-66 [v.4]
6/2/2015 5:44:09 PM

Short Title: Amend Firearm Laws. (Public)

Sponsors:

Referred to:

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS FIREARM LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

...

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or ~~investigator;~~investigator. Notwithstanding the provisions of this subsection, a district attorney may carry a concealed weapon while in a courtroom;

...

(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body;

(9) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled

substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-269.4 reads as rewritten:

"**§ 14-269.4. Weapons on certain State property and in courthouses.**

It shall be unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes in the State Capitol Building, the Executive Mansion, the Western Residence of the Governor, or on the grounds of any of these buildings, and in any building housing any court of the General Court of Justice. If a court is housed in a building containing nonpublic uses in addition to the court, then this prohibition shall apply only to that portion of the building used for court purposes while the building is being used for court purposes.

This section shall not apply to any of the following:

...

(7) Any person who carries or possesses an ordinary pocket knife, as defined in G.S. 14-269(d), carried in a closed position into the State Capitol Building or on the grounds of the State Capitol Building.

Any person violating the provisions of this section shall be guilty of a Class 1 misdemeanor."

SECTION 1.(c) G.S. 14-415.27 reads as rewritten:

"**§ 14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.
(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 1.(d) G.S. 120-32.1 is amended by adding a new subsection to read:

"(c2) No rule adopted under this section shall prohibit a legislator or legislative employee who has a concealed handgun permit issued in accordance with Article 54B of Chapter 14 of the General Statutes, or considered valid under G.S. 14-415.24, from carrying a concealed handgun on the premises of the State legislative buildings and grounds. A legislator or legislative employee shall provide notice to the Chief of the General Assembly Special Police, or the Chief's designee, before carrying the handgun on the premises of the State legislative buildings and grounds; however, once initial notice is provided as required by this subsection no subsequent notification shall be required. The Chief of the General Assembly Special Police may establish a procedure for such notification."

SECTION 1.(e) G.S. 14-415.11(c)(3) reads as rewritten:

"(c) Except as provided in G.S. 14-415.27, a permit does not authorize a person to carry a concealed handgun in any of the following:

...

(3) In an area prohibited by rule adopted under ~~G.S. 120-32.1.~~G.S. 120-32.1, except that a legislator or legislative employee who has a concealed handgun

permit issued in accordance with Article 54B of Chapter 14 of the General Statutes, or considered valid under G.S. 14-415.24, may carry a concealed handgun on the premises of the State legislative buildings and grounds as defined in G.S. 120-32.1(d); provided he or she complies with any notice required by G.S. 120-32.1(c2)."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, if any of the following conditions are met:

(1) ~~who~~ The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.

(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.

(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:

a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.

b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4.(a) Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).

(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 4.(b) The Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, shall study the best method to allow persons with concealed handgun permits to carry a concealed handgun on their person from a parking lot to the entrance of the State Fairgrounds, and a secure method of

storage for and retrieval of those handguns at or near the entrance. The Department of Agriculture shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2016, with recommendations, including any necessary legislation.

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"**§ 14-409.46. Sport shooting range protection.**

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"**§ 14-409.47. Application of Article.**

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.
b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.
c. An offense for which the offender was armed with or used a firearm or other deadly weapon.
d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) ~~Is~~ Except as provided in subdivision (8a), (8b), or (8c) of this section, or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General Statutes, or a violation of a misdemeanor under G.S. ~~14-225.2,~~ 14-226.1, 14-258.1, 14-269.2, 14-269.3, 14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, ~~14-277.3A, 14-281.1, 14-283,~~14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A,~~ 14-318.2, 14-415.21(b), 14-415.26(d), or former ~~G.S. 14-277.3.~~G.S. 14-277.3 within three years prior to the date on which the application is submitted.

(8a) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more misdemeanor violations of G.S. 14-277.3A or former 14-277.3 within five years prior to the date on which the application is submitted.

(8b) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(8c) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes involving an assault or a threat to assault a law enforcement officer, probation or parole officer, person employed at a State or local detention facility, firefighter, emergency medical technician, medical responder, or emergency department personnel.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.

(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm or short-barreled rifle that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 9. G.S. 14-415.21 reads as rewritten:

"**§ 14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. Any person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of subdivision (c)(8) of G.S. 14-415.11 shall be guilty of an infraction and may be required to pay a fine of up to five hundred dollars ($500.00). In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(a) The following statutes are repealed: G.S. 14-402, 14-403, 14-404, 14-405, and 14-407.1.

SECTION 10.(b) G.S. 14-315(b1) reads as rewritten:

"(b1) Defense. – It shall be a defense to a violation of this section if all of the following conditions are met:

~~(1) The person shows that the minor produced an apparently valid permit to receive the weapon, if such a permit would be required under G.S. 14-402 for transfer of the weapon to an adult.~~

(2) The person reasonably believed that the minor was not a minor.

(3) The person either:

a. Shows that the minor produced a drivers license, a special identification card issued under G.S. 20-37.7, a military identification card, or a passport, showing the minor's age to be at least the required age for purchase and bearing a physical description of the person named on the card reasonably describing the minor; or

b. Produces evidence of other facts that reasonably indicated at the time of sale that the minor was at least the required age."

SECTION 10.(c) G.S. 14-402(a) reads as rewritten:

"(a) It is unlawful for any person, firm, or corporation in this State to sell, give away, or transfer, or to purchase or receive, at any place within this State from any other place within or without the State any pistol unless: (i) a license or permit is first obtained under this Article by the purchaser or receiver from the sheriff of the county in which the purchaser or receiver ~~resides; or~~resides, (ii) a valid North Carolina concealed handgun permit is held under Article 54B of this Chapter by the purchaser or receiver who must be a resident of the State at the time of the ~~purchase.~~purchase, or (iii) the person purchasing or receiving the pistol does so from a dealer licensed pursuant to 18 USC 922 and the dealer performs a background check via the National Instant Criminal Background Check System (NICS) at the time the pistol is purchased or received.

It is unlawful for any person or persons to receive from any postmaster, postal clerk, employee in the parcel post department, rural mail carrier, express agent or employee, railroad agent or employee within the State of North Carolina any pistol without having in his or their possession and without exhibiting at the time of the delivery of the same and to the person delivering the same the permit from the sheriff as provided in G.S. 14-403. Any person violating the provisions of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(d) G.S. 14-404 reads as rewritten:

"**§ 14-404. Issuance or refusal of permit; appeal from refusal; grounds for refusal; sheriff's fee.**

(a) Upon application, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

(1) Verified, before the issuance of a permit, by a criminal history background investigation that it is not a violation of State or federal law for the applicant to purchase, transfer, receive, or possess a handgun. The sheriff shall determine the criminal and background history of any applicant by accessing computerized criminal history records as maintained by the State Bureau of Investigation and the Federal Bureau of Investigation, by conducting a national criminal history records check, by conducting a check through the National Instant Criminal Background Check System (NICS), and by conducting a criminal history check through the Administrative Office of the Courts.

(2) Fully satisfied himself or herself by affidavits, oral evidence, or otherwise, as to the good moral character of the applicant. For purposes of determining an applicant's good moral character to receive a permit, the sheriff shall only consider an applicant's conduct and criminal history for the five year period immediately preceding the date of the application.

(3) Fully satisfied himself or herself that the applicant desires the possession of the weapon mentioned for (i) the protection of the home, business, person, family or property, (ii) target shooting, (iii) collecting, or (iv) hunting.

(b) If the sheriff is not fully satisfied, the sheriff may, for good cause shown, decline to issue the permit and shall provide to the applicant within seven days of the refusal a written statement of the reason(s) for the refusal. The statement shall cite the specific facts upon which

the sheriff concluded that the applicant was not qualified for the issuance of a permit and list, by statute number, the applicable law upon which the denial is based. An appeal from the refusal shall lie by way of petition to the ~~chief judge of the district court for~~superior court in the district in which the application was filed. The determination by the court, on appeal, shall be upon the facts, the law, and the reasonableness of the sheriff's ~~refusal, and shall be final.~~refusal. A decision by the superior court upholding the sheriff's refusal shall be appealable to the Court of Appeals.

...

(e) The sheriff shall charge for the sheriff's services upon receipt of an application a fee of five dollars ($5.00) for each permit requested. There shall be no limit as to the number or frequency of permit applications and no other costs or fees other than provided in this subsection shall be charged for the permit, including, but not limited to, any costs for investigation, processing, or medical background checks by the sheriff or others providing records to the sheriff.

(e1) The application for a permit shall be on a form created by the Department of Public Safety in consultation with the North Carolina Sheriffs' Association. This application shall be used by all sheriffs and must be provided by the sheriff both electronically and in paper form. Only the following shall be required to be submitted by an applicant for a permit:

(1) The permit application developed pursuant to this subsection.

(2) Five dollars for each permit requested pursuant to subsection (e) of this section.

(3) A government issued identification confirming the identity of the applicant.

(4) Proof of residency.

(5) A signed release, in a form to be prescribed by the Administrative Office of the Court, that authorizes and requires disclosure to the sheriff of any court orders concerning the mental health or capacity of the applicant to be used for the sole purpose of determining whether the applicant is disqualified to receive a permit pursuant to this section.

No additional document or evidence shall be required from any applicant.

...

(i) A person or entity shall promptly disclose to the sheriff, upon presentation by the applicant or sheriff of an original or photocopied release form described in subdivision (5) of subsection (e1) of this section, any court orders concerning the mental health or capacity of the applicant who signed the release form."

SECTION 11.(a) G.S. 122C-54(d1) is repealed.

SECTION 11.(b) G.S. 122C-54.1 is recodified as G.S. 14-409.42.

SECTION 11.(c) G.S. 14-404(c1) is repealed.

SECTION 11.(d) Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.43. Reporting of certain disqualifiers to the National Instant Criminal Background Check System (NICS).**

(a) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of any of the following judicial determinations or findings, the clerk of superior court in the county where the determination or finding was made shall work through the Administrative Office of the Courts to cause a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS):

(1) A determination that an individual shall be involuntarily committed to a facility for inpatient mental health treatment upon a finding that the individual is mentally ill and a danger to self or others.

(2) A determination that an individual shall be involuntarily committed to a facility for outpatient mental health treatment upon a finding that the

individual is mentally ill and, based on the individual's treatment history, in need of treatment in order to prevent further disability or deterioration that would predictably result in a danger to self or others.

(3) A determination that an individual shall be involuntarily committed to a facility for substance abuse treatment upon a finding that the individual is a substance abuser and a danger to self or others.

(4) A finding that an individual is not guilty by reason of insanity.

(5) A finding that an individual is mentally incompetent to proceed to criminal trial.

(6) A finding that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease.

(7) A determination to grant a petition to an individual for the removal of disabilities pursuant to G.S. 14-409.42 or any applicable federal law.

The 48-hour period for transmitting a record of a judicial determination or finding to the NICS under subsection (a) of this section begins upon receipt by the clerk of a copy of the judicial determination or finding. The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS in a uniform manner.

(b) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of the issuance of a felony warrant, indictment, criminal summons, or order for arrest, the Administrative Office of the Courts shall transmit any unserved felony warrants, indictments, criminal summons, or order for arrests to the NCIC (or National Instant Criminal Background Check System (NICS)).

(c) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after service by the sheriff of an order issued by a judge pursuant to Chapter 50B of the General Statutes and pursuant to G.S. 50B-3(d) the sheriff shall cause a record of the order to be transmitted to the National Instant Criminal Information System."

SECTION 11.(e) G.S. 122C-54(d2) reads as rewritten:

"(d2) The record of involuntary commitment for inpatient or outpatient mental health treatment or for substance abuse treatment required ~~by subsection (d1) of this section~~ to be reported to the National Instant Criminal Background Check System (NICS) by G.S. 14-409.43 shall be accessible only by ~~an entity having proper access to NICS~~ the sheriff or the sheriff's designee for the purposes of conducting background checks under G.S. 14-404 and shall remain otherwise confidential as provided by this Article. ~~The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS as required by subsection (d1) of this section in a uniform manner.~~"

SECTION 11.(f) G.S. 14-404(a) reads as rewritten:

"(a) Upon application, and such application must be provided by the sheriff electronically, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

…."

SECTION 11.(g) G.S. 14-415.13(a) reads as rewritten:

"(a) A person shall apply to the sheriff of the county in which the person resides to obtain a concealed handgun permit. The applicant shall submit to the sheriff all of the following:

(1) An application, completed under oath, on a form provided by the ~~sheriff.~~sheriff, and such application form must be provided by the sheriff electronically. The sheriff shall not request employment information, character affidavits, additional background checks, photographs, or other information unless specifically permitted by this Article.

...."

SECTION 11.(h) G.S. 15A-502 reads as rewritten:

"**§ 15A-502. Photographs and fingerprints.**

(a) A person charged with the commission of a felony or a misdemeanor may be photographed and his fingerprints may be taken for law-enforcement records only when he has been:

(1) Arrested or committed to a detention facility, or

(2) Committed to imprisonment upon conviction of a crime, or

(3) Convicted of a felony.

(a1) It shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of a felony to be fingerprinted and to forward those fingerprints to the State Bureau of Investigation.

(a2) It shall be the duty of the arresting law enforcement agency to cause a person charged with the commission of any of the following misdemeanors to be fingerprinted, for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS), and to forward those fingerprints to the State Bureau of Investigation:

(1) G.S. 14-134.3 (Domestic criminal trespass), G.S. 15A-1382.1 (Offense that involved domestic violence), or G.S. 50B-4.1 (Violation of a valid protective order).

(2) G.S. 20-138.1 (Impaired driving), G.S. 20-138.2 (Impaired driving in commercial vehicle), G.S. 20-138.2A (Operating a commercial vehicle after consuming alcohol), and G.S. 20-138.2B (Operating various school, child care, EMS, firefighting, or law enforcement vehicles after consuming alcohol).

(3) G.S. 90-95(d) (Possession of a controlled substance).

(a3) It shall be the duty of the arresting law enforcement agency to cause a person charged with a crime to provide to the magistrate as much of the following information as possible for the person arrested:

(1) Name including first, last, middle, maiden, and nickname or alias.

(2) Address including street, city, and state.

(3) Drivers license number and state of issuance.

(4) Date of birth.

(5) Sex.

(6) Race.

(7) Social Security number.

(8) Relationship to the alleged victim and whether it is a "personal relationship" as defined by G.S. 50B-1(b).

(a4) It shall be the duty of the arresting law enforcement agency to cause a person who has been charged with a misdemeanor offense of assault, stalking, or communicating a threat and held under G.S. 15A-534.1 to be fingerprinted for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS) and to forward those fingerprints to the State Bureau of Investigation.

(a5) It shall be the duty of the magistrate to enter into the court information system all information provided by the arresting law enforcement agency on the person arrested.

~~(a2)~~(a6) If the person cannot be identified by a valid form of identification, it shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of:

(1) Any offense involving impaired driving, as defined in G.S. 20-4.01(24a), or

(2) Driving while license revoked if the revocation is for an Impaired Driving License Revocation as defined in G.S. 20-28.2

to be fingerprinted and photographed.

(b) This section does not authorize the taking of photographs or fingerprints when the offense charged is a Class 2 or 3 misdemeanor under Chapter 20 of the General Statutes, "Motor Vehicles." Notwithstanding the prohibition in this subsection, a photograph may be taken of a person who operates a motor vehicle on a street or highway if:

(1) The person is cited by a law enforcement officer for a motor vehicle moving violation, and

(2) The person does not produce a valid drivers license upon the request of a law enforcement officer, and

(3) The law enforcement officer has a reasonable suspicion concerning the true identity of the person.

As used in this subsection, the phrase "motor vehicle moving violation" does not include the offenses listed in the third paragraph of G.S. 20-16(c) for which no points are assessed, nor does it include equipment violations specified in Part 9 of Article 3 of Chapter 20 of the General Statutes.

(b1) Any photograph authorized by subsection (b) of this section and taken by a law enforcement officer or agency:

(1) Shall only be taken of the operator of the motor vehicle, and only from the neck up.

(2) Shall be taken at either the location where the citation is issued, or at the jail if an arrest is made.

(3) Shall be retained by the law enforcement officer or agency until the final disposition of the case.

(4) Shall not be used for any purpose other than to confirm the identity of the alleged offender.

(5) Shall be destroyed by the law enforcement officer or agency upon a final disposition of the charge.

(c) This section does not authorize the taking of photographs or fingerprints of a juvenile alleged to be delinquent except under Article 21 of Chapter 7B of the General Statutes.

(d) This section does not prevent the taking of photographs, moving pictures, video or sound recordings, fingerprints, or the like to show a condition of intoxication or for other evidentiary use.

(e) Fingerprints or photographs taken pursuant to subsection (a), (a1), or (a2) of this section may be forwarded to the State Bureau of Investigation, the Federal Bureau of Investigation, or other law-enforcement agencies."

SECTION 11.(i) The Administrative Office of the Courts shall use the sum of up to twenty thousand dollars ($20,000) available to it for the 2014-2015 fiscal year from the Court Information Technology Fund to comply with subsection (d) of this section and to provide all of the following historical records to the National Instant Criminal Background Check System (NICS) by May 31, 2019:

(1) Involuntary commitments for inpatient and outpatient mental health and substance abuse treatment from all counties.

(2) Findings of not guilty by reason of insanity or mentally incompetent to stand trial from all counties.

(3) Findings that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease from all counties.

(4) Convictions for misdemeanor possession of controlled substances under G.S. 90-95(d) from all counties from January 1, 2009.

(5) Convictions for all misdemeanors as identified in G.S. 14-134.3, 15A-1382.1, or 50B-4.1 from all counties.

(6) Convictions for all misdemeanors as identified in G.S. 20-138.1, 20-138.2, 20-138.2A, and 20-138.2B or convicted and sentenced under G.S. 20-179(f3) for more than two years from all counties.

(7) Active and unserved felony warrants, indictments, criminal summons, and orders for arrest from all counties.

No later than January 1, 2018, the Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Information Technology on the progress made towards providing the information required by subsection (d) of this section and providing the historical records to NICS.

SECTION 11.(j) G.S. 14-404(g) reads as rewritten:

"(g) An applicant shall not be ineligible to receive a permit under subdivision (c)(4) of this section because of involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(k) G.S. 14-415.3(c) reads as rewritten:

"(c) The provisions of this section shall not apply to a person whose rights have been restored pursuant to ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(l) G.S. 14-415.12(c) reads as rewritten:

"(c) An applicant shall not be ineligible to receive a concealed carry permit under subdivision (6) of subsection (b) of this section because of an adjudication of mental incapacity or illness or an involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(m) G.S. 122C-54.1(a), recodified as G.S. 14-409.42(a) by subsection (b) of this section, reads as rewritten:

"(a) Any individual over the age of 18 may petition for the removal of the disabilities pursuant to 18 U.S.C. § 922(d)(4) and (g)(4), G.S. 14-415.3, and G.S. 14-415.12 arising out of a determination or finding required to be transmitted to the National Instant Criminal Background Check System by subdivisions (1) through (6) ~~of subsection (d1) of G.S. 122C-54.~~ of subsection (a) of G.S. 14-409.43. The individual may file the petition with a district court judge upon the expiration of any current inpatient or outpatient commitment."

SECTION 11.(n) G.S. 15A-534(a) reads as rewritten:

"(a) In determining conditions of pretrial release a judicial official must impose at least one of the following conditions:

(1) Release the defendant on his written promise to appear.

(2) Release the defendant upon his execution of an unsecured appearance bond in an amount specified by the judicial official.

(3) Place the defendant in the custody of a designated person or organization agreeing to supervise him.

(4) Require the execution of an appearance bond in a specified amount secured by a cash deposit of the full amount of the bond, by a mortgage pursuant to G.S. 58-74-5, or by at least one solvent surety.

(5) House arrest with electronic monitoring.

If condition (5) is imposed, the defendant must execute a secured appearance bond under subdivision (4) of this subsection. If condition (3) is imposed, however, the defendant may elect to execute an appearance bond under subdivision (4). If the defendant is required to provide fingerprints pursuant to ~~G.S. 15A-502(a1) or (a2),~~G.S. 15A-502(a1), (a2), (a4), or (a6), or a DNA sample pursuant to G.S. 15A-266.3A or G.S. 15A-266.4, and (i) the fingerprints or DNA sample have not yet been taken or (ii) the defendant has refused to provide the fingerprints or DNA sample, the judicial official shall make the collection of the fingerprints or DNA sample a condition of pretrial release. The judicial official may also place restrictions on the travel, associations, conduct, or place of abode of the defendant as conditions of pretrial

release. The judicial official may include as a condition of pretrial release that the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney."

SECTION 11.(o) Subsections (f) and (g) of this section become effective October 1, 2015, and apply to applications submitted on or after that date. Subsections (h) and (n) of this section become effective on October 1, 2015. Subsections (a), (d), and (m) of this section become effective on January 1, 2016. The remaining subsections of this section are effective when they become law.

SECTION 12. G.S. 14-409.40 reads as rewritten:

"**§ 14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, *taxation, manufacture, transportation,* or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 13. Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.41. Chief law enforcement officer certification; certain firearms.**

(a) Definitions. – The following definitions apply in this section:

(1) Certification. – The participation and assent of the chief law enforcement officer necessary under federal law for the approval of the application to transfer or make a firearm.

(2) Chief law enforcement officer. – Any official the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives, or any successor agency, has identified by regulation or otherwise as eligible to provide any required certification for the transfer or making of a firearm.

(3) Firearm. – Any firearm that meets the definition of firearm in 26 U.S.C. § 5845.

(b) When a chief law enforcement officer's certification is required by federal law or regulation for the transfer or making of a firearm, the chief law enforcement officer shall, within 15 days of receipt of a request for certification, provide the certification if the applicant is not prohibited by State or federal law from receiving or possessing the firearm and is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm. If the chief law enforcement officer is unable to make a certification as required by this section, the chief law enforcement officer shall provide the applicant with a written notification of the denial and the reason for the denial.

Nothing in this section shall require a chief law enforcement officer to make a certification the chief law enforcement officer knows to be untrue, but the chief law enforcement officer may not refuse to provide certification based on a generalized objection to private persons or entities making, possessing, or receiving firearms or any certain type of firearm the possession of which is not prohibited by law.

(c) An applicant whose request for certification is denied may appeal the decision of the chief law enforcement officer to the district court of the district in which the request for certification was made. The court shall make a de novo review of the chief law enforcement officer's decision to deny the certification. If the court finds that the applicant is not prohibited by State or federal law from receiving or possessing the firearm, is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm, and that no substantial evidence supports the chief law enforcement officer's determination that the chief law enforcement officer cannot truthfully

make the certification, the court shall order the chief law enforcement officer to issue the certification and award court costs and reasonable attorneys' fees to the applicant.

(d) Chief law enforcement officers and their employees who act in good faith are immune from liability arising from any act or omission in making a certification as required by this section."

SECTION 14. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff shall make the request for any records concerning the mental health or capacity of the applicant within 15 days of receipt of the items listed in G.S. 14-415.13. A permit shall not be denied unless the applicant is determined to be ineligible pursuant to G.S. 14-415.12.

The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks."

SECTION 15. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 16. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 1L.

"Preserving Firearms Privacy for Patients.

"**§ 90-21.75. Intent.**

It is the intent of the General Assembly to ensure that (i) every patient may obtain health care free from discrimination based on knowledge of, or unwarranted inquiry into, constitutionally protected conduct involving firearms and ammunition and (ii) health care providers may still obtain information about patient activities with respect to firearms and ammunition when directly relevant to the patient's own health care.

"**§ 90-21.76. Definitions.**

The following definitions apply in this section:

(1) Health care provider. – Without limitation, any person who, pursuant to the provisions of Chapter 90 of the General Statutes, is licensed or is otherwise registered or certified to engage in the practice of or otherwise performs duties associated with any of the following: medicine, surgery, dentistry, pharmacy, optometry, midwifery, osteopathy, podiatry, chiropractic, radiology, nursing, physiotherapy, pathology, anesthesiology, anesthesia, laboratory analysis, rendering assistance to a physician, dental hygiene, psychiatry, psychology, or a hospital.

(2) Patient. – Means a person under the care of or who seeks professional services from a health care provider.

"**§ 90-21.77. Notice required with questionnaires about firearms and ammunition.**

Any written questionnaire or other written form a health care provider asks a patient or the patient's parent, guardian, or custodian to complete that contains any question regarding the patient's lawful ownership, possession, handling, storage, maintenance of, or other conduct involving firearms and ammunition shall clearly and conspicuously contain or have attached to it a notice that the patient is not required to answer any question related to those matters. The notice shall be located or provided in a manner that is clearly visible to the patient prior to

completion of any questionnaire or other written form containing a question about firearms and ammunition as provided in this section."

SECTION 17. G.S. 14-415.12(a) reads as rewritten:

"(a) The sheriff shall issue a permit to an applicant if the applicant qualifies under the following criteria:

(1) The applicant is a citizen of the United States or has been lawfully admitted for permanent residence as defined in 8 USC 1101(a)(20), and has been a resident of the State 30 days or longer immediately preceding the filing of the application.

(2) The applicant is 21 years of age or older.

(3) The applicant does not suffer from a physical or mental infirmity that prevents the safe handling of a handgun.

(4) The applicant has successfully completed an approved firearms safety and training course which involves the actual firing of handguns and instruction in the laws of this State governing the carrying of a concealed handgun and the use of deadly force. The North Carolina Criminal Justice Education and Training Standards Commission shall prepare and publish general guidelines for courses and qualifications of instructors which would satisfy the requirements of this subdivision. An approved course shall be any course which satisfies the requirements of this subdivision and is certified or sponsored by:

a. The North Carolina Criminal Justice Education and Training Standards Commission,

b. The National Rifle Association, or

c. A law enforcement agency, college, private or public institution or organization, or firearms training school, taught by instructors certified by the North Carolina Criminal Justice Education and Training Standards Commission or the National Rifle Association.

Every instructor of an approved course shall file a copy of the firearms course description, outline, and proof of certification annually, or upon modification of the course if more frequently, with the North Carolina Criminal Justice Education and Training Standards Commission.

(5) The applicant is not disqualified under subsection (b) of this section."

SECTION 18. Subsections (a), (b), and (c) of Section 1, and Sections 2, 3, 8, and 9 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective July 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to permit applications submitted on or after that date. Subsections (a) and (b) of Section 10 of this act become effective October 1, 2021, and apply to offenses committed on or after that date. Subsections (c) and (d) of Section 10 become effective December 1, 2015, and apply to offenses committed on or after that date. Sections 12 and 15 of this act become effective December 1, 2015, and apply to violations occurring on or after that date. Section 13 of this act becomes effective July 1, 2015. Section 14 becomes effective October 1, 2015, and applies to applications submitted on or after that date. Section 16 of this act becomes effective October 1, 2015. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 562 DATE 6/3/15

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE ✓

(Rep.) Stam
Sen.)

moves to amend the bill on page 8, lines 5-7

( ) WHICH CHANGES THE TITLE

by rewriting the lines to read:

"be upon the facts, the law, and the reasonableness of the sheriff's refusal, and shall be final."

SIGNED Stam

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 562 DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Burr
)
Sen.)

moves to amend the bill on page 16, line 41

( ) WHICH CHANGES THE TITLE

by rewriting the line to read:

"Subsection (c) of Section 10 becomes effective October 1, 2018, and applies to offenses committed on or after that date. Subsection (d) of Section 10 becomes effective December 1, 2015, and applies to"

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

ROLL CALL VOTE

14 YES 13 NO = _____(TOTAL)

HB# 562
SB# _____

HOUSE STANDING COMMITTEE ON **Rules, Calendar & Operations of the House**

House Subcommittee on _____

YES	NO	MEMBER (last name)
	✓	Rep. Lewis
	✓	Rep. Daughtry
✓		Rep. Davis
✓		Rep. Stam
✓		Rep. Torbett
✓		Rep. Bell
✓		Rep. Blust
✓		Rep. Boles
✓		Rep. Bumgardner
	✓	Rep. Burr
	✓	Rep. Carney
	✓	Rep. Cotham
	✓	Rep. Floyd
	✓	Rep. Farley
	✓	Rep. Goodman
	✓	Rep. L. Hall
✓		Rep. Hanes
✓		Rep. Hastings
✓		Rep. Jackson
	✓	Rep. L. Johnson
✓		Rep. Reives
✓		Rep. Robinson
✓		Rep. Saine
	✓	Rep. Schaffer

YES	NO	MEMBER (last name)
	✓	Rep. Szoka
	✓	Rep. Tine
		Rep. Wray

14 -13

Testimony
House Rules Committee
HB 562
(Amend Firearms Laws)

My name is Dr. Art Kamm and I reside in Apex, NC.

One thing that we know for certain, that is indisputable, is that the concealed carry population itself increases the risk of serious bodily injury and death to the general public. Although the risk has been clearly documented, we do not understand the extent of the risk because we have been obstructed from studying it. As such, it becomes impossible to determine an off setting benefit.

My work on the intersection of human rights, race and gun violence took me to both the US Department of State and the United Nations in Geneva, Switzerland last summer as a report author on African-American Gun Violence Victimization. I participated in a review of our country's obligations under a treaty ratified by the US Senate. Not one, but two committees consisting of legal and academic scholars ruled that the loss of life by gunfire in our country, including its disproportionate effects in women, children, racial/ethnic minorities, as well as the proliferation of SYG laws (intimately linked to concealed carry) represents a failure of our government in one of its most fundamental duties – to protect the life of its citizens.

Life is a fundamental right; it is a foundational right in our country; it is embedded in our Declaration of Independence as being an unalienable right (unable to be denied or taken away) – we fought a war of independence to secure that right. To use an element of our Bill of Rights to justify the willful and intentional loss of life in thousands of our citizens each year through a product intended to end life, makes a mockery of our constitution.

As a private citizen, I am asking that you effectively exercise your duty to protect life by tabling this piece of legislation. With concealed carry not being a constitutionally protected right, and until we can ascertain the extent of the risk, the decision to lower permit requirements and to publicly expand CCW resides solely with your decision.

Testimony of Kim Yaman June 3
Before the House Rules Committee on HB 562, ~~May 13~~, 2015

Thank you, Chairman Lewis and members of the House Rules Committee. My name is Kim Yaman, and I live in Cary, North Carolina. I am here to testify today in opposition to HB 562, which would, among other things, repeal our history of strong state background checks on handgun sales.

I am here to tell you firsthand the impact that gun violence has on a family and on a community. And I am determined to prevent other families from feeling the enormous fear and pain my family and my community felt on November 1st, 1991, and for the years that followed.

I was an adult student at the University of Iowa and was on campus with my daughters, who were 10 and 4 at the time, when an angry student passed over for a dissertation award entered Van Allen Hall, where we were practicing a Turkish folk dance in a conference room. He went into a neighboring conference room with a gun and shot the professors he believed wronged him, along with the student who received the award to which he thought he was entitled. He went down the hall and up the stairs and shot the chair of the Physics and Astronomy Department. He shot a vice chancellor who'd heard his appeal about that award. By the time he turned the gun on himself a mere few minutes later, he had killed nearly half the faculty of the Physics and Astronomy Department at the University of Iowa. My friend Miya Rodolfo-Sioson, a work-study student who just happened to be the receptionist for the vice chancellor that day, was the lone survivor. A bullet lodged in her spine at the back of her neck was a horrifying daily reminder of what happened that November 1st. It rendering Miya a quadriplegic until her death in 2008.

Every time there is another public shooting, I am thrown immediately back into that small conference room in Van Allen Hall, where a man with a gun stalked the hallways hunting human beings while I held my children's faces to the carpet and hoped we could be quiet enough for him to keep walking past our room. Every time there is a shooting, I can smell the odor of that carpet and then the smell of blood. I remember the distinctive shots of his gun and the indescribable sounds of human suffering. I remember the hours-long terror of my children and later their shock and grief and trauma. I remember holding friends in my arms while

they grieved the murders of their spouses. I remember the endless days and weeks and months when Miya pleaded with us, her friends, to just please let her die.

On November 1, 1991, along with many friends and members of my community, my daughters and I became witnesses to a gruesome statistic that continues to grow in numbers and frequency in our country. Gun-violence survivors are now an identifiable demographic, with literally tens of thousands added to our ranks every year. In fact, every day 88 Americans are killed by gun violence, and hundreds more injured.

But we are not just a statistic. I am here to show you that gun violence has a human face. I am beyond grateful every day that neither my daughters nor I were shot on that horrific November day. But that doesn't mean we weren't harmed.

Here in North Carolina, we have long-standing, common-sense laws in place to prevent gun violence. Our laws do not infringe on the rights of law-abiding gun owners.

By requiring a background check through our state's Pistol Purchase Permit system for all handgun purchases, we have already taken the single most important step to reducing gun violence. For decades, our state has required handgun buyers to obtain a permit, and in doing so are significantly reducing the number of guns in the hands of people who would do harm -- felons, domestic abusers, the dangerously mentally ill. Why in the world would we want to repeal that act of prevention?

We know that in states that have repealed their background check requirement, gun violence has increased. After Missouri repealed its background checks law in 2007, there was a 25% spike in the state's homicide rate, which is now the fifth highest in the country. That is not what we want for North Carolina. That is not what we want for our children, our grandchildren, our friends, our neighbors. In fact, 87% of likely voters in our state support background checks on all gun sales.

Throughout my citizen lobbying on gun safety laws over the past two years, I have attended countless committee meetings, delegation hearings, and chamber votes. I've been to every committee meeting held

to discuss HB562. But do you know what? I have yet to hear any supporter of H562 make one single mention of the North Carolinians who have been killed or injured by gun violence. I have yet to hear any discussion about the toll it takes on the lives of gun-violence survivors and the many, many families and friends of those who are killed or injured.

I have yet to find any proof of compassion or the merest regard for human lives in H562 and similar bills.

There is no single law that will eliminate every act of gun violence. But there are proven, common-sense measures we can take to protect our families and make our communities safer. HB 562 flies in the face of common sense. I respectfully ask for a no vote and a public hearing. You represent us, the people of North Carolina, and we deserve to have our voices heard and our lives considered.

I want to thank Representative Larry Hall and other members of this committee who are standing up for the safety of all North Carolinians. Thank you for your votes to make life in North Carolina safer, better, more just, and more free from trauma. Thank you for believing our lives matter.

Thank you. I would be happy to answer any questions.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE COM SUB NO. 3, UNFAVORABLE COM SUB NO. 2

HB **562** **(CS#2)** Second Amendment Affirmation Act.

Draft Number:	H562-PCS40467-SA-66
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Schaffer

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 06 /23 /2015 Room: 1228

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Joe Austin
3. Name: Martha Gadison
4. Name: ~~David Leighton~~
5. Name: David Linthicum

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

Donald Leibbrandt

Tuesday, June 2	**Room**	**Time**
HOUSE RULES & OPERATIONS OF THE HOUSE	1228/1327	9:00 am

Name	County	Sponsor
Matthew Bonacci	Craven	Michael Speciale
Austin DuBois	Cumberland	Speaker Moore
Brandon DuBois	Cumberland	John Szoka
Brooke Capps	Wake	Darren G. Jackson
Mia Perry	Wake	Paul Stam

VISITOR REGISTRATION SHEET

Rules — 63 /2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	[illegible]
Courtney Lakamy	Ph Cloud & Assoc
DAVID JOYNER	EVERYTOWN FOR GUN SAFETY
[illegible]	[illegible]
Becky Carr	NC&V
Leona Whichard	Chapel Hill LWV
Adam Prudmore	NCAJ&A
Bruce Mildwurf	NCSBA
[illegible]	WRAL-TV
Terrence Evans	WNCN
Tom West	NCICU
Kim Yarman	Cary NC
AIT Alamn	Apex, NC

VISITOR REGISTRATION SHEET

Rules — 6/3/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sue Ann Forrest	NCICU
Virginia Conlon	RALEIGH NC
Annaliese Dolph	DL
Ryan J. Minto	Gov's Office
Joy Hyche	NCDA
Laura DeVivo	WCSR
Molly Shannon.	Moms Demand Action
Brian Mensel	WM
Joanna Spruill	NCAFP
Elizabeth Fox	Moms Demand Action/NC citizen
Jamie Sohn	Moms Demand action

VISITOR REGISTRATION SHEET

Rules — 6/3/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Isabel Villar-Garcia	NCAR
Meredith Prelsh	Lowe's
Lexi Morgan	NCRMA
Zach Hancock	Citizen
Greg Stahl	GCS
[illegible]	NCRPA
ANTHONY ROULETTE	NRA
Evan Vue	Duke Energy
PRESTON HOWARD	NCMA
Kathy Hawkins	Duke Energy
[illegible]	Rhino Times
[illegible]	NCMS
David Farrell	CB

TJ Bugbee	NP
Jackson Jarrell	CCJ
Jonathan Kotch	NCGV
Brianne Coill	[illegible]
Skye [illegible]	KLG
[illegible]	KLG
Jonathan Kappler	UNCGA
Elizabeth Hudgins	NEPA

VISITOR REGISTRATION SHEET

Rules — 6/3/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dawn Burtt	Raleigh, NC
Wesley McMahan	Chapel Hill, NC
Trent Womble	DHHS
Kara Weishaar	SA
Andy Walsh	SA
Amy McConkey	NC Beverage
Tim Kent	NC Beer & Wine
	MWC
Jason Kellam	Nelson Mullins
Evan Miller	Nelson Mullins
Natalie Hobson	NCHFA
Doug Miskiman	PSG

VISITOR REGISTRATION SHEET

Rules — 6-3 — 1 /2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Angel Sams	WCSR

VISITOR REGISTRATION SHEET

Speakers — 6/3/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Pete Crow	
DR. ART KAMM	Apex, NC
Dr. Jonathan Kotel	North Carolinians Against Gun Violence
Kim Yaman	Cary NC
Ed Gehringer	NCGV, Raleigh, NC
Becky Carter	North Carolinians Against Gun Violence
Paul Valone	GRNC
Jenny Dayle	Humanitarian immigration atty
Jeff Rau	GRNC
Wesley McMahon	Self, Chadbourn, NC
Raaren Halseman	Moms Demand Action
Alex Miller	NC Coalition Against Domestic Violence

VISITOR REGISTRATION SHEET

S Pender

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ryan Minto	Governor's Office
Anthony Ronchette	NRA
Vicki Boyer (Boyer)	self
Bruce Mildwurf	NCBA

House Committee on Rules, Calendar, and Operations of the House
Tuesday, July 14, 2015 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on July 14, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hanes, Hastings, Jackson, L. Johnson, Lewis, Robinson, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided. The Meeting came to order at 3:02 PM

The following bills were considered:

SB 252 Repeal Clay County Wildlife Exclusion. (Senators Barringer, Stein, Alexander)
The bill was moved before the committee without objection. Rep. Torbett Amends the bill with S252-ATQ-47 [v.2]. The motion carried. Rep. Torbett moves for a favorable report to the PCS as amended and unfavorable to the original. The motion carries.

The meeting adjourned at 3:07 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, July 14, 2015
TIME: **15 Minutes After Session**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 252	Repeal Clay County Wildlife Exclusion.	Senator Barringer Senator Stein Senator Alexander

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:04 PM on Monday, August 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 2

SENATE BILL 252
State and Local Government Committee Substitute Adopted 3/31/15

Short Title: Wake Cty Local Board of Equalization/Review. (Local)

Sponsors:

Referred to:

March 12, 2015

A BILL TO BE ENTITLED

AN ACT REGARDING A SPECIAL BOARD OF EQUALIZATION AND REVIEW FOR WAKE COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies only to Wake County.

SECTION 2. G.S. 105-322 reads as rewritten:

"**§ 105-322. County board of equalization and review.**

(a) Personnel. – Except as otherwise provided herein, the board of equalization and review of each county shall be composed of the members of the board of county commissioners.

Upon the adoption of a resolution so providing, the board of commissioners is authorized to appoint a special board of equalization and review composed of at least five members to carry out the duties imposed under this section. The resolution shall provide for the membership, qualifications, terms of office and the filling of vacancies on the ~~board~~ special board of equalization and review, as determined by the board of commissioners. The board of commissioners shall also designate the chairman of the special board. The resolution may also authorize a taxpayer to appeal a decision of the special board with respect to the listing or appraisal of his property or the property of others to the board of county commissioners. The resolution shall be adopted not later than the first Monday in March of the year for which it is to be effective and shall continue in effect until revised or rescinded. It shall be entered in the minutes of the meeting of the board of commissioners and a copy thereof shall be forwarded to the Department of Revenue within 15 days after its adoption.

Nothing in this subsection (a) shall be construed as repealing any law creating a special board of equalization and review or creating any board charged with the duties of a board of equalization and review in any county.

(b) Compensation. – The board of county commissioners shall fix the compensation and allowances to be paid members of the board of equalization and review for their services and expenses.

(c) Oath. – Each member of the board of equalization and review shall take the oath required by Article VI, § 7 of the North Carolina Constitution with the following phrase added to it: "that I will not allow my actions as a member of the board of equalization and review to be influenced by personal or political friendships or obligations,". The oath must be filed with the clerk of the board of county commissioners.

(d) Clerk and Minutes. – The ~~assessor~~ assessor or the assessor's designee shall serve as clerk to the board of equalization and review, shall be present at all meetings, shall maintain accurate minutes of the actions of the board, and shall give to the board such information as he

may have or can obtain with respect to the listing and valuation of taxable property in the county.

(e) Time of Meeting. – Each year the board of equalization and review shall hold its first meeting not earlier than the first Monday in April and not later than the first Monday in May. In years in which a county does not conduct a real property revaluation, the board shall complete its duties on or before the third Monday following its first meeting unless, in its opinion, a longer period of time is necessary or expedient to a proper execution of its responsibilities. Except as provided in subdivision (g)(5) of this section, the board may not sit later than July 1 except to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. In the year in which a county conducts a real property revaluation, the board shall complete its duties on or before December 1, except that it may sit after that date to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. From the time of its first meeting until its adjournment, the board shall meet at such times as it deems reasonably necessary to perform its statutory duties and to receive requests and hear the appeals of taxpayers under the provisions of subdivision (g)(2), below.

(f) Notice of Meetings and Adjournment. – A notice of the date, hours, place, and purpose of the first meeting of the board of equalization and review shall be published at least three times in some newspaper having general circulation in the county, the first publication to be at least 10 days prior to the first meeting. The notice shall also state the dates and hours on which the board will meet following its first meeting and the date on which it expects to adjourn; it shall also carry a statement that in the event of earlier or later adjournment, notice to that effect will be published in the same newspaper. Should a notice be required on account of earlier adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be at least five days prior to the date fixed for adjournment. Should a notice be required on account of later adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be prior to the date first announced for adjournment.

(g) Powers and Duties. – The board of equalization and review has the following powers and duties:

(1) Duty to Review Tax Lists. – The board shall examine and review the tax lists of the county for the current year to the end that all taxable property shall be listed on the abstracts and tax records of the county and appraised according to the standard required by G.S. 105-283, and the board shall correct the abstracts and tax records to conform to the provisions of this Subchapter. In carrying out its responsibilities under this subdivision (g)(1), the board, on its own motion or on sufficient cause shown by any person, shall:

a. List, appraise, and assess any taxable real or personal property that has been omitted from the tax lists.

b. Correct all errors in the names of persons and in the description of properties subject to taxation.

c. Increase or reduce the appraised value of any property that, in the board's opinion, has been listed and appraised at a figure that is below or above the appraisal required by G.S. 105-283; however, the board shall not change the appraised value of any real property from that at which it was appraised for the preceding year except in accordance with the terms of G.S. 105-286 and 105-287.

d. Cause to be done whatever else is necessary to make the lists and tax records comply with the provisions of this Subchapter.

e. Embody actions taken under the provisions of subdivisions (g)(1)a through (g)(1)d, above, in appropriate orders and have the orders entered in the minutes of the board.

f. Give written notice to the taxpayer at the taxpayer's last known address in the event the board, by appropriate order, increases the appraisal of any property or lists for taxation any property omitted from the tax lists under the provisions of this subdivision (g)(1).

(2) Duty to Hear Taxpayer Appeals. – On request, the board of equalization and review shall hear any taxpayer who owns or controls property taxable in the county with respect to the listing or appraisal of the taxpayer's property or the property of others.

a. A request for a hearing under this subdivision (g)(2) shall be made in writing to or by personal appearance before the board prior to its adjournment. However, if the taxpayer requests review of a decision made by the board under the provisions of subdivision (g)(1), above, notice of which was mailed fewer than 15 days prior to the board's adjournment, the request for a hearing thereon may be made within 15 days after the notice of the board's decision was mailed.

b. Taxpayers may file separate or joint requests for hearings under the provisions of this subdivision (g)(2) at their election.

c. At a hearing under provisions of this subdivision (g)(2), the board, in addition to the powers it may exercise under the provisions of subdivision (g)(3), below, shall hear any evidence offered by the appellant, the assessor, and other county officials that is pertinent to the decision of the appeal. Upon the request of an appellant, the board shall subpoena witnesses or documents if there is a reasonable basis for believing that the witnesses have or the documents contain information pertinent to the decision of the appeal.

d. On the basis of its decision after any hearing conducted under this subdivision (g)(2), the board shall adopt and have entered in its minutes an order reducing, increasing, or confirming the appraisal appealed or listing or removing from the tax lists the property whose omission or listing has been appealed. The board shall notify the appellant by mail as to the action taken on the taxpayer's appeal not later than 30 days after the board's adjournment.

(3) Powers in Carrying Out Duties. – In the performance of its duties under subdivisions (g)(1) and (g)(2), above, the board of equalization and review may exercise the following powers:

a. It may appoint committees composed of its own members or other persons to assist it in making investigations necessary to its work. It may also employ expert appraisers in its discretion. The expense of the employment of committees or appraisers shall be borne by the county. The board may, in its discretion, require the taxpayer to reimburse the county for the cost of any appraisal by experts demanded by the taxpayer if the appraisal does not result in material reduction of the valuation of the property appraised and if the appraisal is not subsequently reduced materially by the board or by the Department of Revenue.

b. The board, in its discretion, may examine any witnesses and documents. It may place any witnesses under oath administered by any member of the board. It may subpoena witnesses or documents

on its own motion, and it must do so when a request is made under the provisions of subdivision (g)(2)c, above.

A subpoena issued by the board shall be signed by the chair of the board, directed to the witness or to the person having custody of the document, and served by an officer authorized to serve subpoenas. Any person who willfully fails to appear or to produce documents in response to a subpoena or to testify when appearing in response to a subpoena shall be guilty of a Class 1 misdemeanor.

c. In any year of general reappraisal, the chair of the board may divide the board into two or more separate panels with a minimum of three members each. The board members on each panel may be interchanged during the year. A decision by a panel has the same effect as a decision by the entire board.

(4) Power to Submit Reports. – Upon the completion of its other duties, the board may submit to the Department of Revenue a report outlining the quality of the reappraisal, any problems it encountered in the reappraisal process, the number of appeals submitted to the board and to the Property Tax Commission, the success rate of the appeals submitted, and the name of the firm that conducted the reappraisal. A copy of the report should be sent by the board to the firm that conducted the reappraisal.

(5) ~~Duty to Change Abstracts and Records~~Powers After Adjournment. – Following adjournment upon completion of its duties under subdivisions (g)(1) and (g)(2) of this subsection, the board may continue to meet to carry out the following duties:

a. To hear and decide all appeals relating to discovered property under G.S. 105-312(d) and (k).

b. To hear and decide all appeals relating to the appraisal, situs, and taxability of classified motor vehicles under G.S. 105-330.2(b).

c. To hear and decide all appeals relating to audits conducted under G.S. 105-296(j) and relating to audits conducted under G.S. 105-296(j) and (l) of property classified at present-use value and property exempted or excluded from taxation.

d. To hear and decide all appeals relating to personal property under G.S. 105-317.1(c).

e. To make any changes authorized by G.S. 105-325.

f. To exercise its authority under G.S. 105-282.1(a1) to accept an application for exemption or exclusion that was filed after the statutory deadline."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 3

SENATE BILL 252
State and Local Government Committee Substitute Adopted 3/31/15
House Committee Substitute Favorable 7/14/15

Short Title: Repeal Clay County Wildlife Exclusion. (Local)

Sponsors:

Referred to:

March 12, 2015

A BILL TO BE ENTITLED

AN ACT TO REPEAL A LOCAL ACT TO EXEMPT CLAY COUNTY FROM STATE WILDLIFE LAWS WITH RESPECT TO OPOSSUMS BETWEEN THE DATES OF DECEMBER 26 AND JANUARY 2.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2014-7 is repealed.

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

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 252

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

S252-ATQ-47 [v.2]

Amends Title [YES]
Second Edition

Date _____,2015

Representative _____

moves to amend the bill on page 1, line 2, through page 4, line 38, by rewriting those lines to read:

"AN ACT TO REPEAL A LOCAL ACT TO EXEMPT CLAY COUNTY FROM STATE WILDLIFE LAWS WITH RESPECT TO OPOSSUMS BETWEEN THE DATES OF DECEMBER 26 AND JANUARY 2.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2014-7 is repealed.";

and by rewriting the Short Title to read: "Repeal Clay County Wildlife Exclusion.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **252** **(CS#1)** Wake Cty Local Board of Equalization/Review.

Draft Number:	S252-PCS15260-TQ-29
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	West

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 7/14/15 Room: 1228/1347

House Sgt-At Arms:

1. Name: Carlton Adams
2. Name: Joe Austin
3. Name: Martha Gadison
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

House Committee on Rules — 7/14/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ken Welton	K [illegible]
Perry [illegible]	[illegible]
[illegible] when	NM

VISITOR REGISTRATION SHEET

House Committee on Rules — 7/14/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	NWIRS
Jeni Royall	NCFPC
Chris McClure	BSP
Michelle Frazier	MFS
Mia Guglielmi	NCMMIC
Daniel Baer	Troutman Sanders
ANDY WALSH	SA
Bill Rowe	NC Justice Center
[signature]	Bar: 45160
Dick Collin	Ln of NCLFC
Hugh Johnson	NCHA

House Committee on Rules, Calendar, and Operations of the House
Tuesday, July 21, 2015 at 3:00 PM
Room 1425 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 3:00 PM on July 21, 2015 in Room 1425 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Jackson, Lewis, Stam, Szoka, Tine, and Wray attended.

Representative David R. Lewis, Chair, presided. Meeting convened at 3:16 PM

The following bills were considered:

HB 38 Judicial Efficiency/Effect. Admin. of Justice. (Representatives Davis, Burr)
HB 38 before the committee without objection. Rep. Davis sends forth Amendment H38-ATG-62 [v.1] before the committee. Upon motion of Rep. Daughtry, the motion passes. Rep. Davis sends forth Amendment H38-ATG-63 [v.1] before the committee. Upon motion of Rep. Daughtry, the motion passes. Rep. Davis moves for a favorable report to the PCS as amended, unfavorable to the original.

The meeting adjourned at 3:23 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, July 21, 2015
TIME: **3:00 PM**
LOCATION: **1425 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 38	Judicial Efficiency/Effect. Admin. of Justice.	Representative Davis Representative Burr

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:12 PM on Monday, August 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 38
PROPOSED COMMITTEE SUBSTITUTE H38-CSSUf-24 [v.6]

6/26/2015 12:38:44 PM

Short Title: Judicial Efficiency/Effect. Admin. of Justice. (Public)

Sponsors:

Referred to:

February 4, 2015

A BILL TO BE ENTITLED

AN ACT TO INCREASE JUDICIAL EFFICIENCY AND THE EFFECTIVE ADMINISTRATION OF JUSTICE BY MAKING HARD COPIES OF APPELLATE DIVISION REPORTS AVAILABLE TO PERSONS AND ENTITIES OTHER THAN THOSE LISTED IN STATUTE AT COST AND ALSO MAKING THEM AVAILABLE ELECTRONICALLY, ESTABLISHING THE JOINT SELECT STUDY COMMITTEE ON THE PRESERVATION OF BIOLOGICAL EVIDENCE, DIRECTING THE ADMINISTRATIVE OFFICE OF THE COURTS TO DEVELOP A CASE MANAGEMENT SYSTEM FOR CIVIL CASES IN SUPERIOR COURT, DIRECTING THE ADMINISTRATIVE OFFICE OF THE COURTS TO DEVELOP A WRITTEN, COMPREHENSIVE POLICY FOR THE MANAGEMENT OF INFORMATION TECHNOLOGY RESOURCES, DIRECTING THE ADMINISTRATIVE OFFICE OF THE COURTS TO STUDY THE APPOINTMENT AND SUPERVISION OF MAGISTRATES, PROVIDING A MECHANISM FOR ENFORCING PAYMENT OF THE CRIMINAL MEDIATION FEE, AND PROVIDING FOR MEDIATED SETTLEMENT CONFERENCES IN DISTRICT COURT CIVIL ACTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-343.1, as amended by S.L. 2015-40, reads as rewritten:

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

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

Governor, Office of the	1
Lieutenant Governor, Office of the	1
Secretary of State, Department of the	2
State Auditor, Department of the	1
Treasurer, Department of the State	1
Superintendent of Public Instruction	1
Office of the Attorney General	11
State Bureau of Investigation	1
Agriculture and Consumer Services, Department of	1
Labor, Department of	1
Insurance, Department of	1
Budget Bureau, Department of Administration	1
Property Control, Department of Administration	1
State Planning, Department of Administration	1

Environment and Natural Resources, Department of	1
Revenue, Department of	1
Health and Human Services, Department of	1
Juvenile Justice, Division of	1
Commission for the Blind	1
Transportation, Department of	1
Motor Vehicles, Division of	1
Utilities Commission	8
Industrial Commission	11
State Human Resources Commission	1
Office of State Human Resources	1
Office of Administrative Hearings	2
Community Colleges, Department of	38
Department of Commerce	1
Commission of Correction	1
Parole Commission	1
Archives and History, Division of	1
Public Safety, Department of	2
Cultural Resources, Department of	3
Legislative Building Library	2
Justices of the Supreme Court	1 ea.
Judges of the Court of Appeals	1 ea.
Judges of the Superior Court	1 ea.
Clerks of the Superior Court	1 ea.
District Attorneys	1 ea.
Emergency and Special Judges of the Superior Court	1 ea.
Supreme Court Library	AS MANY AS REQUESTED
Appellate Division Reporter	1
University of North Carolina, Chapel Hill	71
University of North Carolina, Charlotte	1
University of North Carolina, Greensboro	1
University of North Carolina, Asheville	1
North Carolina State University, Raleigh	1
Appalachian State University	1
East Carolina University	1
Fayetteville State University	1
North Carolina Central University	17
Western Carolina University	1
Duke University	17
Davidson College	2
Wake Forest University	25
Lenoir Rhyne College	1
Elon College	1
Campbell University	25
Federal, Out-of-State and Foreign Secretary of State	1
Secretary of Defense	1
Secretary of Health, Education and Welfare	1
Secretary of Housing and Urban Development	1
Secretary of Transportation	1
Attorney General	1

Department of Justice	1
Internal Revenue Service	1
Veterans' Administration	1
Library of Congress	5
Federal Judges resident in North Carolina	1 ea.
Marshal of the United States Supreme Court	1
Federal District Attorneys resident in North Carolina	1 ea.
Federal Clerks of Court resident in North Carolina	1 ea.
Supreme Court Library exchange list	1
Cherokee Supreme Court, Eastern Band of Cherokee Indians	1

The Administrative Officer of the Courts shall develop a process through which all other persons or entities may obtain copies of the appellate division reports by purchase. The purchase price shall represent the actual cost to the State of publication and shipping.

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

(b) A recipient listed in subsection (a) of this section may choose not to receive its copies of the appellate division reports, or choose to receive fewer than the number of copies allotted to it, by notifying the Administrative Officer of the Courts in writing. Should the recipient again wish to receive its full allotment of the appellate division reports, the recipient shall notify the Administrative Officer of the Courts in writing, and the Administrative Officer of the Courts may, in his or her discretion, resume distribution to the recipient.

(c) The appellate division reports shall be made available by electronic means, at no cost to the recipient, through publication in a downloadable format on a publicly available Web site."

SECTION 2.(a) The Joint Select Study Committee on the Preservation of Biological Evidence is established. The membership shall be as follows:

(1) Three members of the Senate appointed by the President Pro Tempore of the Senate.
(2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.
(3) The Attorney General or the Attorney General's designee.
(4) The Director of the North Carolina State Crime Laboratory or the Director's designee.
(5) The Director of the Administrative Office of the Courts or the Director's designee.
(6) The President of the North Carolina Association of Clerks of Superior Court or the President's designee.
(7) The President of the North Carolina Association of Chiefs of Police or the President's designee.
(8) The President of the North Carolina Sheriffs' Association or the President's designee.
(9) The President of North Carolina Advocates for Justice or the President's designee.
(10) One North Carolina district attorney appointed by the Speaker of the House of Representatives.
(11) One North Carolina district attorney appointed by the President Pro Tempore of the Senate.

(12) One public member appointed by the Speaker of the House of Representatives.

(13) One public member appointed by the President Pro Tempore of the Senate.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint one legislative member of the Committee to serve as cochair. The Committee shall meet upon the call of the cochairs. A quorum of the Committee shall be a majority of its members.

SECTION 2.(b) The Committee shall review matters related to the preservation of DNA and biological evidence, including:

(1) The costs associated with the promulgation of minimum guidelines for the retention and preservation of biological evidence.

(2) Emerging technologies with regard to the retention and preservation of biological evidence.

(3) Procedures for the interagency transfer of biological evidence.

(4) Any other topic the Committee believes is related to its purpose.

SECTION 2.(c) Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The expenses of the Committee shall be considered expenses incurred for the joint operation of the General Assembly. All expenses of the Committee shall be paid from the Legislative Services Commission's Reserve for Studies. The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work.

SECTION 2.(d) The Committee shall submit a final report on the results of its study, including any proposed legislation, to the General Assembly on or before April 1, 2016. The Committee shall file a copy of its report with the President Pro Tempore's office, the Speaker's office, and the Legislative Library. The Committee shall terminate on April 1, 2016, or upon the filing of its final report, whichever occurs first.

SECTION 3. The Administrative Office of the Courts shall study and develop a case management system for civil cases in superior court designed to make more efficient use of superior court time and resources, including a more flexible designation of mixed sessions. The study shall consider a system that would allow exceptional cases to be assigned to a superior court judge to oversee the case, including scheduling of pretrial hearings, motions hearings, and trial of the case. The Administrative Office of the Courts shall report on the study and the system developed as a result of the study to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2016.

SECTION 4. The Administrative Office of the Courts shall develop a written, comprehensive policy for the management of information technology resources that includes specific guidelines for the distribution and maintenance of information technology hardware. The Administrative Office of the Courts shall report on this policy to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Information Technology by March 1, 2016.

SECTION 5. The Administrative Office of the Courts shall study the current law for the appointment and supervision of magistrates. The study shall consider whether supervision of magistrates should be the responsibility of some person other than the chief district court judge and shall address whether any other changes should be made to the process for appointing and supervising magistrates. The Administrative Office of the Courts shall report the results of this study to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2016.

SECTION 6. G.S. 7A-38.7 reads as rewritten:

"**§ 7A-38.7. Dispute resolution fee for cases resolved in mediation.**

(a) In each criminal case filed in the General Court of Justice that is resolved through referral to a community mediation center, a dispute resolution fee shall be assessed in the sum

of sixty dollars ($60.00) per mediation to support the services provided by the community mediation centers and the Mediation Network of North Carolina. Prior to mediation, the parties shall be notified of the fee and the fee shall be paid as part of any mediation that results in dismissal. Fees assessed under this section shall be paid to the clerk of superior court in the county where the case was filed and remitted by the clerk to the Mediation Network of North Carolina. The Mediation Network may retain up to three dollars ($3.00) of this amount as an allowance for its administrative expenses. The Mediation Network must remit the remainder of this amount to the community mediation center that mediated the case. The court may waive or reduce a fee assessed under this section only upon entry of a written order, supported by findings of fact and conclusions of law, determining there is just cause to grant the waiver or reduction.

(b) No criminal case shall be dismissed through referral to mediation unless the full amount of the dispute resolution fee as required by subsection (a) of this section is paid within 45 days of the completion of the mediation. If payment has not been made within that time, the case shall be remanded back to the court for disposition. Before providing the district attorney with a dismissal form, the community mediation center shall require proof that the defendant has paid the dispute resolution fee as required by subsection (a) of this section and shall attach the receipt to the dismissal form."

SECTION 7.(a) The catch line of G.S. 7A-38.4A reads as rewritten:

"**§ 7A-38.4A. Settlement procedures in ~~district court~~family financial actions.**"

SECTION 7.(b) G.S. 7A-38.4A(c) reads as rewritten:

"(c) Any chief district court judge in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any action pending in that district involving issues of equitable distribution, alimony, child or post separation support, or claims arising out of contracts between the parties under G.S. 52-10, G.S. 52-10.1, or Chapter 52B of the General Statutes. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court."

SECTION 7.(c) Article 5 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"**§ 7A-38.4B. Settlement procedures in district court general civil actions.**

(a) The General Assembly finds that a system of settlement events should be established to facilitate the settlement of district court civil actions, other than those involving family issues covered by the provisions of G.S. 7A-38.4A, in order to make that litigation more economical, efficient, and satisfactory to the parties, their representatives, and the State. District courts should be able to require parties to those actions and their representatives to attend a pretrial mediated settlement conference or other settlement procedure conducted under this section and rules adopted by the Supreme Court to implement this section.

(b) The definitions in G.S. 7A-38.1(b)(2) and (b)(3) apply in this section.

(c) The chief district court judge, or that person's designee, in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any district court civil action, other than those involving family issues covered by the provisions of G.S. 7A-38.4A and issues exempted by the rules of the Supreme Court implementing this section. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court.

(d) The parties to a district court action where a mediated settlement conference or other settlement procedure is ordered, their attorneys, and other persons or entities with authority, by law or contract, to settle a party's claim, shall attend the mediated settlement conference or other settlement procedure, unless the rules ordering the settlement procedure provide otherwise. No party or other participant in a mediated settlement conference or other settlement procedure is required to make a settlement offer or demand that the party or participant deems contrary to that party's or participant's best interests. Parties who have been victims of domestic violence may be excused from physically attending or participating in a mediated settlement conference or other settlement procedure.

(e) Any person required to attend a mediated settlement conference or other settlement procedure under this section who, without good cause, fails to attend or fails to pay any or all of the mediator's or other neutral's fee in compliance with this section is subject to the contempt powers of the court and monetary sanctions imposed by a district court judge. A party seeking sanctions against another party or person shall do so in a written motion stating the grounds for the motion and the relief sought. The motion shall be served upon all parties and upon any person against whom sanctions are being sought. The court may initiate sanction proceedings upon its own motion by the entry of a show cause order. If the court imposes sanctions, it shall do so, after notice and hearing, in a written order making findings of fact and conclusions of law. An order imposing sanctions is reviewable upon appeal, and the entire record shall be reviewed to determine whether the order is supported by substantial evidence.

(f) The parties to a district court action in which a mediated settlement conference is to be held under this section shall have the right to designate a mediator. Upon failure of the parties to designate within the time established by the rules adopted by the Supreme Court, a mediator shall be appointed by a district court judge.

(g) A chief district court judge, or that judge's designee, at the request of a party and with the consent of all parties, may order the parties to attend and participate in any other settlement procedure authorized by rules adopted by the Supreme Court or adopted by local district court rules, in lieu of attending a mediated settlement conference. Neutrals acting under this section shall be selected and compensated in accordance with rules adopted by the Supreme Court. Nothing herein shall prohibit the parties from participating in other dispute resolution procedures, including arbitration, to the extent authorized under State or federal law. Nothing herein shall prohibit the parties from participating in mediation at a community mediation center operating under G.S. 7A-38.5.

(h) Mediators and other neutrals acting under this section shall have judicial immunity in the same manner and to the same extent as a judge of the General Court of Justice, except that mediators and other neutrals may be disciplined in accordance with enforcement procedures adopted by the Supreme Court under G.S. 7A-38.2.

(i) Costs of mediated settlement conferences and other settlement procedures shall be borne by the parties. Unless otherwise ordered by the court or agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties. The rules adopted by the Supreme Court shall set out a method whereby a party found by the court to be unable to pay the costs of settlement procedures is afforded an opportunity to participate without cost to that party and without expenditure of State funds.

(j) Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except in any of the following:

(1) Proceedings for sanctions under this section.

(2) Proceedings to enforce or rescind a settlement of the action.

(3) Disciplinary proceedings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals.

(4) Proceedings to enforce laws concerning juvenile or elder abuse.

As used in this subsection, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this section or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding under this section shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals, and proceedings to enforce laws concerning juvenile or elder abuse.

(k) The Supreme Court may adopt standards for the certification and conduct of mediators and other neutrals who participate in settlement procedures conducted under this section. The standards may also regulate mediator training programs. The Supreme Court may adopt procedures for the enforcement of those standards. The administration of mediator certification, regulation of mediator conduct, and decertification shall be conducted through the Dispute Resolution Commission.

(l) An administrative fee not to exceed two hundred dollars ($200.00) may be charged by the Administrative Office of the Courts to applicants for certification and annual renewal of certification for mediators and mediator training programs operating under this section. The fees collected may be used by the Director of the Administrative Office of the Courts to establish and maintain the operations of the Commission and its staff. The administrative fee shall be set by the Director of the Administrative Office of the Courts in consultation with the Dispute Resolution Commission.

(m) The Administrative Office of the Courts, in consultation with the Dispute Resolution Commission, may require the chief district court judge of any district to report statistical data about settlement procedures conducted under this section for administrative purposes.

(n) Nothing in this section or in rules adopted by the Supreme Court implementing this section shall restrict a party's right to a trial by jury.

(o) The Supreme Court may adopt rules to implement this section."

SECTION 8. Sections 3 through 5 of this act become effective July 1, 2015. Section 6 of this act becomes effective October 1, 2015, and applies to criminal cases referred to mediation on or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to actions filed on or after that date. The remainder of this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 38

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

H38-ATG-62 [v.1]

Amends Title [NO]
H38-CSSUf-24

Date _____,2015

Representative _____

moves to amend the bill on page 3, lines 19-24, by rewriting the lines to read:

"(b) A recipient listed in subsection (a) of this section may choose not to receive its copies of the appellate division reports, or choose to receive fewer than the number of copies allotted to it, by notifying the Administrative Officer of the Courts in writing. Should the recipient again wish to receive its full allotment of the appellate division reports, the recipient shall notify the Administrative Officer of the Courts in writing, and the Administrative Officer of the Courts may, in his or her discretion, resume distribution to the recipient.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 38

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

H38-ATG-63 [v.1]

Amends Title [NO]
H38-CSSUf-24

Date _____,2015

Representative _____

moves to amend the bill on page 7, lines 39-43, by rewriting the lines to read:

"**SECTION 8.** Section 6 of this act becomes effective October 1, 2015, and applies to criminal cases referred to mediation on or after that date. Section 7 of this act becomes effective October 1, 2015, and applies to actions filed on or after that date. The remainder of this act is effective when it becomes law.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **38** Judicial Efficiency/Effect. Admin. of Justice.

Draft Number:	H38-PCS20382-TGf-45
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Davis

TOTAL REPORTED: 1

Tuesday, July 21
~~TRANSPORTATION~~ --
CORRECTED

Room
1425

Time
15 mins after

Name	County	Sponsor
Hope Kim	Orange	Verla Insko
Eva Logan	Mecklenburg	Larry Yarborough
Lily O'Hair	Catawba	Jay Adams
Noah Sharpe	Davidson	Rayne Brown

HOUSE PAGES

RM: 1425

NAME OF COMMITTEE Rules DATE 7/21/15

1. Name: _____

County: _____

Sponsor: _____

2. Name: _____

County: _____

Sponsor: _____

3. Name: _____

County: _____

Sponsor: _____

4. Name: _____

County: _____

Sponsor: _____

5. Name: _____

County: _____

Sponsor: _____

SGT-AT-ARM

1. Name: Young Bae
2. Name: Jim Moran
3. Name: Bill Morris
4. Name: _____

Bill Morris
Jim Moran
John Doe

VISITOR REGISTRATION SHEET

Rules
Name of Committee

7/21/15
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Paul Sherman	NCFB
J. Grayer Sherrill	NCFB
Matt Babcock	NCC
Jonathan Brubaker	Brubaker + Assoc
Marian Menwald	UM
Gerry Cotten	Nelson Mullins
John McMillan	AFT-5
Colleen Kochanek	KCG
Isabel V. MacGregor	NCAR
Dave Fenton	City of Charlotte

VISITOR REGISTRATION SHEET

Rules
Name of Committee

7/21/15
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelli Kukura	Duke Energy

House Committee on Rules, Calendar, and Operations of the House
Monday, August 3, 2015 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on August 3, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Cotham, Daughtry, Davis, Floyd, Fraley, L. Hall, L. Johnson, Lewis, Reives, Robinson, Saine, Schaffer, Stam, and Torbett attended.

Representative David R. Lewis, Chair, presided. Meeting came to order at 7:53 PM

The following bills were considered:

House DRH40498-MCx-182Z: Rep. Saine moves favorable for introduction with a referral to the Finance Committee. The motion carries.

The meeting adjourned at 7:54 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Monday, August 3, 2015
TIME: **15 Minutes After Session**
LOCATION: **1228/1327 LB**
COMMENTS: **We will take up the filing of a Bill dealing with Infrastruture Bonds**

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:03 PM on Monday, August 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE DRH40498-MCx-182Z (06/30)

Short Title:	Connect NC Bond Act of 2015.	(Public)
Sponsors:	Committee on Rules, Calendar, and Operations of the House.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

SECTION 1.(b) Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion eight hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars ($2,859,076,952) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the twenty-first century, including, without limitation, construction, repair, renovation, and furnishing of new facilities and construction and renovation of highways, roads, bridges, and related road infrastructure in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(c) Findings. – The General Assembly finds the following:

(1) The University of North Carolina is in need of new and renovated facilities to conduct research and recruit, retain, and prepare researchers, faculty, and students for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.

(2) The North Carolina Community College System is in need of new and renovated facilities to train and prepare students and workers for the twenty-first century for the purpose of enhancing the economic attractiveness of the State.

(3) The public schools of the State are in need of new and renovated facilities to train and prepare students and teachers for the twenty-first century for the purpose of expanding opportunities for students by use of innovative educational programs that will attract new employers with workforces dependent on such programs.

(4) New and renovated cultural resources and facilities and State Parks are vital to the attractiveness of the State for recruitment of new industry, business, technology, and tourists, thereby benefitting the State's economic development.

(5) New facilities for agriculture will assist current agricultural endeavors in the State and will attract bioscience and other related industries, thereby benefitting the State's economic development.

(6) Parks and public facilities that are accessible to children with disabilities and veterans with disabilities are essential for the twenty-first century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(7) Clean water and sewer systems are essential for the twenty-first century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(8) Adequate National Guard and military facilities attract new defense industry companies and suppliers.

(9) Adequate public safety and court facilities are essential for the twenty-first century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(10) State and local facilities need routine repair and renovations in order for the facilities to be up-to-date for the twenty-first century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(11) Highways, roads, bridges, and related road infrastructure of the State is vital for all the components set forth above, as well as individually, to help retain and attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(12) The components set forth above are all interrelated and united and comprise a single plan for updating the State's infrastructure for the twenty-first century and for providing the State with necessary economic development tools to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(d) Definitions. – Unless the context otherwise requires, the following definitions apply in this section:

(1) Bonds. – Bonds issued under this section.

(2) Cost. – Without intending thereby to limit or restrict any proper definition of this term in financing the cost of facilities or purposes authorized by this section, any of the following:

a. The cost of constructing, reconstructing, enlarging, acquiring, and improving facilities and acquiring equipment and land therefor.

b. The cost of engineering, architectural, and other consulting services as may be required.

c. Administrative expenses and charges. Nothing in this section shall permit use of bond funds to pay salaries or fees for bond administration; such salaries and fees shall come from funds appropriated by the General Assembly.

d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding three years after the estimated date of completion of construction.

e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.

f. The cost of reimbursing the State for any payments made for any cost described in this subdivision.

g. Any other costs and expenses necessary or incidental to the purposes of this section.

Allocations in this section of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of this subdivision in connection with the issuance of bonds for the project or undertaking.

(3) Credit facility agreement. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility agreement, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility agreement in accordance with the terms and provisions of such agreement.

(4) Notes. – Notes issued under this section.

(5) Par formula. – Any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:

a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible;

b. A provision providing for such adjustment based upon a percentage or percentages of a LIBOR rate, a prime rate, or base rate, which percentage or percentages may vary or be applied for different periods of time; or

c. Such other provision as the State Treasurer may determine to be consistent with this section and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(6) State. – The State of North Carolina.

SECTION 1.(e) Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing public improvement bonds in the election called and held as provided in this section, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Public Improvement Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this section, in an aggregate principal amount not exceeding two billion eight hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars ($2,859,076,952) for the purpose of providing funds, with any other available funds, for the purposes authorized in this section. For public improvement bonds authorized by this section for transportation projects, although such bonds will constitute general obligation bonds, secured by the faith and credit and taxing power of the State, and although the funds deposited to the Highway Trust Fund are not specifically pledged to pay debt service on such bonds, it is

the intent of the General Assembly that the debt service on such bonds will be provided from amounts deposited to the Highway Trust Fund.

SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

Agriculture

NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	$85,000,000
Agriculture and Consumer Services	Wake	Veterinary/Food/Drug/Motor Fuels Lab	$110,000,000
Total for Agriculture (2 projects)			**$195,000,000**

Attractions, Parks, and Historic Sites

Cultural Resources	New Hanover	USS NC Battleship – Visitor's Center	$10,800,000
State Parks	Cumberland	Carvers Creek	$7,601,000
State Parks	Durham/ Orange	Eno River	$3,774,000
State Parks	Washington/ Beaufort	Goose Creek	$1,970,000
State Parks	Onslow	Hammocks Beach	$1,500,000
State Parks	Dare	Jockeys Ridge	$1,002,000
State Parks	Vance/ Warren	Kerr Lake State Recreational Area	$5,000,000
State Parks	Burke/ McDowell	Lake James	$4,028,000
State Parks	Iredell	Lake Norman	$3,076,000
State Parks	Yancey	Mount Mitchell	$800,000
State Parks	Various	Mountain-To-Sea/Other State Trails	$6,000,000
State Parks	Surry/ Yadkin	Pilot Mountain	$5,975,800
State Parks	Camden	Dismal Swamp	$1,321,000

State Parks	Watauga	Elk Knob	$1,200,000
State Parks	Durham/ Wake	Falls Lake	$1,053,000
State Parks	New Hanover	Fort Fisher State Recreational Area	$1,500,000
State Parks	Transylvania	Gorges State	$3,341,000
State Parks	Stokes	Hanging Rock	$2,800,000
State Parks	Guilford/ Rockingham	Haw River	$2,000,000
State Parks	Chatham/ Wake	Jordan Lake State Recreational Area	$4,000,000
State Parks	Columbus	Lake Waccamaw	$2,008,000
State Parks	Scotland/ Hoke/ Robeson/ Columbus	Lumber River	$3,505,000
State Parks	Rockingham	Mayo River	$1,000,000
State Parks	Tyrell/ Washington	Pettigrew	$3,774,000
State Parks	Burke	South Mountain	$3,000,000
State Parks	Alleghany/ Wilkes	Stone Mountain	$1,784,000
State Parks	Wake	William B. Umstead State Park	$2,300,000
State Parks	Avery	Yellow Mountain Natural Area	$3,000,000
State Parks	Watauga	Beech Creek Bog State Natural Area	$800,000
State Parks	New Hanover	Carolina Beach State Park	$1,140,000
State Parks	Rutherford	Chimney Rock	$2,000,000
State Parks	Wayne	Cliffs of the Neuse	$923,200
State Parks	Gaston	Crowders Mountain	$1,000,000
State Parks	Chatham	Deep River State Trail	$1,708,000
State Parks	Carteret	Fort Macon	$180,000

State Parks	Watauga	Grandfather Mountain	$2,002,000
State Parks	Bladen	Jones Lake	$869,000
State Parks	Chatham	Lower Haw River Natural Area	$271,000
State Parks	Halifax	Medoc Mountain	$1,845,000
State Parks	Gates	Merchants Millpond	$1,161,000
State Parks	Stanly	Morrow Mountain	$2,050,000
State Parks	Ashe	Mount Jefferson State Natural Area	$2,000,000
State Parks	Ashe	New River	$900,000
State Parks	Harnett	Raven Rock	$1,500,000
State Parks	Bladen	Singletary Lake	$767,000
State Parks	Moore	Weymouth Woods State Natural Area	$571,000
Zoo	Randolph	Australasia Exhibit Complex	$15,000,000
Zoo	Randolph	Australasia Exhibit Complex Replace Africa Pavilion	$9,000,000
Zoo	Randolph	Africa Plains Safari	$250,000
Total for Attractions, Parks, and Historic Sites (49 projects)			**$135,050,000**

Local Parks and Infrastructure

DENR	Statewide	Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants)	$10,000,000
DENR	Statewide	Water/Sewer Loans	$75,000,000
Total for Local Parks and Infrastructure			**$85,000,000**

National Guard and Military

Military	Durham/ Granville	Camp Butner Buffer Zones	$500,000
National Guard	Wake	JFHQ Heli-Pads	$746,000

National Guard	Davidson/ Forsyth/ Guilford/ Randolph	High Point Armory Major Renovations	$625,000
National Guard	Franklin	Louisburg Armory	$2,377,288
National Guard	Rockingham	Reidsville Armory	$2,377,288
National Guard	Richmond	Hamlet Armory	$2,108,334
National Guard	Union	Monroe Armory	$2,658,334
National Guard	Wayne	Goldsboro Armory	$1,558,334
National Guard	Cumberland	Fayetteville Armory	$2,658,334
National Guard	Lee	Sanford Armory	$2,108,334
National Guard	Surry/Wilkes	Elkin Armory	$1,558,334
National Guard	Macon	Franklin Armory	$1,558,334
National Guard	Halifax	Scotland Neck Armory	$1,558,334
National Guard	Guilford	McLeansville Regional Readiness Ctr.	$43,959,375
National Guard	Burke	Western Youth Institution Renovation	$26,400,000
Total for National Guard and Military (15 projects)			**$92,751,623**

NC Community Colleges

Alamance Comm. College	New Construction, Repairs, Renovations	$4,316,608
Asheville-Buncombe Technical Comm. College	New Construction, Repairs, Renovations	$8,056,622
Beaufort Co. Comm. College	New Construction, Repairs, Renovations	$3,746,460
Bladen Comm. College	New Construction, Repairs, Renovations	$3,560,367
Blue Ridge Comm. College	New Construction, Repairs, Renovations	$2,605,366
Brunswick Comm. College	New Construction, Repairs, Renovations	$2,418,939
Caldwell Comm. College and Technical Institute	New Construction, Repairs, Renovations	$4,303,524
Cape Fear Comm. College	New Construction, Repairs, Renovations	$5,650,810

Carteret Comm. College	New Construction, Repairs, Renovations	$1,961,128
Catawba Valley Comm. College	New Construction, Repairs, Renovations	$4,901,484
Central Carolina Comm. College	New Construction, Repairs, Renovations	$4,846,230
Central Piedmont Comm. College	New Construction, Repairs, Renovations	$11,269,441
Cleveland Comm. College	New Construction, Repairs, Renovations	$3,751,987
College of the Albermarle	New Construction, Repairs, Renovations	$4,863,383
Coastal Carolina Comm. College	New Construction, Repairs, Renovations	$4,313,926
Craven Comm. College	New Construction, Repairs, Renovations	$3,607,717
Davidson County Comm. College	New Construction, Repairs, Renovations	$4,393,838
Durham Tech. Comm. College	New Construction, Repairs, Renovations	$4,072,442
Edgecombe Comm. College	New Construction, Repairs, Renovations	$4,353,522
Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	$10,264,710
Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	$6,288,257
Gaston College	New Construction, Repairs, Renovations	$4,935,995
Guilford Tech. Comm. College	New Construction, Repairs, Renovations	$9,071,603
Halifax Comm. College	New Construction, Repairs, Renovations	$3,737,553
Haywood Comm. College	New Construction, Repairs, Renovations	$2,374,457
Isothermal Comm. College	New Construction, Repairs, Renovations	$4,225,417
James Sprunt Comm. College	New Construction, Repairs, Renovations	$2,661,578
Johnston Comm. College	New Construction, Repairs, Renovations	$3,356,734
Lenoir Comm. College	New Construction, Repairs, Renovations	$6,851,267
Martin Comm. College	New Construction, Repairs, Renovations	$3,819,225
Mayland Comm. College	New Construction, Repairs, Renovations	$2,752,960
McDowell Tech. Comm. College	New Construction, Repairs, Renovations	$2,727,637
Mitchell Comm. College	New Construction, Repairs, Renovations	$2,824,345

Montgomery Comm. College	New Construction, Repairs, Renovations	$3,327,420
Nash Comm. College	New Construction, Repairs, Renovations	$10,142,192
Pamlico Comm. College	New Construction, Repairs, Renovations	$8,496,536
Piedmont Comm. College	New Construction, Repairs, Renovations	$3,031,602
Pitt Comm. College	New Construction, Repairs, Renovations	$12,692,701
Randolph Comm. College	New Construction, Repairs, Renovations	$3,632,718
Richmond Comm. College	New Construction, Repairs, Renovations	$12,938,769
Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	$3,407,445
Robeson Comm. College	New Construction, Repairs, Renovations	$4,492,942
Rockingham Comm. College	New Construction, Repairs, Renovations	$4,302,087
Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	$5,588,267
Sampson Comm. College	New Construction, Repairs, Renovations	$2,936,298
Sandhills Comm. College	New Construction, Repairs, Renovations	$3,423,123
South Piedmont Comm. College	New Construction, Repairs, Renovations	$2,987,899
Southeastern Comm. College	New Construction, Repairs, Renovations	$4,060,783
Southwestern Comm. College	New Construction, Repairs, Renovations	$4,381,169
Stanly Comm. College	New Construction, Repairs, Renovations	$3,600,740
Surry Comm. College	New Construction, Repairs, Renovations	$4,750,239
Tri-County Comm. College	New Construction, Repairs, Renovations	$3,322,734
Vance-Granville Comm. College	New Construction, Repairs, Renovations	$4,988,371
Wake Tech. Comm. College	New Construction, Repairs, Renovations	$24,286,276
Wayne Comm. College	New Construction, Repairs, Renovations	$4,591,238
Western Piedmont Comm. College	New Construction, Repairs, Renovations	$3,783,579
Wilkes Comm. College	New Construction, Repairs, Renovations	$3,898,805
Wilson Comm. College	New Construction, Repairs, Renovations	$4,050,535
Total for NC Community Colleges		**$300,000,000**

Public Instruction			
Public Schools Capital Assistance Program	Statewide	New Schools, Additions, Renovations	$500,000,000
Total for Public Instruction			**$500,000,000**
Public Safety			
DPS	Wake	Highway Patrol Training Academy	$38,225,000
DPS	Moore	Samarcand Training Academy	$8,500,000
Total for Public Safety (2 projects)			**$46,725,000**
State Government Agencies			
Various	Statewide	Capital Repairs and Renovations	$200,000,000
AOC	Statewide	Courthouse Grants	$15,000,000
Total for State Agencies			**$215,000,000**
Transportation			
Transportation	Statewide	Supplemental Highway Funding	$400,000,000
Total for Transportation			**$400,000,000**
University of North Carolina			
Appalachian State University	Watauga	New Health Sciences Building	$70,781,681
East Carolina University	Pitt	Life Sciences & Biotech. Building	$124,522,662
Elizabeth City State University	Pasquotank	School of Aviation	$15,794,660
Fayetteville State University	Cumberland	Lyons Science Bldg. Renovation	$10,616,373

NC Central University	Durham	Taylor Building Renovation	$7,500,000
NC State University	Wake	Engineering Building	$65,100,000
North Carolina A & T State University	Guilford	Engineering Building	$96,676,418
North Carolina School of Science and Math	Durham	Discovery Center Residence Hall	$7,410,000
North Carolina School of Science and Math	Burke	Western North Carolina School of Science and Math	$58,792,500
UNC – Asheville	Buncombe	Owens Hall Renovation/Addition	$15,150,000
UNC – Chapel Hill	Orange	Medical Education Bldg. Replacement	$68,835,000
UNC – Charlotte	Mecklenburg	New Sciences Building	$90,000,000
UNC – Greensboro	Guilford	Jackson Library Renovation	$20,000,000
UNC – Pembroke	Robeson	West Hall Comprehensive Renovation	$10,000,000
UNC – School of the Arts	Forsyth	Old Library Renovation	$7,350,000
UNC – Wilmington	New Hanover	Allied Health and Human Services/ Nursing Building	$65,655,041
Western Carolina University	Jackson	Science/STEM Building	$102,858,929
Winston-Salem State University	Forsyth	Sciences Building	$52,507,065
Total for UNC System (18 projects)			**$889,550,329**
Grand Total			**$2,859,076,952**

(2) Special Allocation Provisions. – In determining the use of the proceeds of public improvement bonds and notes, including premium thereon, if any, set forth in subdivision (1) of this subsection, the following special allocation provisions apply:

a. The proceeds of public improvement bonds and notes, including premium thereon, if any, for State Parks, as provided in subdivision (1) of this subsection, shall be used for capital improvements, as

defined in G.S. 143C-1-1(d)(5). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

b. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environment and Natural Resources for Statewide Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants), as provided in subdivision (1) of this subsection, shall be allocated to the Parks and Recreation Trust Fund established in G.S. 113-44.15 and shall be used exclusively for grants to local government units or public authorities, as defined in G.S. 159-7, for construction of special facilities or adaptation of existing facilities that meet the unique needs of children with physical and developmental disabilities and veterans with physical and developmental disabilities and enable them to participate in recreational and sporting activities, regardless of their abilities. In order to receive such proceeds under this sub-subdivision, a local government unit or public authority shall provide matching funds in the amount of one dollar ($1.00) of local funds for every four dollars ($4.00) of such proceeds. Grants made using such proceeds under this sub-subdivision shall not exceed five hundred thousand dollars ($500,000) per project.

c. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environment and Natural Resources for Statewide Water/Sewer Loans, as provided in subdivision (1) of this subsection, shall be allocated to the Water Infrastructure Fund established in G.S. 159G-22 and shall be used exclusively and in equal proportion for low-interest loans from the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

d. The proceeds of public improvement bonds and notes, including premium thereon, if any, for NC Community Colleges, as provided in subdivision (1) of this subsection, shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

e. The proceeds of public improvement bonds and notes, including premium thereon, if any, for public instruction for public schools capital assistance, as provided in subdivision (1) of this subsection, shall be allocated as follows:

1. One hundred fifty million dollars ($150,000,000) of such proceeds shall be allocated equally to each county. Each county's allocation shall be distributed to the local school administrative units located in whole or in part in the county based on the average daily membership of the county's students in the school units.
2. Two hundred eighty million dollars ($280,000,000) of such proceeds shall be allocated among local school administrative

units located in counties whose wealth is less than the State average wealth, as computed pursuant to Section 8.3 of House Bill 97 of the 2015 Regular Session of the General Assembly. The portion of such proceeds allocated pursuant to this sub-sub-subdivision shall be initially proportionally allocated to each county according to average daily membership. Each county's allocation shall be distributed to the local school administrative units located in whole or in part in the county based on the average daily membership of the county's students in the school units.

3. Seventy million dollars ($70,000,000) of such proceeds shall be allocated among local school administrative units that have increased average daily membership when comparing the average daily membership for fiscal year 2005-2006 with the average daily membership for fiscal year 2015-2016. The portion of the proceeds allocated pursuant to this sub-sub-subdivision to each unit is calculated by multiplying seventy million dollars ($70,000,000) by a fraction, the numerator of which is the increased average daily membership of the local school administrative unit for the time period specified in this sub-subdivision and the denominator of which is the collective increased average daily membership of all local school administrative units with increased average daily membership in the State for the time period specified in this sub-sub-subdivision.

4. In order to receive proceeds under this sub-subdivision, a county shall provide matching funds. The amount of matching funds for a local school administrative unit otherwise eligible to receive such proceeds under sub-sub-subdivision 2. of this sub-subdivision shall be one dollar ($1.00) of local funds for every four dollars ($4.00) of such proceeds. The amount of matching funds for all other local school administrative units shall be one dollar ($1.00) of local funds for every one dollar ($1.00) of such proceeds. The match requirement may be satisfied by non-State expenditures for public school facilities made on or after July 1, 2014. A non-State expenditure has been made for the purpose of the match if funds, including funds expended for debt service, have been budgeted, earmarked, or committed for the general purpose of public school facilities. If a debt has been authorized or incurred since July 1, 2014, for the general purpose of public school facilities, then the face amount of the debt shall be considered as a non-State expenditure for public school facilities for the purpose of the match.

5. A local school administrative unit that receives proceeds under this section shall ensure that such proceeds are used (i) for acquisition of real property and construction, acquisition, reconstruction, enlargement, renovation, or replacement of buildings and other structures and (ii) to supplement local funds for public school capital outlay projects and shall not

decrease local funds for those projects from one fiscal year to the next fiscal year, as measured by the most recent five-year annual average capital outlay expenditure. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

f. The proceeds of public improvement bonds and notes, including premium thereon, if any, for statewide capital repairs and renovations for State government agencies, as provided in subdivision (1) of this subsection, shall be issued only if all of the following conditions are satisfied:

1. The facility being renovated or rehabilitated is owned by or allocated to a State agency other than The University of North Carolina or the Department of Agriculture and Consumer Services.
2. The project is one that is eligible under G.S. 143C-4-3(b) to receive funds from the Repairs and Renovations Reserve.
3. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation will have a useful life of at least 10 years or the life of the facility will be extended by at least 10 years once renovated or rehabilitated.

g. The proceeds of public improvement bonds and notes, including premium thereon, if any, for AOC Statewide Courthouse Grants, as provided in subdivision (1) of this subsection, shall be allocated by the Director of the Administrative Office of the Courts for grants for courthouses in the State. In making grants, the Director shall comply with all of the following requirements:

1. Priority for grants shall be, in descending priority, for (i) repair and renovation, (ii) security, and (iii) new construction.
2. Grants for projects for courthouses in development tier one areas shall not exceed one million dollars ($1,000,000). Grants for projects for courthouses in development tier two areas shall not exceed seven hundred fifty thousand dollars ($750,000). Grants for projects for courthouses in development tier three areas shall not exceed two hundred fifty thousand dollars ($250,000). For purposes of this sub-subdivision, development tier area is defined in G.S. 143B-437.08.
3. Projects for courthouses in development tier one areas shall be eligible for a grant if the county in which the project is located provides matching funds in the amount of one dollar ($1.00) for every four grant dollars ($4.00). Projects for courthouses in development tier two areas shall be eligible for a grant if the county in which the project is located provides matching funds in the amount of one dollar ($1.00) for every two grant dollars ($2.00). All other projects for courthouses are eligible for a grant if the county in which the project is located provides matching funds in the amount equal to the grant.

4. Grants for projects may be awarded only upon submission of a completed application received by the Director no later than July 1, 2016. The application shall be in the form prescribed and made available by the Director.
5. Any items purchased with the proceeds of public improvement bonds and notes, including premium thereon, if any, and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

h. The proceeds of public improvement bonds and notes, including premium thereon, if any, for statewide supplemental highway funding for transportation, as provided in subdivision (1) of this subsection, shall be issued only for highway projects satisfying all of the following conditions:
1. An environmental impact statement, if required by law, was completed prior to January 1, 2015.
2. Construction on the project is projected by the Department of Transportation to commence by January 1, 2017.
3. The project meets the requirements set forth in Article 14B of Chapter 136 of the General Statutes.

(3) Reallocation. – For public improvement bonds authorized by this section for projects other than transportation projects, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for such projects set forth in subdivision (1) of this subsection or reallocate any amounts among agencies or nontransportation projects, including nontransportation projects not listed in this subsection but listed in the six-year capital improvement plan developed pursuant to G.S. 143C-8-5, so long as the aggregate amount of the allocations does not exceed two billion four hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars ($2,459,076,952). For public improvement bonds authorized by this section for transportation projects, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for such projects set forth in subdivision (1) of this subsection or reallocate any amounts among transportation projects, including transportation projects not listed in this subsection but listed as the next-highest-scoring Strategic Mobility-funded category project under G.S. 136-189.11 that is shovel-ready, so long as the aggregate amount of the allocations does not exceed four hundred million dollars ($400,000,000).

SECTION 1.(g) Allocation and Tracking of Proceeds. –

(1) Public improvement bonds. – The proceeds of public improvement bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Public Improvement Bonds Fund," which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this section.

Monies in the Public Improvement Bonds Fund shall be allocated and expended as provided in this section.

Any additional monies that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the Public Improvement Bonds Fund may be placed in the Public Improvement Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this section.

Monies in the Public Improvement Bonds Fund or any separate account established under this section may be invested from time to time by the State Treasurer in the same manner permitted for investment of monies belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant monies to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the Public Improvement Bonds Fund, (ii) used to pay debt service on the bonds authorized by this section, (iii) used to satisfy compliance with applicable requirements of the federal tax law, or (iv) transferred to the General Fund of the State.

The proceeds of public improvement bonds and notes, including premium thereon, if any, may be used with any other monies made available by the General Assembly for funding the projects authorized by this section, including the proceeds of any other State bond issues, whether heretofore made available or that may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of public improvement bonds and notes, including premium thereon, if any, shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

(2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's designee is hereby authorized and directed to set up a comprehensive system of tracking the proceeds of the public improvement bonds and notes, including premium thereon, if any, to the extent necessary to enable the State Treasurer or the State Treasurer's designee to properly account for the use of such proceeds for compliance with applicable requirements of the federal tax law or otherwise. All recipients of such proceeds shall comply with any tracking system implemented by the State Treasurer or the State Treasurer's designee for this purpose. The State Treasurer may withhold such proceeds from any State agency or department not complying with this subdivision.

(3) Costs. – Allocations to the costs of a capital improvement or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this section in connection with the issuance of bonds for that capital improvement or undertaking.

SECTION 1.(i) Election. – The question of the issuance of the bonds authorized by this section shall be submitted to the qualified voters of the State at an election to be held in

November of 2015. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this subsection is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

The State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding the election that are in addition to those that would have otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund or other funds available to the State Board of Elections.

Ballots, voting systems authorized by Article 14A of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond question to be used in the ballots or voting systems shall be in substantially the following form:

"[ ] FOR [ ] AGAINST

The issuance of two billion eight hundred fifty-nine million seventy-six thousand nine hundred fifty-two dollars ($2,859,076,952) State of North Carolina Public Improvement Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to fund capital improvements and new facilities for the State, including, without limitation, the construction and furnishing of new facilities; renovation and rehabilitation of existing facilities; the construction and renovation of highways, roads, bridges, and related road infrastructure for, without limitation, the University of North Carolina System, the North Carolina Community College System, the public schools in the State, cultural resources and State Parks, water and sewer systems, the State's National Guard, the Department of Public Safety, the Administrative Office of the Courts, the Department of Agriculture and Consumer Services, and the Department of Transportation."

If a majority of those voting on a bond question in the election vote in favor of the issuance of the bonds described in the question, those bonds may be issued as provided in this section. If a majority of those voting on a bond question in the election vote against the issuance of the bonds described in the question, those bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State in the manner and at the time provided by the general election laws of the State.

SECTION 1.(j) Issuance of Bonds and Notes. –

(1) Terms and conditions. – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer by and with the consent of the Council of State.

(2) Signatures; form and denomination; registration. – Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the

Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State of North Carolina or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature, which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section; provided, however, that nothing in this section shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the Registered Public Obligations Act, as well as under this section.

(3) Manner of sale; expenses. – Subject to the consent of the Council of State, the State Treasurer shall determine the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States of America, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, and the State Treasurer is authorized to sell bonds or notes at one time or from time to time at such rate or rates of interest, which may vary from time to time, and at such price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available monies.

(4) Notes; repayment. –

a. Subject to the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

1. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds.
2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
3. For the renewal of any loan evidenced by notes herein authorized.
4. For the purposes authorized in this section.

5. For refunding bonds or notes as herein authorized.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.

(6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.

(7) Investment eligibility. – Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions; all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State; executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.

(8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this section with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

SECTION 1.(k) Variable Interest Rates. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner thereof, provided a credit facility agreement supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility agreement is not required, upon a finding and determination by the State Treasurer, that the absence of a credit facility agreement will not materially

or adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility agreement;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility agreement or to the State.

If the aggregate principal amount repayable by the State under a credit facility agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit facility agreement, whether as a result of the inclusion in the credit facility agreement of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility agreement shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION 1.(l) Interpretation of Section. –

(1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

(2) Statutory references. – References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(3) Broad construction. – The General Assembly specifically has chosen to combine what otherwise might be considered differing projects to be financed into one bond bill and bond question because the General Assembly finds that such differing projects, when taken together, constitute an interrelated, united, and single plan for the State's infrastructure as stated aforesaid. Accordingly, this section, being necessary for the health, welfare, and advancement of the people of the State, shall be broadly construed to affect the purposes thereof.

(4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this section shall be controlling.

(5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

SECTION 2. Other than community colleges and local school administrative units, each entity receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the Joint Legislative Capital Oversight Committee on the projects funded from public improvement general obligation bonds authorized by

Section 1 of this act. Each local school administrative unit receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the Department of Public Instruction on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act, and the Department of Public Instruction shall combine the reports and submit them to the Legislative Capital Oversight Committee. Community Colleges receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the North Carolina Community Colleges System Office on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act, and the System office shall combine the reports and submit them to the Legislative Capital Oversight Committee. Each report shall include the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed.

SECTION 3. The State Treasurer shall not issue bonds or notes otherwise authorized by Section 1 of this act in an amount or year where the issuance of the bonds or notes would violate the Debt Affordability Advisory Committee's recommendations on debt capacities required under G.S. 142-101.

SECTION 4.(a) Other than for projects for DENR Statewide Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants), NC Community Colleges, projects for Public Instruction, DENR Statewide Water/Sewer Loans, and AOC Statewide Courthouse Grants, projects funded in whole or in part with the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1 of this act, that portion of funds estimated to be needed for escalation of costs shall remain with the Office of State Budget and Management and shall be disbursed only for the following purposes:

(1) To address unforeseen contingencies related to the specific project for which the funds were made available.

(2) To address inflation costs related to that specific project.

SECTION 4.(b) Any funds retained by the Office of State Budget and Management pursuant to subsection (a) of this section at the time a project is completed shall be retained by the Office of State Budget and Management until reallocated for other purposes by the General Assembly. The Office of State Budget and Management shall report on any funds retained pursuant to this subsection within 90 days of a project's completion.

SECTION 5. Notwithstanding the period of time provided in G.S. 163-128(a) for which transfers are effective, transfers of voters from a given precinct, for the purpose of voting, to an adjacent precinct for the election held in November of 2015 shall be for that election only and shall not apply to any subsequent election.

SECTION 6. The Department of Public Safety shall take appropriate measures, including maximizing the use of the Inmate Construction Program, to reduce costs related to construction of correctional projects authorized in S.L. 2007-323, as amended by S.L. 2009-209 and S.L. 2009-451, and S.L. 2008-107, as amended by S.L. 2009-209 and S.L. 2009-451. The Department, with the approval of the Office of State Budget and Management, may use the funds from any savings generated, together with available funds, to finance the capital facility costs of renovating existing space at Central Prison for bed space for long-term palliative care. No additional special indebtedness may be issued or incurred to finance the construction of bed space for such care. The use of funds authorized by this section shall not require further approval by the Council of State pursuant to Chapter 142 of the General Statutes.

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

VISITOR REGISTRATION SHEET

Rules Committee

Name of Committee

Aug 3rd, 2015

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Donna B Clark	UNC DG
Martha Jenkins	DCR
Rhonda Todd	DOA
Margaret Burke	OSHR
Mike Freeman	NCHE
Bruce Mildwurf	NCSBA
Cole Fukuwa	PAGE
Keeri Kelly	Duke Energy
Flint Benson	SEANC
Laurie Ahern	LALC
Elizabeth Biser	Brooks Pierce

VISITOR REGISTRATION SHEET

Rules Committee
Name of Committee

Aug 3rd, 2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
UNC charlotte <->	Betty Doster
Tom Hart	NCICU
Carr McLamb	TSS
Daniel Baum	TSS
Trent Womble	DITH
David Huskins	NCARC CCOGS

House Committee on Rules, Calendar, and Operations of the House
Thursday, August 6, 2015 at 1:00 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 1:00 PM on August 6, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Bumgardner, Burr, Daughtry, Davis, Floyd, Fraley, L. Hall, Hastings, Jackson, L. Johnson, Lewis, Robinson, Stam, Szoka, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided. Meeting came to order at 1:42 PM

The following bills were considered:

SB 698 Prohibit Closure of Laurel Elementary: The bill was before the committee without objection. Upon motion of the chair, the bill was removed from the calendar.

Bill Draft 2015-LG-121 [v.6] was before the committee and upon motion of Rep. Daughtry was moved favorable for introduction in the Clerk's office. The motion carried

SB 15 Unemployment Insurance Law Changes was properly before the committee. Assistant Secretary Folwell spoke on the bill. Rep. Torbett moved for a favorable report and additional referral to the Finance Committee. The motion carried.

The meeting adjourned at 2:07 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, August 6, 2015
TIME: **1:00 PM**
LOCATION: **1228/1327 LB**

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:28 AM on Monday, August 10, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE BILL 698:
Prohibit Closure of Laurel Elementary

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	August 6, 2015
Introduced by:	Sen. Hise	**Prepared by:**	Kara McCraw Committee Counsel
Analysis of:	PCS to First Edition S698-CSTC		

SUMMARY: The PCS for SB 698 would remove the prior contents of that bill and instead would prohibit the closure of Laurel Elementary School in Madison County until the close of the 2016-2017 school year or the conversion of that school in to a charter school, whichever occurs first.

CURRENT LAW: G.S. 115C-72 authorizes local boards of education to close schools located in that local school administrative unit after a thorough study of the school is made, including consideration primarily of the welfare of the students to be affected by the proposed closing and, among other factors, the following:

- Geographic conditions.
- Anticipated increase or decrease in school enrollment.
- The inconvenience or hardship that might result to the pupils to be affected by such closing.
- The cost of providing additional school facilities in the event of such closing.
- Such other factors as the board shall consider germane.

Before the entry of any order of closing, the local board of education must provide for a public hearing in regard to the proposed closing. Upon the basis of the study and after a hearing is conducted, the local board may, in the exercise of its discretion, approve the closing.

G.S. 115C-105.37B authorizes closure of continually low-performing schools as one of four reform models for those schools.

BILL ANALYSIS: The PCS for SB 698 would direct the Board of Education of Madison County to not close or consolidate Laurel Elementary School and to continue to operate the school until either (1) the close of the 2016-2017 school year or (2) the conversion of Laurel Elementary School to a charter school, whichever occurs first.

EFFECTIVE DATE: The PCS for SB 698 would become effective when it becomes law.

BACKGROUND: The Madison County Board of Education has ordered the closure of Laurel Elementary School.

O. Walker Reagan
Director

S698-SMTC-59 CSTC-55 -V2

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 698
PROPOSED HOUSE COMMITTEE SUBSTITUTE S698-CSTC-55 [v.2]

8/6/2015 10:29:32 AM

Short Title: Prohibit Closure of Laurel Elementary. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT THE CLOSURE OF LAUREL ELEMENTARY SCHOOL.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115C-72 and G.S. 115C-105.37B, the Board of Education of Madison County Schools shall not close or consolidate Laurel Elementary School and shall continue to operate an elementary school at the facility located at 4100 Highway 212, Marshall, North Carolina 28753, until the close of the 2016-2017 school year or the conversion of Laurel Elementary School to a charter school, whichever occurs first.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

BILL DRAFT 2015-LG-121 [v.6] (07/13)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
7/16/2015 9:59:34 AM

Sponsors: Committee on Rules, Calendar, and Operations of the House.

Referred to:

A HOUSE RESOLUTION RESPECTFULLY PETITIONING THE CITIZENS' STAMP ADVISORY COMMITTEE OF THE UNITED STATES POSTAL SERVICE AND THE POSTMASTER GENERAL OF THE UNITED STATES TO ISSUE A COMMEMORATIVE STAMP HONORING THE REVEREND BILLY GRAHAM.

Whereas, William Franklin "Billy" Graham, Jr., was born on November 7, 1918, to William Franklin Graham and Morrow Coffey Graham, and was reared on a dairy farm in Charlotte, North Carolina; and

Whereas, Billy Graham attended the Florida Bible Institute from 1937 to 1940, graduating in 1940, and was ordained to the ministry in 1939; and

Whereas, Billy Graham served as pastor of The Village Church in Western Springs, Illinois, from 1943 to 1945; as a member of Youth for Christ International, where he ministered to young people and military personnel from 1945 to 1950; and as President of Northwestern Schools, a liberal arts college, Bible school, and theological seminary, from 1947 to 1952; and

Whereas, after World War II, Reverend Graham preached throughout the United States and Europe and attained international prominence as an evangelist through a series of crusades that began in 1949; and

Whereas, since 1950, Reverend Graham has conducted his ministry through the Billy Graham Evangelistic Association (BGEA), reaching multitudes of people by means of a weekly radio program, "Hour of Decision"; a newspaper column, "My Answer"; televised crusades; articles published in "Decision" magazine; and evangelistic films produced and distributed by World Wide Pictures and now reaching millions through the BGEA Web site and the Billy Graham Library in Charlotte; and

Whereas, over the years, Reverend Graham has preached to live audiences of nearly 215 million people in more than 185 countries and territories and has preached to an estimated 2.2 billion people through television and technology; and

Whereas, Reverend Graham has been a renowned humanitarian and philanthropist, providing financial assistance to victims of disasters, as well as collecting and distributing clothing to those in need all around the world over the years; and

Whereas, Reverend Graham has counseled 12 Presidents and has participated in nine presidential inaugurations; and

Whereas, Reverend Graham has also counseled world leaders and has participated in many historic occasions, and has been called upon as the "nation's pastor" during times of national crisis. He spoke at the National Cathedral service in Washington, D.C., three days after the 9/11 attack in 2001, as the nation and world watched and listened. Five presidents,

including George W. Bush, Bill Clinton, George H.W. Bush, Jimmy Carter, and Gerald Ford, and their wives were in the audience; and

Whereas, admired and beloved by both Christians and non-Christians, Reverend Graham continues to inspire the world with his good works; and

Whereas, there have been many great North Carolinians, but few have impacted the world more than Billy Graham; and

Whereas, it is appropriate to honor the Reverend Billy Graham, one of America's most distinguished citizens, with a commemorative postage stamp; Now, therefore,

Be it resolved by the House of Representatives:

SECTION 1. The House of Representatives respectfully petitions the Citizens' Stamp Advisory Committee of the United States Postal Service and the Postmaster General of the United States to issue a commemorative stamp honoring the Reverend Billy Graham.

SECTION 2. The Principal Clerk shall transmit copies of this resolution to the Citizens' Stamp Advisory Committee and the Postmaster General.

SECTION 3. This resolution is effective upon adoption.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 15*
Finance Committee Substitute Adopted 2/11/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S15-PCS45397-RBxr-45

Short Title: Unemployment Insurance Law Changes. (Public)

Sponsors:

Referred to:

February 4, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE, AND TO CONFIRM APPOINTMENTS TO THE BOARD OF REVIEW.

The General Assembly of North Carolina enacts:

PART I. ENHANCE UI PROGRAM INTEGRITY/REPORTING

SECTION 1. Chapter 96 of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Miscellaneous Provisions.

"**§ 96-36. Unemployment insurance program integrity; reporting.**

(a) Findings and Purpose. – The General Assembly finds that program integrity measures have been implemented by the Division to maximize the efficiency and effectiveness of the State's unemployment insurance program. The purpose of this section is to assure that these efforts shall include the rigorous and consistent use of business intelligence and data analytics for enhanced unemployment insurance program integrity.

(b) Required Activities. – To achieve the program integrity enhancements required by this section, at a minimum, the Division shall do all of the following:

(1) Prioritize Division program integrity efforts that maximize utilization of and information sharing with or between these projects and initiatives in order to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities:
   a. Government Data Analytics Center (GDAC);
   b. Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI); and
   c. Any other program integrity capabilities identified by the Division.

(2) Coordinate efforts with the Office of Information Technology Services to ensure that the Division identifies and integrates into its operations and procedures the most effective and accurate processes and scalable tools available to prevent payment of fraudulent, suspicious, or irregular claims.

(3) Coordinate efforts with the Department of Revenue to enhance alerts indicating circumvention of the payment of unemployment insurance taxes.

(4) Coordinate efforts with the Department of Health and Human Services to facilitate claims cross-matching and other appropriate steps to enhance program integrity.

(5) Coordinate efforts with the Office of State Controller to facilitate cross-matching and other appropriate steps using BEACON (Building Enterprise Access for North Carolina's Core Operation Needs).

(c) Quarterly Reporting. – Beginning October 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the directives in this section to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations Subcommittee on Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

(1) Metrics regarding unemployment benefits overpayments, improper payments, and fraudulent payments, in terms of both percentage and dollar amount.

(2) Information on fraud perpetrator metrics, in terms of percent and value, by type (whether by employer or claimant), and activity subcategory, such as employee misclassification, unemployment insurance tax rate manipulation (SUTA dumping), fictitious employers, fictitious claimants, deceased claimants, incarcerated claimants, work and earn, and similar activities.

(3) Quantified investigation activity, including the following:

a. Type and subcategory of investigations.

b. Number of alerts received during the quarter.

c. Number of alerts investigated during the quarter.

d. Number of false positives.

e. Number of dispositions entered.

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the General Assembly on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

(1) The methodology used by the Division to determine analytic priorities for unemployment insurance program integrity investigation.

(2) A report on the State's Benefit Accuracy Measurement (BAM) as required by the U.S. Department of Labor, including how North Carolina's BAM has changed over time and how its current rate compares to other states. The report shall also include an update on BAM methodology and information regarding how it might be modified.

(3) An explanation of the Division's unemployment insurance program integrity activities in coordination with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller as required by subsection (b) of this section.

(4) Division workflows, both intra-agency and interagency, to address process problems and program integrity issues, including identification of tools, resources, and plans for continued improvement of unemployment insurance program integrity efforts.

(5) An analysis of the information required by subsection (c) of this section, along with an explanation of how that information will be used to augment the State's business intelligence and data analytics capabilities to prevent,

detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities."

PART II. UNEMPLOYMENT INSURANCE LAW CHANGES

SECTION 2.1. G.S. 20-7(b2) is amended by adding a new subdivision to read:

"(b2) Disclosure of Social Security Number. – The social security number of an applicant is not a public record. The Division may not disclose an applicant's social security number except as allowed under federal law. A violation of the disclosure restrictions is punishable as provided in 42 U.S.C. § 408, and amendments to that law.

In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division may disclose a social security number obtained under subsection (b1) of this section only as follows:

...

(7) To the Department of Commerce, Division of Employment Security, for the purpose of verifying employer and claimant identity."

SECTION 2.2.(a) G.S. 96-14.9(e) reads as rewritten:

"(e) Actively Seeking Work. – The Division's determination of whether an individual is actively seeking work is based upon the following:

(1) The individual is registered for employment services, as required by the Division.

(2) The individual has engaged in an active search for employment that is appropriate in light of the employment available in the labor market and the individual's skills and capabilities.

(3) The individual has ~~sought work on at least two different days during the week and~~ made at least ~~two~~ five job contacts with potential ~~employers.~~employers during the week.

(4) The individual has maintained a record of the individual's work search efforts. The record must include the potential employers contacted, the method of contact, and the date contacted. The individual must provide the record to the Division upon request."

SECTION 2.2.(b) This section becomes effective January 1, 2016, and applies to claims for benefits filed on or after that date.

SECTION 2.3.(a) G.S. 96-15(h) reads as rewritten:

"(h) Judicial Review. – ~~Any~~ A decision of the ~~Division, in the absence of judicial review as herein provided, or in the absence of an interested party filing a request for reconsideration, shall become~~ Board of Review becomes final 30 days after the date of ~~notification or~~ mailing ~~thereof, whichever is earlier.~~ unless a party to the decision seeks judicial review as provided in this subsection. Judicial review ~~shall be~~ is permitted only after a party claiming to be aggrieved by the decision has exhausted ~~his remedies before the Division as provided in this Chapter~~ the remedies provided in this Chapter and has filed a petition for review in the superior court of the county in which ~~he~~ the petitioner resides or ~~has his~~ the county in which the petitioner's principal place of ~~business.~~ business is located. The petition for review ~~shall~~ must explicitly state what exceptions are taken to the decision or procedure ~~of the Division~~ and what relief the petitioner seeks. Within 10 days after the petition is filed with the court, the petitioner ~~shall~~ must serve copies of the petition by personal service or by certified mail, return receipt requested, upon the Division and upon all parties of record to the Division proceedings. The Division must furnish the petitioner the names ~~Names~~ and addresses of the parties ~~shall be furnished to the petitioner by the Division~~ upon request. The Division ~~shall be deemed to be~~ is a party to any judicial action involving any of its decisions and may be represented in the judicial action by any qualified attorney who has been designated by it for that purpose. Any questions regarding the requirements of this subsection concerning the service or filing of a petition shall be determined

by the superior court. Any party to the Division proceeding may become a party to the review proceeding by notifying the court within 10 days after receipt of the copy of the petition. Any person aggrieved may petition to become a party by filing a motion to intervene as provided in G.S. 1A-1, Rule 24.

Within 45 days after receipt of the copy of the petition for review or within such additional time as the court may allow, the Division ~~shall~~ must transmit to the reviewing court the original or a certified copy of the entire record of the proceedings under review. With the permission of the court the record may be shortened by stipulation of all parties to the review proceedings. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for ~~such~~ the additional cost ~~as is occasioned~~ incurred by the refusal. The court may require or permit subsequent corrections or additions to the record when ~~deemed~~ the court considers the changes desirable."

SECTION 2.3.(b) This section becomes effective January 1, 2016, and applies to decisions made on or after that date.

SECTION 2.4.(a) G.S. 96-3 reads as rewritten:

"**§ 96-3. Division of Employment Security.**

The Division of Employment Security (DES) is created within the Department of Commerce and shall administer the provisions of this Chapter under the supervision of the Assistant Secretary of ~~Commerce through two coordinate sections: the Employment Security Section and the Employment Insurance Section. The Employment Security Section shall administer the employment services functions of the Division. The Employment Insurance Section shall administer the unemployment taxation and assessment functions of the Division.~~Commerce."

SECTION 2.4.(b) G.S. 96-4(j) reads as rewritten:

"(j) Hearings. – The Assistant Secretary shall appoint hearing officers or appeals referees to hear contested matters arising from the ~~Employment Security Section and the Employment Insurance Section.~~ Division of Employment Security. Appeals from the decisions of the hearing officers or appeals referees shall be heard by the Board of Review."

SECTION 2.4.(c) G.S. 96-9.15(f) reads as rewritten:

"(f) Domestic Employer Exception. – The Division may authorize an employer of domestic service employees to file an annual report and to file that report by telephone. An annual report allowed under this subsection is due on or before the last day of the month following the close of the calendar year in which the wages are paid. A domestic service employer that files a report by telephone must contact either the tax auditor assigned to the employer's account or the ~~Employment Insurance Section~~ Division of Employment Security in Raleigh and report the required information to that auditor or to that section by the date the report is due."

SECTION 2.5.(a) G.S. 1-359 reads as rewritten:

"**§ 1-359. Debtors of judgment debtor may satisfy execution.**

(a) After the issuing of an execution against property, all persons indebted to the judgment debtor, or to any one of several debtors in the same judgment, may pay to the sheriff the amount of their debt, or as much thereof as is necessary to satisfy the execution; and the sheriff's receipt is a sufficient discharge for the amount paid.

(b) When the Division of Employment Security of the Department of Commerce (Division) prevails in a civil action against an employer to collect unpaid employment taxes under G.S. 96-10(b), the Division may attach or garnish the employer's credit card receipts or other third-party payments in payment of the unpaid taxes in the manner provided by subsection (a) of this section. Direct receipt by the Division is a sufficient discharge for the amount paid by a credit card company, clearinghouse, or third-party payment processor."

SECTION 2.5.(b) G.S. 96-10 reads as rewritten:

"**§ 96-10. Collection of contributions.**

...

(b) Collection. –

(1) If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due shall be collected by civil action in the name of the Division, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other civil actions, except petitions for judicial review under this Chapter and cases arising under the Workers' Compensation Law of this State; or, if any contribution imposed by this Chapter, or any portion thereof, and/or penalties duly provided for the nonpayment thereof shall not be paid within 30 days after the same become due and payable, and after due notice and reasonable opportunity for hearing, the Division, under the hand of the Assistant Secretary, may certify the same to the clerk of the superior court of the county in which the delinquent resides or has property, and additional copies of said certificate for each county in which the Division has reason to believe the delinquent has property located. If the amount of a delinquency is less than fifty dollars ($50.00), the Division may not certify the amount to the clerk of court until a field tax auditor or another representative of the Division personally contacts, or unsuccessfully attempts to personally contact, the delinquent and collect the amount due. A certificate or a copy of a certificate forwarded to the clerk of the superior court shall immediately be docketed and indexed on the cross index of judgments, and from the date of such docketing shall constitute a preferred lien upon any property which said delinquent may own in said county, with the same force and effect as a judgment rendered by the superior court. The Division shall forward a copy of said certificate to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division, and when so forwarded and in the hands of such sheriff or agent of the Division, shall have all the force and effect of an execution issued to such sheriff or agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, the Division may in its discretion withhold the issuance of said certificate or execution to the sheriff or agent of the Division for a period not exceeding 180 days from the date upon which the original certificate is certified to the clerk of superior court. The Division is further authorized and empowered to issue alias copies of said certificate or execution to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division in all cases in which the sheriff or duly authorized agent has returned an execution or certificate unsatisfied; when so issued and in the hands of the sheriff or duly authorized agent of the Division, such alias shall have all the force and effect of an alias execution issued to such sheriff or duly authorized agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, that notwithstanding any provision of this subsection, upon filing one written notice with the Division, the sheriff of any county shall have the sole and exclusive right to serve all executions and make all collections mentioned in this subsection and in such case no agent of the Division shall have the authority to serve any executions or make any collections therein in such county. A return of such execution, or alias

execution, shall be made to the Division, together with all moneys collected thereunder, and when such order, execution, or alias is referred to the agent of the Division for service the said agent of the Division shall be vested with all the powers of the sheriff to the extent of serving such order, execution or alias and levying or collecting thereunder. The agent of the Division to whom such order or execution is referred shall give a bond not to exceed three thousand dollars ($3,000) approved by the Division for the faithful performance of such duties. The liability of said agent shall be in the same manner and to the same extent as is now imposed on sheriffs in the service of executions. If any sheriff of this State or any agent of the Division who is charged with the duty of serving executions shall willfully fail, refuse, or neglect to execute any order directed to him by the said Division and within the time provided by law, the official bond of such sheriff or of such agent of the Division shall be liable for the contributions, penalty, interest, and costs due by the employer. Any judgment that is executable and allowed under this section shall be subject to attachment and garnishment under G.S. 1-359(b) in payment of unpaid taxes that are due from the employer and collectable under this Article.

...

(i) Except as otherwise provided in this subsection, no suit or proceedings for the collection of unpaid contributions may be begun under this Chapter after five years from the date on which the contributions become due, and no suit or proceeding for the purpose of establishing liability and/or status may be begun with respect to any period occurring more than five years prior to the first day of January of the year within which the suit or proceeding is instituted. This subsection shall not apply in any case of willful attempt in any manner to defeat or evade the payment of any contributions becoming due under this Chapter. A proceeding shall be deemed to have been instituted or begun upon the date of issuance of an order by the ~~Assistant Secretary of the Division~~ Board of Review directing a hearing to be held to determine liability or nonliability, and/or status under this Chapter of an employing unit, or upon the date notice and demand for payment is mailed by certified mail to the last known address of the employing unit. The order shall be deemed to have been issued on the date the order is mailed by certified mail to the last known address of the employing unit. The running of the period of limitations provided in this subsection for the making of assessments or collection shall, in a case under Title II of the United States Code, be suspended for the period during which the Division is prohibited by reason of the case from making the assessment or collection and for a period of one year after the prohibition is removed.

...."

SECTION 2.6. G.S. 96-14.9 reads as rewritten:

"**§ 96-14.9. Weekly certification.**

(a) Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. An individual must meet all of the requirements of this section for each weekly benefit period. An individual who fails to meet one or more of the requirements is ineligible to receive benefits until the condition causing the ineligibility ceases to exist:

(1) File a claim for benefits.

(2) Report ~~at an employment office~~ as requested by the ~~Division.~~Division and present valid photo identification meeting the requirements of subsection (k) of this section.

(3) Meet the work search requirements of subsection (b) of this section.

...

(k) Photo Identification. – The individual must present the Division one of the following documents bearing the individual's photograph:

(1) A drivers license, learner's permit, provisional license, or nonoperator's identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.

(2) A United States passport.

(3) A United States military identification card.

(4) A Veterans Identification Card issued by the United States Department of Veterans Affairs.

(5) A tribal enrollment card issued by a federally recognized tribe.

(6) Any other document that the Division determines adequately identifies the individual and that is issued by the United States, any state, the District of Columbia, United States territory, or United States commonwealth.

(7) A traveler card issued by the U.S. Department of Homeland Security, such as the NEXUS SENTRI and FAST CARDS."

SECTION 2.7. Section 1.10(c) of S.L. 2011-401 reads as rewritten:

"**SECTION 1.10.(c)** The Department of Commerce, Division of Employment Security, shall adopt ~~all existing~~ rules and regulations in accordance with Article 2A of Chapter 150B of the General Statutes. Any existing rule that has not been readopted and filed with the Rules Review Commission by ~~December 31, 2012,~~ May 20, 2015, shall expire."

SECTION 2.8.(a) G.S. 96-14.4 is repealed.

SECTION 2.8.(b) G.S. 96-14.3 reads as rewritten:

"**§ 96-14.3. ~~Minimum and maximum duration~~ Duration of benefits.**

(a) Duration. – The ~~minimum and maximum~~ number of weeks an individual is allowed to receive unemployment benefits depends on the seasonal adjusted statewide unemployment rate that applies to the six-month base period in which the claim is filed. One six-month base period begins on January 1 and one six-month base period begins on July 1. For the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of July, August, and September applies. For the base period that begins July 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of January, February, and March applies. The Division must use the most recent seasonal adjusted unemployment rate determined by the U.S. Department of Labor, Bureau of Labor Statistics, and not the rate as revised in the annual benchmark. ~~The number of weeks allowed for an individual is determined in accordance with G.S. 96-14.4.~~

Seasonal Adjusted Unemployment Rate	~~**Minimum Number of Weeks**~~	~~**Maximum**~~ **Number of Weeks**
Less than or equal to 5.5%	~~5~~	12
Greater than 5.5% up to 6%	~~6~~	13
Greater than 6% up to 6.5%	~~7~~	14
Greater than 6.5% up to 7%	~~8~~	15
Greater than 7% up to 7.5%	~~9~~	16
Greater than 7.5% up to 8%	~~10~~	17
Greater than 8% up to 8.5%	~~11~~	18
Greater than 8.5% up to 9%	~~12~~	19
Greater than 9%	~~13~~	20

(b) Total Benefits. – The total benefits paid to an individual equals the individual's weekly benefit amount allowed under G.S. 96-14.2 multiplied by the number of weeks allowed under subsection (a) of this section."

SECTION 2.8.(c) G.S. 96-14.12(b) reads as rewritten:

"(b) Duration of Benefits. – This subsection applies to an individual and the spouse of an individual who is unemployed based on services performed for a corporation in which the

individual held five percent (5%) or more of the outstanding shares of the voting stock of the corporation. The maximum number of weeks an individual or an individual's spouse may receive benefits is ~~limited to the lesser of~~ six ~~weeks or the applicable weeks determined under G.S. 96-14.4.~~weeks."

SECTION 2.8.(d) G.S. 96-16(f) reads as rewritten:

"(f) (1) A seasonal worker shall be eligible to receive benefits based on seasonal wages only for a week of unemployment which occurs, or the greater part of which occurs within the active period or periods of the seasonal pursuit or pursuits in which he earned base period wages.

(2) A seasonal worker shall be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during any active period or periods of the seasonal pursuit in which he has earned base period wages provided he has exhausted benefits based on seasonal wages. Such worker shall also be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during the inactive period or periods of the seasonal pursuit in which he earned base period wages irrespective as to whether he has exhausted benefits based on seasonal wages.

(3) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on seasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the seasonal wages in his base period by all of his base period wages.

(4) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on nonseasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the nonseasonal wages in his base period by all of his base period wages.

(5) In no case shall a seasonal worker be eligible to receive a total amount of benefits in a benefit year in excess of the maximum benefits payable for such benefit year, as provided in ~~G.S. 96-14.4.~~G.S. 96-14.3."

SECTION 2.8.(e) This section becomes effective July 1, 2015.

SECTION 2.9. G.S. 96-15 reads as rewritten:

"**§ 96-15. Claims for benefits.**

...

(b) ...

(2) Adjudication. – When a protest is made by the claimant to the initial or monetary determination, or a question or issue is raised or presented as to the eligibility of a claimant, or whether any disqualification should be imposed, or benefits denied or adjusted pursuant to G.S. 96-18, the matter shall be referred to an adjudicator. The adjudicator may consider any matter, document or statement deemed to be pertinent to the issues, including telephone conversations, and after such consideration shall render a conclusion as to the claimant's benefit entitlements. The adjudicator shall notify the claimant and all other interested parties of the conclusion reached. The conclusion of the adjudicator shall be deemed the final decision of the Division unless within 30 days after the date of notification or mailing of the conclusion, whichever is earlier, a written appeal is filed pursuant to rules adopted by the Division. The Division shall be deemed an interested party

for such purposes and may remove to itself or transfer to an appeals referee the proceedings involving any claim pending before an adjudicator.

Provided, any interested employer shall be allowed 14 days from the mailing or delivery of the notice of the filing of a claim against the employer's account, whichever first occurs, to file with the Division its protest of the claim in order to have the claim referred to an adjudicator for a decision on the question or issue raised. Any protest filed must contain a basis for the protest and supporting statement of facts, and the protest may not be amended after the 14-day period from the mailing or delivery of the notice of filing of a claim has expired. ~~A copy of the notice of the filing shall be sent contemporaneously to the employer by telefacsimile transmission if a fax number is on file.~~ No payment of benefits shall be made by the Division to a claimant until one of the following occurs:

a. The employer has filed a timely protest to the claim.
b. The 14-day period for the filing of a protest by the employer has expired.
c. A determination under this subdivision has been made.

Provided further, no question or issue may be raised or presented by the Division as to the eligibility of a claimant, or whether any disqualification should be imposed, after 45 days from the first day of the first week after the question or issue occurs with respect to which week an individual filed a claim for benefits. None of the provisions of this subsection shall have the force and effect nor shall the same be construed or interested as repealing any other provisions of G.S. 96-18.

An employer shall receive written notice of the employer's appeal rights and any forms that are required to allow the employer to protest the claim. The forms shall include a section referencing the appropriate rules pertaining to appeals and the instructions on how to appeal.

...

(d1) No continuance shall be granted except upon application to the Division, the appeals referee, or other authority assigned to make the decision in the matter to be continued. A continuance may be granted only ~~for good cause shown and~~ upon such terms and conditions as ~~justice may require. Good cause~~ the Division by rule shall provide. Acceptable grounds for granting a continuance shall include, but not be limited to, those instances when a party to the proceeding, a witness, or counsel of record has an obligation of service to the State, such as service as a member of the North Carolina General Assembly, or an obligation to participate in a proceeding in a court of greater jurisdiction.

...."

SECTION 2.10.(a) G.S. 96-14.1(b) reads as rewritten:

"(b) Valid Claim. – To obtain benefits, an individual must file a valid claim for unemployment ~~benefits and~~ benefits, register for ~~work.~~ work, and have a weekly benefit amount calculated pursuant to G.S. 96-14.2(a) that equals or exceeds fifteen dollars ($15.00). An individual must serve a one-week waiting period for each claim filed. A valid claim is one that meets the employment and wage standards in this subsection for the individual's base period. A valid claim for a second benefit year is one that meets the employment and wage standards in this subsection since the beginning date of the prior benefit year and before the date the new benefit claim is filed:

(1) Employment. – The individual has been paid wages in at least two quarters of the individual's base period.
(2) Wages. – The individual has been paid wages totaling at least six times the average weekly insured wage during the individual's base period. If an

individual lacks sufficient base period wages, then the wage standard for that individual is determined using the last four completed calendar quarters immediately preceding the first day of the individual's benefit year. This alternative base period may not be used by an individual in making a claim for benefits in the next benefit year."

SECTION 2.10.(b) This section is effective when it becomes law and applies to benefit claims filed on or after October 4, 2015.

PART III. DIVISION OF EMPLOYMENT SECURITY BOARD OF REVIEW

SECTION 3.1.(a) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2015. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning July 1, 2015, will expire on June 30, 2019.

SECTION 3.1.(b) Notwithstanding the appointment provisions in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning July 1, 2015, and expiring on June 30, 2019.

SECTION 3.1.(c) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in G.S. 96-15.3, as enacted by this act, Keith Holliday, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employers, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2016. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2016, will expire on June 30, 2020.

SECTION 3.1.(d) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, Stanley Campbell, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employees, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2017. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2017, will expire on June 30, 2021.

SECTION 3.2.(a) The following decisions in an appeal by a party to a decision of an appeals referee or hearing officer under Chapter 96 of the General Statutes are hereby validated and given the same legal effect as if those decisions had been issued by the Board of Review (BOR):

(1) Decisions issued by the Assistant Secretary of Commerce for the Division of Employment Security or by the Secretary of Commerce's designee.

(2) Decisions issued by the three individuals appointed by the Governor in December 2013 to serve as members of the BOR.

SECTION 3.2.(b) This section is effective when it becomes law and applies to decisions rendered on or after November 1, 2011.

SECTION 3.3.(a) G.S. 96-4(b) and Section 21 of S.L. 2013-224 are repealed.

SECTION 3.3.(b) Article 2D of Chapter 96 of the General Statutes is amended by adding a new section to read:

"**§ 96-15.3. Board of Review.**

(a) Purpose. – The Board of Review (BOR) is created to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Division. The Department of Commerce must assign staff to the BOR. The BOR and its staff must perform their job responsibilities independent of the Governor, the General Assembly, the

Department, and the Division and in accordance with any written guidance promulgated and issued by the U.S. Department of Labor.

(b) Members. – The BOR consists of three members appointed by the Governor and subject to confirmation by the General Assembly as provided in subsection (c) of this section. One member must be classified as representative of employees, one member must be classified as representative of employers, and one member must be classified as representative of the general public. The member appointed to represent the general public will serve as chair of the BOR and must be a licensed attorney in this State.

Members of the BOR serve staggered four-year terms. A term begins on July 1 of the year of appointment and ends on June 30 of the fourth year. No individual may serve more than two terms on the BOR. In calculating the number of terms served, a partial term that is less than 24 months in length will not be included. The General Assembly must set the annual salaries of the BOR in the current Operations Appropriations Act.

(c) Confirmation. – Appointments of members to serve on the BOR are subject to confirmation by the General Assembly by joint resolution. The Governor must submit the name of the individual the Governor wants to appoint to the BOR to the General Assembly for confirmation on or before May 1 of the year of the expiration of the term. If the General Assembly does not confirm the appointment by May 30, the office will be considered vacant and must be filled in accordance with subsection (d) of this section. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the office. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the succeeding term as provided in subsection (e) of this section.

(d) Vacancies. – For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the regular session for more than 10 days, and (iii) after sine die adjournment of the regular session. A vacancy in an office of the BOR prior to the expiration of the term of office must be filled in accordance with this subsection:

(1) During legislative session. – If a vacancy in an office arises or exists when the General Assembly is in session, the Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term within 30 days after the vacancy arises to the General Assembly for confirmation by the General Assembly. If the General Assembly does not confirm the appointment within 30 days after the General Assembly receives the nomination, the office will be considered vacant and must be filled in accordance with this subsection. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the vacancy. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(2) During legislative interim. – If a vacancy in an office arises or exists when the General Assembly is not in session, the Governor must appoint an individual to that office to serve on an interim basis pending confirmation by the General Assembly. The Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term to the General Assembly for confirmation within 14 days of the date the General Assembly convenes or reconvenes for the next regular session. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(e) Legislative Appointments. – If the Governor fails to timely submit the name of an individual to be appointed to the BOR as provided in this section, then the General Assembly

may appoint an individual to fill the vacancy in accordance with G.S. 120-121 and the provisions of this subsection. If the vacancy occurs in an odd-numbered year, the appointment is made upon the recommendation of the President Pro Tempore of the Senate. If the vacancy occurs in an even-numbered year, the appointment is made upon the recommendation of the Speaker of the House of Representatives."

SECTION 3.4. The Joint Legislative Program Evaluation Oversight Committee shall include in the 2015-2017 Work Plan for the Program Evaluation Division of the General Assembly a study of the value provided to the State by the Board of Review (BOR). The Division shall report its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Unemployment Insurance by March 1, 2016. The study should include the following:

(1) A cost-benefit analysis of the State provision of a higher level of appeal of decisions for the Division of Employment Security through the BOR:
   a. Annual costs of the BOR.
   b. Number of cases handled annually by the BOR.
   c. Average time for BOR to process a case.
   d. Cost per case.
   e. Number and percentage of BOR decisions differing from the initial decision.
   f. Average percentage distribution of time BOR staff members spend on BOR tasks and tasks unrelated to BOR.
   g. Independence of BOR staff from budgetary control, direction, or override by non-BOR agency employees and officers.

(2) A comparison to other states with BOR functions on the same factors enumerated in subdivision (1) of this section.

(3) A determination of how the cost of BOR compares to the monetary value derived from the BOR appeals function.

(4) A determination if BOR resources could be applied more efficiently and effectively to provide equivalent value to the State.

(5) An identification of noneconomic or nonquantifiable justifications, if any, of a BOR function.

(6) Any Program Evaluation Division recommendations for administrative or legislative consideration.

PART IV. TAX CHANGES

SECTION 4.1.(a) G.S. 96-9.2(c) reads as rewritten:

"(c) Contribution Rate for Experience-Rated Employer. – The contribution rate for an experience-rated employer who does not qualify as a beginning employer under subsection (b) of this section is determined in accordance with the table set out below and then rounded to the nearest one-hundredth percent (0.01%), subject to the minimum and maximum contribution rates. The minimum contribution rate is six-hundredths of one percent (0.06%). The maximum contribution rate is five and seventy-six hundredths percent (5.76%). "Total insured wages" are the total wages reported by all insured employers for the 12-month period ending on ~~July 31~~ June 30 preceding the computation date. An employer's experience rating is computed as a reserve ratio in accordance with G.S. 96-9.4. An employer's reserve ratio percentage (ERRP) is the employer's reserve ratio multiplied by sixty-eight hundredths. A positive ERRP produces a lower contribution rate, and a negative ERRP produces a higher contribution rate.

...."

SECTION 4.1.(b) This section is effective when it becomes law and applies to contributions payable for calendar quarters beginning on or after January 1, 2014.

SECTION 4.2.(a) G.S. 96-11.2 reads as rewritten:

"**§ 96-11.2. Allocation of charges to base period employers.**

Benefits paid to an individual are charged to an employer's account ~~when the individual's benefit year has expired.~~ quarterly. Benefits paid to an individual must be allocated to the account of each base period employer in the proportion that the base period wages paid to the individual in a calendar quarter by each base period employer bears to the total wages paid to the individual in the base period by all base period employers. The amount allocated to an employer that pays contributions is multiplied by one hundred twenty percent (120%) and charged to that employer's account. The amount allocated to an employer that elects to reimburse the Unemployment Insurance Fund in lieu of paying contributions is the amount of benefits charged to that employer's account."

SECTION 4.2.(b) This section becomes effective January 3, 2016, and applies to claims effective on or after that date. Claims filed prior to January 3 will be charged annually when the benefit year for that claim ends.

SECTION 4.3. Notwithstanding G.S. 96-9.7(b), the surtax imposed under G.S. 96-9.7 does not apply to the calendar year 2016 if the amount in the State's account in the Unemployment Trust Fund as of March 1, 2016, equals or exceeds one billion dollars ($1,000,000,000).

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 15:
Unemployment Insurance Law Changes

2013-2014 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	August 6, 2015
Introduced by:	Sen. Rucho	**Prepared by:**	Cindy Avrette
Analysis of:	PCS to Second Edition S15-CSRBxr-45		Committee Counsel

SUMMARY[1]: ***Senate Bill 15[2] combines three bills that were recommendations of the Joint Legislative Oversight Committee on Unemployment Insurance into this bill. The proposed House committee substitute does the following:***

- ***Makes additional changes requested by the Division of Employment Security (DES).***
- ***Confirms the sitting Board of Review members and appoints and confirms a Board member for the four-year term beginning July 1, 2015.***
- ***Directs the Program Evaluation Division to study the benefits and costs to the State of providing a higher appeals level for unemployment benefit decisions through the Board of Review.***
- ***Suspends the 20% surcharge for the tax year 2016 if the amount in the State's account in the Unemployment Trust Fund equals or exceeds $1 billion by March 1, 2016.***

CURRENT LAW, BILL ANALYSIS, AND EFFECTIVE DATE:

Part I: Enhance UI Program Integrity/Reporting

Part I: Senate Bill 15/House Bill 22, Enhance UI Program Integrity/Reporting, would require the Department of Commerce's Division of Employment Security (DES) to enhance program integrity as follows:

- ***Maximize use of the Government Data Analytics Center (GDAC) and Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI).***
- ***Coordinate with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller.***
- ***Provide quarterly and annual reports.***

The Joint Legislative Oversight Committee on Unemployment Insurance studied the program integrity efforts of the Division of Employment Security (DES). The Committee focused on improper payments and sought to discern how DES leveraged resources within the State's Government Data Analytics Center (GDAC). Part I would require DES to enhance its program integrity efforts through the use of business intelligence and data analytics. The bill instructs DES to identify program integrity capabilities and use the capabilities of 6 listed sources:

- Government Data Analytics Center (GDAC)
- Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI).

[1] The Unemployment Insurance (UI) Team prepared this summary: *Cindy Avrette, Rodney Bizzell, Aubrey Incorvaia, Janice Paul, Phyllis Pickett, and Greg Roney.*

[2] The House companion bills are noted in the summary highlights below. All three of the House companion bills are in the House Finance Committee.

- Office of Information Technology Services.
- Department of Health and Human Services.
- Department of Revenue.
- Office of State Controller.

Beginning October 1, 2015,[3] DES must report quarterly to the Chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division the following:[4]

- UI overpayments, improper payments, and fraudulent payments.
- Fraud perpetrator information, by type and activity such as employee misclassification, SUTA dumping, fictitious employers, fictitious claimants, deceased claimants, and incarcerated claimants.
- Investigation activity, including type of investigation and the number of alerts received and investigated, the number of false positives, and the number of dispositions entered.

Beginning January 1, 2016, DES must report annually to the General Assembly the following:

- Methodology for UI program integrity investigation.
- State's Benefit Accuracy Measurement (BAM) as required by the US Department of Labor.
- Results of coordination efforts with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller.
- Plans for continued improvement of program integrity.
- Information in quarterly reports.

This Part would become effective when it becomes law.

Part II: Unemployment Insurance Law Changes

Part II: Senate Bill 16/House Bill 24, Unemployment Insurance Law Changes, would several changes both houses passed in House Bill 1069 of the 2013 Legislative Session[5] and some additional changes requested by the Division of Employment Security.

Section 2.1 would authorize DMV to disclose social security numbers to DES. The social security numbers are disclosed for the purpose of verifying employer and claimant identity. DMV obtains social security numbers upon an individual's application for an identification card, learners permit, or driver's license. DMV may only disclose the numbers as permitted by federal and State laws.

Section 2.2 would modify the work search requirement by increasing the number of job contacts a claimant must make each week from two to five and by eliminating the requirement that the claimant must make those contacts on two different days. To receive UI benefits, a claimant must be actively searching for work. Under current law, a claimant is considered to be actively searching for work if the claimant makes two job contacts with potential employers on two different days during a week. This change would become effective January 1, 2016.

Section 2.3 would eliminate the procedure to request reconsideration of decisions of DES and modernize the language of G.S. 96-15(h). Under current law, a party to any decision of DES may request

---

[3] House PCS changes the date from April 1, 2015, to October 1, 2015.
[4] House PCS excludes reporting requirements that both GDAC and DES have concluded are onerous and that the current system is unable to accurately identify.
[5] The Governor vetoed House Bill 1069, 2013 Session.

reconsideration of the decision. The decision is not final until the request for reconsideration has been decided. This change would become effective January 1, 2016.

Section 2.4 would correct statutory references to the Division of Employment Security.

Section 2.5 would clarify the ability of DES to use attachment and garnishment of a delinquent employer's credit card receipts to satisfy a judgment for unpaid employment taxes. DES would receive those funds directly from a credit card company or clearinghouse in discharge of the debt. DES must prevail in a civil action against an employer for unpaid employment taxes before it could use any collection remedy. G.S. 1-359 governs the manner in which debtors of a judgment debtor may satisfy an execution. Attachment and garnishment of credit card receipts is one of the ways that a debt may be satisfied. This Part would become effective when it becomes law.

Section 2.6 would add a new, statutory eligibility requirement to receive UI benefits that claimants must present photo identification. Valid photo identification requires the individual's photograph and must be one of the following documents:

- A driver's license, learner's permit, provisional license, or nonoperators identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.
- A United States passport.
- A United States military identification card.
- A Veterans Identification Card issued by the United States Department of Veterans Affairs.
- A tribal enrollment card issued by a federally recognized tribe.
- A traveler card issued by the United States Department of Homeland Security.[6]
- Any other document issued by the United States or any state that the Division determines adequately identifies the individual.

DES administratively requires UI claimants to present photo identification before receiving services. DES imposed the photo identification requirement to address fraudulent UI claims and create an audit trail. The photograph is evidence of the individual who committed fraud and aids prosecution of criminal offenses. US DOL supports program integrity measures such as requiring photo identification. US DOL provided a staff opinion that photo identification is a permissible eligibility requirement for UI claimants as part of the requirement to report to DES. This Part would become effective when it becomes law.

Section 2.7 would extend the deadline for adoption of DES rules from December 31, 2012, to May 20, 2015. DES has met this deadline and anticipates rules will be in place and effective by July 1, 2015. This Part would become effective when it becomes law. DES has largely been conducting its business in the absence of any rules governing its practices and procedures since December 31, 2012.

Section 2.8 would set the duration formula for unemployment benefits, which is used to determine the maximum number of weeks of eligibility, based only on unemployment rates. Currently, the formula also uses a variable duration formula that determines the number of weeks for which claimants qualify within the range based on attachment to workforce. However, during the 2013-2014 interim, DES determined that the duration formula did not yield results less than 17 weeks. Therefore, when the maximum number of weeks based on the unemployment rate is 17 or less, claimants receive the maximum because the formula does not yield any results within the range. While this change may eliminate attachment to workforce as a factor in measuring duration, attachment to the workforce remains a factor in the calculation of the Weekly Benefit Amount (WBA) because the formula for the

[6] House PCS adds this acceptable form of identification.

WBA is based on the wages received in the most recent two quarters. This section would become effective July 1, 2015.

Section 2.9 would remove the requirement that DES notify employers via a FAX when a claim is filed. The House PCS adds this provision. The purpose of the program is to notify employers of a claim. Today, through the State Information Data Exchange (SIDES) program, DES notifies employers electronically of separation information, and employers have the ability to respond electronically to that information. The provision of notice via FAX is antiquated and time consuming.

This section also provides that a continuance may be granted only for the reasons prescribed by rule. The proposed DES rules specify the following grounds for a continuance: illness of the party; death in the immediate family of the party; a need to obtain an interpreter or translator; a religious observance; jury duty; actively seeking legal representation; court appearance unrelated to DES; active military duty; scheduling conflict created by employment; or to accommodate the business needs of the employer. The House PCS adds this provision at the request of DES. The current statute provides that a continuance may be granted "for good cause", but it does little to define "good cause".[7] This section would become effective when it becomes law.

Section 2.10 amends the definition of a "valid claim" to conform to the minimum weekly benefit amount that may be issued under G.S. 96-14.2(a). A person is not eligible for benefits if the weekly benefit amount is less than $15. The House PCS added this section at the request of DES. This section would apply to claims filed on or after October 4, 2015.

Part III: DES Board of Review

Part III: Senate Bill 17/House Bill 23, DES Board of Review, would provide more clarity to the appointment process for the Board of Review, create staggered terms for the members of the Board of Review, and ratify past unemployment appeals decisions. The House PCS would confirm the current members of the Board of Review and appoint and confirm an individual for the term beginning July 1, 2015.

In S.L. 2011-401, the General Assembly created a Board of Review[8] to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Lower Appeals Department of DES. The Board consists of three members[9] appointed by the Governor and confirmed by the General Assembly: one member representing employers, one member representing employees, and one member representing the general public.[10] The member representing the general public is designated as the chair of the Board and must be a licensed attorney. The members serve four-year terms. The statute provides little guidance as to the appointment and confirmation process.

Beginning November 1, 2011, the Board of Review was the body statutorily charged with providing the second level of appeal. However, the Board was not appointed until December 6, 2013. In the absence of a Board, the Assistant Secretary of Commerce for DES, or the Secretary of Commerce's designee, provided parties with the second level of review. In a case before the Superior Court in Rowan County, the Court noted that the Assistant Secretary of Commerce for DES did not have the statutory authority to make those decisions. According to the testimony in the case,[11] there may have been 13,000 lower level

---

[7] DES' reason for requesting this change is to encourage its efforts in meeting timeliness and aging performance measures used by the US Department of Labor. Referencing petitioners to the rules for the list of reasons acceptable for a continuance may help alleviate the backlog in the appeals process.

[8] S.L. 2011-401.

[9] G.S.96-4(b).

[10] The Governor made the following appointments to the Board of Review: Keith Holliday, Stanley Campbell, and Jeanette Doran.

[11] Wesley A. Lane v. N.C. Department of Commerce, Division of Employment Security, Rowan County Superior Court 13 CvS 1109.

decisions appealed to the second level of review prior to the Governor's appointment of the Board of Review. A party who does not agree with a DES decision or determination may seek redress in the Superior Court. The failure to provide a second level of review in the form required by the statute (i.e., by a properly constituted Board of Review) does not harm a party who disagrees with a decision because the party has the ability to appeal to Superior Court.

Part III seeks to address several concerns related to the Board of Review:

- The legality of appeals decisions issued since November 1, 2011.
- The continuity of knowledge on the Board of Review.
- The timely appointment of Board of Review members.
- The costs and benefits of having a Board of Review hear and decide higher appeal decisions.

Section 3.1, added by the House PCS, would confirm the Governor's appointees to the Board of Review and set the length of their terms on a staggered basis:[12]

- The term for Jeanette Doran, the member of the Board of Review representing the general public, would expire in two years, June 30, 2015. She would continue to serve a second term, and the length of the second term would be four years.
- The term for Keith Holliday, the member of the Board of Review representing employers, would expire in three years, June 30, 2016. The Governor will have to appoint a member to serve, as provided in subsection (a), for the term beginning July 1, 2016, and the General Assembly will have to confirm that appointment during the 2016 legislative session. The second term would be a four-year term.
- The term for Stanley Campbell, the member of the Board of Review representing employees, would expire in four years, June 30, 2017.

Section 3.2 would validate the second level appeals decisions made since November 1, 2011, in two ways:

- Provide that decisions made by the Assistant Secretary of Commerce for DES or the Secretary of Commerce's designee are validated and given the same legal effect as if the decision had been issued by the Board of Review.
- Provide that decisions made by the three individuals appointed by the Governor in December 2013 to serve on the Board of Review are validated and given the same legal effect as if the decision had been issued by the Board of Review.

Section 3.3 would provide greater clarity and specificity to the appointment and confirmation process. The appointment and confirmation process proposed in the bill is similar to the current process for the appointment and confirmation of members serving on the Industrial Commission. Subsection (a) repeals the current subsection of G.S. 96-4 related to the Board of Review and replaces it in subsection (b) with a new statute dedicated to setting forth the confirmation process. Subsection (b) does the following:

- To help ensure independence of decision-making, it states the purpose of the Board of Review is to determine appeals policies and procedures and to hear appeals arising from the decision and determinations of DES. The Board and its staff must perform their job responsibilities independent of the Governor, the General Assembly, the Department of Commerce, and DES. It must perform its responsibilities in accordance with any written guidance promulgated and issued by US DOL.

[12] Doran's term would expire June 30, 2015; Holliday's term would expire June 30, 2016; and Campbell's term would expire June 30, 2017.

- To help ensure continuity of knowledge and expertise, it creates staggered four year terms. It specifies that the terms begin on July 1 and end on June 30 of the fourth year.
- To help ensure timely appointment of Board members, it requires the Governor to submit the name of an individual to the General Assembly for confirmation on or before May 1 of the year of the expiration of the term. If the General Assembly does not confirm the nomination by May 30, the office is considered vacant and the Governor must submit the name of another individual to the General Assembly for confirmation within 30 days. If the Governor fails to timely submit a nomination, then the General Assembly may fill the office.[13]
- When a vacancy occurs in an office of the Board of Review, the Governor has 30 days to submit the name of an individual to the General Assembly for confirmation to serve on the Board of Review. If the General Assembly fails to confirm the individual within 30 days of the submission, the office is considered vacant and the Governor must submit the name of another individual to the General Assembly for confirmation. If the Governor fails to timely submit a nomination, then the General Assembly may fill the office.
- If a vacancy exists when the General Assembly is not in session, the Governor may appoint an individual to serve on the Board of Review on an interim basis. The Governor must submit the name of the person serving on an interim basis to the General Assembly for confirmation within 14 days of the date the General Assembly convenes or reconvenes a Regular Session.

Section 3.4 directs the Program Evaluation Division to study the value provided to the State by the Board of Review. The study should include an analysis of other states, a cost-benefit analysis, the value derived from the appeals decisions of the Board, and any non-quantifiable value provided to the State by the Board. The House PCS substituted the PED study in place of the report the original bill directed the Department of Commerce and the Board of Review to provide to the House and Senate Appropriations committees by May 1, 2015.

Part IV. Tax Changes

The House PCS adds a Part IV to the bill. It would move a technical change from the original bill to this section; it would begin charging benefits to an employer's account on a quarterly basis, and it would suspend the Reserve Fund collection in 2016 if the balance in the Unemployment Trust Fund equals or exceeds $1 billion by March 1, 2016.

Section 4.1 would make a technical change to move the date for the calculation of tax rates for certain employers from July 31 to June 30. The calculation is based on a 12-month period, and June 30 is the end of the calendar quarter. This change would become effective for contributions payable for calendar quarters beginning on or after January 1, 2014.

Section 4.2 would begin charging benefits to employer's accounts on a quarterly basis, effective January 3, 2016, and applicable to claims effective on or after that date. Under current law, benefits are charged annually on August 1st. A benefit may not be charged until the claim's benefit year has expired. Compliance with these two provisions means there is a significant delay between the time benefits are paid and the benefits are charged. For example:

- Benefits paid on a claim opened on May 1, 2015, would not be charged to the employer's account until August 2016. The benefits charged on August 1, 2016, would impact the employer's 2017 tax rate and the employer's first tax payment for the 2017 taxable year would be May 1, 2017.

[13] In an odd-numbered year, the recommendation would be made by the President Pro Tempore of the Senate. In an even-numbered year the recommendation would be made by the Speaker of the House of Representatives.

- Similarly, because of the annual computation date, the impact of benefits paid on a claim opened on August 1, 2015, would not be felt by the employer until the May 2018 tax payment.
- Likewise, although House Bill 4 passed in February 2013, the computation of the 2016 tax rates will be the first year that employers will realize the impact of the reduced maximum weekly benefit amount and the maximum duration of benefits in their benefit charges.

North Carolina is one of only two states that charge on an annual basis. Most states charge benefits quarterly. DES is currently developing a new benefit payment system with a consortium with South Carolina and Georgia. Both of these states charge benefits on a quarterly basis. If North Carolina remains on an annual basis, DES will be responsible for additional charges from the contractor for the variance in building the benefits system. DES is requesting this change to quarterly benefit charging not only for purposes of the new benefit payment system with our neighboring states, but also because a more frequent posting of benefit charges will help employers anticipate future tax liabilities, will help DES detect fraud quicker, and will allow North Carolina to make better use of federal reports by coming into compliance with federal reporting requirements.

The transition of moving from an annual benefit charging system to a quarterly one is expected to impact less than 20% of North Carolina employers.[14] Employers who reimburse benefits paid may also feel some impact during the transition. The bill seeks to reduce the impact on these employers by starting quarterly charging for claims that begin their benefit year on or after January 3, 2016. Beginning the quarterly charging in January would allow DES to phase implementation over two charging cycles. Also, the 2016 tax year will coincide with the FUTA tax rate reduction and, if this bill passes in its current form, with the likely suspension of the 20% reserve fund surcharge.

Section 4.3 would suspend the 20% surtax for the calendar year 2016 if the amount in the State's account in the Unemployment Trust Fund equals or exceeds $1 billion by March 1, 2016. Under current law, the surcharge is suspended if the amount in the Trust Fund equals or exceeds $1 billion on the August 1 computation date. Although the amount in the Trust Fund is not expected to reach the targeted amount by August 1st, it is anticipated that the target will be reached by the end of the year. The State's projected balance in the Trust Fund on December 31, 2015, is $1,088,208,340.

The primary purpose of the Unemployment Insurance Reserve Fund is to provide a source of funds to pay interest payments due on federal advances so the State does not have to use General Fund availability for that purpose. The balance in the Reserve Fund may not exceed $50 million or the amount of interest paid the previous September on federal advances. When the amount in the Reserve Fund exceeds the cap, the excess must be transferred to the State's account in the Unemployment Insurance Fund.

[14] In calculating 2015 tax rates, 18% of employers had benefit charges to their account.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 2

SENATE BILL 15*
Finance Committee Substitute Adopted 2/11/15

Short Title: Unemployment Insurance Law Changes. (Public)

Sponsors:

Referred to:

February 4, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE.

The General Assembly of North Carolina enacts:

PART I. ENHANCE UI PROGRAM INTEGRITY/REPORTING

SECTION 1. Chapter 96 of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Miscellaneous Provisions.

"**§ 96-36. Unemployment insurance program integrity; reporting.**

(a) Findings and Purpose. – The General Assembly finds that program integrity measures have been implemented by the Division to maximize the efficiency and effectiveness of the State's unemployment insurance program. The purpose of this section is to assure that these efforts shall include the rigorous and consistent use of business intelligence and data analytics for enhanced unemployment insurance program integrity.

(b) Required Activities. – To achieve the program integrity enhancements required by this section, at a minimum, the Division shall do all of the following:

(1) Prioritize Division program integrity efforts that maximize utilization of and information sharing with or between these projects and initiatives in order to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities:

a. Government Data Analytics Center (GDAC);

b. Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI); and

c. Any other program integrity capabilities identified by the Division.

(2) Coordinate efforts with the Office of Information Technology Services to ensure that the Division identifies and integrates into its operations and procedures the most effective and accurate processes and scalable tools available to prevent payment of fraudulent, suspicious, or irregular claims.

(3) Coordinate efforts with the Department of Revenue to enhance alerts indicating circumvention of the payment of unemployment insurance taxes.

(4) Coordinate efforts with the Department of Health and Human Services to facilitate claims cross-matching and other appropriate steps to enhance program integrity.

(5) Coordinate efforts with the Office of State Controller to facilitate cross-matching and other appropriate steps using BEACON (Building Enterprise Access for North Carolina's Core Operation Needs).

(c) Quarterly Reporting. – Beginning April 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the directives in this section to the Chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

(1) Metrics regarding unemployment benefits overpayments, improper payments, and fraudulent payments, in terms of both percentage and dollar amount.

(2) Information on fraud perpetrator metrics, in terms of percent and value, by type (whether by employer or claimant), and activity subcategory, such as employee misclassification, unemployment insurance tax rate manipulation (SUTA dumping), fictitious employers, fictitious claimants, deceased claimants, incarcerated claimants, work and earn, and similar activities.

(3) Quantified investigation activity, including the following:

a. Type and subcategory of investigations.

b. Number of alerts received and from which system (whether GDAC or others).

c. Number of alerts investigated, including from which system the alert was generated.

d. Associated value of both the amount of benefits paid and the amount that was prevented from being paid.

e. Number of false positives.

f. Number of dispositions entered, including into which system.

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the General Assembly on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

(1) The methodology used by the Division to determine analytic priorities for unemployment insurance program integrity investigation.

(2) A report on the State's Benefit Accuracy Measurement (BAM) as required by the U.S. Department of Labor, including how North Carolina's BAM has changed over time and how its current rate compares to other states. The report shall also include an update on BAM methodology and information regarding how it might be modified.

(3) An explanation of the Division's unemployment insurance program integrity activities in coordination with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller as required by subsection (b) of this section.

(4) Division workflows, both intra-agency and interagency, to address process problems and program integrity issues, including identification of tools, resources, and plans for continued improvement of unemployment insurance program integrity efforts.

(5) An analysis of the information required by subsection (c) of this section, along with an explanation of how that information will be used to augment the State's business intelligence and data analytics capabilities to prevent,

detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities."

PART II. UNEMPLOYMENT INSURANCE LAW CHANGES

SECTION 2.1. G.S. 20-7(b2) is amended by adding a new subdivision to read:

"(b2) Disclosure of Social Security Number. – The social security number of an applicant is not a public record. The Division may not disclose an applicant's social security number except as allowed under federal law. A violation of the disclosure restrictions is punishable as provided in 42 U.S.C. § 408, and amendments to that law.

In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division may disclose a social security number obtained under subsection (b1) of this section only as follows:

...

(7) To the Department of Commerce, Division of Employment Security, for the purpose of verifying employer and claimant identity."

SECTION 2.2.(a) G.S. 96-9.2(c) reads as rewritten:

"(c) Contribution Rate for Experience-Rated Employer. – The contribution rate for an experience-rated employer who does not qualify as a beginning employer under subsection (b) of this section is determined in accordance with the table set out below and then rounded to the nearest one-hundredth percent (0.01%), subject to the minimum and maximum contribution rates. The minimum contribution rate is six-hundredths of one percent (0.06%). The maximum contribution rate is five and seventy-six hundredths percent (5.76%). "Total insured wages" are the total wages reported by all insured employers for the 12-month period ending on ~~July 31~~ June 30 preceding the computation date. An employer's experience rating is computed as a reserve ratio in accordance with G.S. 96-9.4. An employer's reserve ratio percentage (ERRP) is the employer's reserve ratio multiplied by sixty-eight hundredths. A positive ERRP produces a lower contribution rate, and a negative ERRP produces a higher contribution rate.

...."

SECTION 2.2.(b) This section is effective when it becomes law and applies to contributions payable for calendar quarters beginning on or after January 1, 2014.

SECTION 2.3.(a) G.S. 96-14.9(e) reads as rewritten:

"(e) Actively Seeking Work. – The Division's determination of whether an individual is actively seeking work is based upon the following:

(1) The individual is registered for employment services, as required by the Division.

(2) The individual has engaged in an active search for employment that is appropriate in light of the employment available in the labor market and the individual's skills and capabilities.

(3) The individual has ~~sought work on at least two different days during the week and~~ made at least ~~two~~ five job contacts with potential ~~employers.~~employers during the week.

(4) The individual has maintained a record of the individual's work search efforts. The record must include the potential employers contacted, the method of contact, and the date contacted. The individual must provide the record to the Division upon request."

SECTION 2.3.(b) This section becomes effective July 1, 2015, and applies to claims for benefits filed on or after that date.

SECTION 2.4.(a) G.S. 96-15(h) reads as rewritten:

"(h) Judicial Review. – ~~Any~~ A decision of the ~~Division, in the absence of judicial review as herein provided, or in the absence of an interested party filing a request for reconsideration, shall become~~ Board of Review becomes final 30 days after the date of ~~notification or~~ mailing

~~thereof, whichever is earlier.~~ unless a party to the decision seeks judicial review as provided in this subsection. Judicial review ~~shall be~~ is permitted only after a party claiming to be aggrieved by the decision has exhausted ~~his remedies before the Division as provided in this Chapter~~ the remedies provided in this Chapter and has filed a petition for review in the superior court of the county in which ~~he~~ the petitioner resides or ~~has his~~ the county in which the petitioner's principal place of ~~business.~~ business is located. The petition for review ~~shall~~ must explicitly state what exceptions are taken to the decision or procedure ~~of the Division~~ and what relief the petitioner seeks. Within 10 days after the petition is filed with the court, the petitioner ~~shall~~ must serve copies of the petition by personal service or by certified mail, return receipt requested, upon the Division and upon all parties of record to the Division proceedings. The Division must furnish the petitioner the names ~~Names~~ and addresses of the parties ~~shall be furnished to the petitioner by the Division~~ upon request. The Division ~~shall be deemed to be~~ is a party to any judicial action involving any of its decisions and may be represented in the judicial action by any qualified attorney who has been designated by it for that purpose. Any questions regarding the requirements of this subsection concerning the service or filing of a petition ~~shall~~ must be determined by the superior court. Any party to the Division proceeding may become a party to the review proceeding by notifying the court within 10 days after receipt of the copy of the petition. Any person aggrieved may petition to become a party by filing a motion to intervene as provided in G.S. 1A-1, Rule 24.

Within 45 days after receipt of the copy of the petition for review or within such additional time as the court may allow, the Division ~~shall~~ must transmit to the reviewing court the original or a certified copy of the entire record of the proceedings under review. With the permission of the court the record may be shortened by stipulation of all parties to the review proceedings. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for ~~such~~ the additional cost ~~as is occasioned~~ incurred by the refusal. The court may require or permit subsequent corrections or additions to the record when ~~deemed~~ the court considers the changes desirable."

SECTION 2.4.(b) This section becomes effective July 1, 2015, and applies to decisions made on or after that date.

SECTION 2.5.(a) G.S. 96-3 reads as rewritten:

"**§ 96-3. Division of Employment Security.**

The Division of Employment Security (DES) is created within the Department of Commerce and shall administer the provisions of this Chapter under the supervision of the Assistant Secretary of ~~Commerce~~ Commerce. ~~through two coordinate sections: the Employment Security Section and the Employment Insurance Section. The Employment Security Section shall administer the employment services functions of the Division. The Employment Insurance Section shall administer the unemployment taxation and assessment functions of the Division.~~"

SECTION 2.5.(b) G.S. 96-4(j) reads as rewritten:

"(j) Hearings. – The Assistant Secretary shall appoint hearing officers or appeals referees to hear contested matters arising from the ~~Employment Security Section and the Employment Insurance Section.~~ Division of Employment Security. Appeals from the decisions of the hearing officers or appeals referees shall be heard by the Board of Review."

SECTION 2.5.(c) G.S. 96-9.15(f) reads as rewritten:

"(f) Domestic Employer Exception. – The Division may authorize an employer of domestic service employees to file an annual report and to file that report by telephone. An annual report allowed under this subsection is due on or before the last day of the month following the close of the calendar year in which the wages are paid. A domestic service employer that files a report by telephone must contact either the tax auditor assigned to the employer's account or the ~~Employment Insurance Section~~ Division of Employment Security in Raleigh and report the required information to that auditor or to that section by the date the report is due."

SECTION 2.6.(a) G.S. 1-359 reads as rewritten:

"**§ 1-359. Debtors of judgment debtor may satisfy execution.**

(a) After the issuing of an execution against property, all persons indebted to the judgment debtor, or to any one of several debtors in the same judgment, may pay to the sheriff the amount of their debt, or as much thereof as is necessary to satisfy the execution; and the sheriff's receipt is a sufficient discharge for the amount paid.

(b) When the Division of Employment Security of the Department of Commerce (Division) prevails in a civil action against an employer to collect unpaid employment taxes under G.S. 96-10(b), the Division may attach or garnish the employer's credit card receipts or other third-party payments in payment of the unpaid taxes in the manner provided by subsection (a) of this section. Direct receipt by the Division is a sufficient discharge for the amount paid by a credit card company, clearinghouse, or third-party payment processor."

SECTION 2.6.(b) G.S. 96-10(b)(1) reads as rewritten:

"(b) Collection. –

(1) If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due shall be collected by civil action in the name of the Division, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other civil actions, except petitions for judicial review under this Chapter and cases arising under the Workers' Compensation Law of this State; or, if any contribution imposed by this Chapter, or any portion thereof, and/or penalties duly provided for the nonpayment thereof shall not be paid within 30 days after the same become due and payable, and after due notice and reasonable opportunity for hearing, the Division, under the hand of the Assistant Secretary, may certify the same to the clerk of the superior court of the county in which the delinquent resides or has property, and additional copies of said certificate for each county in which the Division has reason to believe the delinquent has property located. If the amount of a delinquency is less than fifty dollars ($50.00), the Division may not certify the amount to the clerk of court until a field tax auditor or another representative of the Division personally contacts, or unsuccessfully attempts to personally contact, the delinquent and collect the amount due. A certificate or a copy of a certificate forwarded to the clerk of the superior court shall immediately be docketed and indexed on the cross index of judgments, and from the date of such docketing shall constitute a preferred lien upon any property which said delinquent may own in said county, with the same force and effect as a judgment rendered by the superior court. The Division shall forward a copy of said certificate to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division, and when so forwarded and in the hands of such sheriff or agent of the Division, shall have all the force and effect of an execution issued to such sheriff or agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, the Division may in its discretion withhold the issuance of said certificate or execution to the sheriff or agent of the Division for a period not exceeding 180 days from the date upon which the original certificate is certified to the clerk of superior court. The Division is further authorized and empowered to issue alias copies of said certificate or execution to the sheriff or sheriffs of such county or counties, or to a duly

authorized agent of the Division in all cases in which the sheriff or duly authorized agent has returned an execution or certificate unsatisfied; when so issued and in the hands of the sheriff or duly authorized agent of the Division, such alias shall have all the force and effect of an alias execution issued to such sheriff or duly authorized agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, that notwithstanding any provision of this subsection, upon filing one written notice with the Division, the sheriff of any county shall have the sole and exclusive right to serve all executions and make all collections mentioned in this subsection and in such case no agent of the Division shall have the authority to serve any executions or make any collections therein in such county. A return of such execution, or alias execution, shall be made to the Division, together with all moneys collected thereunder, and when such order, execution, or alias is referred to the agent of the Division for service the said agent of the Division shall be vested with all the powers of the sheriff to the extent of serving such order, execution or alias and levying or collecting thereunder. The agent of the Division to whom such order or execution is referred shall give a bond not to exceed three thousand dollars ($3,000) approved by the Division for the faithful performance of such duties. The liability of said agent shall be in the same manner and to the same extent as is now imposed on sheriffs in the service of executions. If any sheriff of this State or any agent of the Division who is charged with the duty of serving executions shall willfully fail, refuse, or neglect to execute any order directed to him by the said Division and within the time provided by law, the official bond of such sheriff or of such agent of the Division shall be liable for the contributions, penalty, interest, and costs due by the employer. Any judgment that is executable and allowed under this section shall be subject to attachment and garnishment under G.S. 1-359(b) in payment of unpaid taxes that are due from the employer and collectable under this Article."

SECTION 2.7. G.S. 96-14.9 reads as rewritten:

"**§ 96-14.9. Weekly certification.**

(a) Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. An individual must meet all of the requirements of this section for each weekly benefit period. An individual who fails to meet one or more of the requirements is ineligible to receive benefits until the condition causing the ineligibility ceases to exist:

(1) File a claim for benefits.

(2) Report ~~at an employment office~~ as requested by the ~~Division.~~Division and present valid photo identification meeting the requirements of subsection (k) of this section.

(3) Meet the work search requirements of subsection (b) of this section.

…

(k) Photo Identification. – The individual must present the Division one of the following documents bearing the individual's photograph:

(1) A drivers license, learner's permit, provisional license, or nonoperator's identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.

(2) A United States passport.

(3) A United States military identification card.

(4) A Veterans Identification Card issued by the United States Department of Veterans Affairs.

(5) A tribal enrollment card issued by a federally recognized tribe.

(6) Any other document that the Division determines adequately identifies the individual and that is issued by the United States, any state, the District of Columbia, United States territory, or United States commonwealth."

SECTION 2.8. Section 1.10(c) of S.L. 2011-401 reads as rewritten:

"**SECTION 1.10.(c)** The Department of Commerce, Division of Employment Security, shall adopt ~~all existing~~ rules and regulations in accordance with Article 2A of Chapter 150B of the General Statutes. Any existing rule that has not been readopted and filed with the Rules Review Commission by ~~December 31, 2012,~~ May 20, 2015, shall expire."

SECTION 2.9.(a) G.S. 96-14.4 is repealed.

SECTION 2.9.(b) G.S. 96-14.3 reads as rewritten:

"**§ 96-14.3. ~~Minimum and maximum duration~~ Duration of benefits.**

(a) Duration. – The ~~minimum and maximum~~ number of weeks an individual is allowed to receive unemployment benefits depends on the seasonal adjusted statewide unemployment rate that applies to the six-month base period in which the claim is filed. One six-month base period begins on January 1 and one six-month base period begins on July 1. For the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of July, August, and September applies. For the base period that begins July 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of January, February, and March applies. The Division must use the most recent seasonal adjusted unemployment rate determined by the U.S. Department of Labor, Bureau of Labor Statistics, and not the rate as revised in the annual benchmark. ~~The number of weeks allowed for an individual is determined in accordance with G.S. 96-14.4.~~

Seasonal Adjusted Unemployment Rate	~~**Minimum Number of Weeks**~~	~~**Maximum**~~ **Number of Weeks**
Less than or equal to 5.5%	~~5~~	12
Greater than 5.5% up to 6%	~~6~~	13
Greater than 6% up to 6.5%	~~7~~	14
Greater than 6.5% up to 7%	~~8~~	15
Greater than 7% up to 7.5%	~~9~~	16
Greater than 7.5% up to 8%	~~10~~	17
Greater than 8% up to 8.5%	~~11~~	18
Greater than 8.5% up to 9%	~~12~~	19
Greater than 9%	~~13~~	20

(b) Total Benefits. – The total benefits paid to an individual equals the individual's weekly benefit amount allowed under G.S. 96-14.2 multiplied by the number of weeks allowed under subsection (a) of this section."

SECTION 2.9.(c) G.S. 96-14.12(b) reads as rewritten:

"(b) Duration of Benefits. – This subsection applies to an individual and the spouse of an individual who is unemployed based on services performed for a corporation in which the individual held five percent (5%) or more of the outstanding shares of the voting stock of the corporation. The maximum number of weeks an individual or an individual's spouse may receive benefits is ~~limited to the lesser of~~ six ~~weeks or the applicable weeks determined under G.S. 96-14.4.~~weeks."

SECTION 2.9.(d) G.S. 96-16(f) reads as rewritten:

"(f) (1) A seasonal worker shall be eligible to receive benefits based on seasonal wages only for a week of unemployment which occurs, or the greater part of which occurs within the active period or periods of the seasonal pursuit or pursuits in which he earned base period wages.

(2) A seasonal worker shall be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during any active period or periods of the seasonal pursuit in which he has earned base period wages provided he has exhausted benefits based on seasonal wages. Such worker shall also be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during the inactive period or periods of the seasonal pursuit in which he earned base period wages irrespective as to whether he has exhausted benefits based on seasonal wages.

(3) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on seasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the seasonal wages in his base period by all of his base period wages.

(4) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on nonseasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the nonseasonal wages in his base period by all of his base period wages.

(5) In no case shall a seasonal worker be eligible to receive a total amount of benefits in a benefit year in excess of the maximum benefits payable for such benefit year, as provided in ~~G.S. 96-14.4.~~G.S. 96-14.3."

SECTION 2.9.(e) This section becomes effective July 1, 2015. Changes made by this section to unemployment benefits apply to claims for benefits filed on or after July 1, 2015.

PART III. DIVISION OF EMPLOYMENT SECURITY BOARD OF REVIEW

SECTION 3.1.(a) The following decisions in an appeal by a party to a decision of an appeals referee or hearing officer under Chapter 96 of the General Statutes are hereby validated and given the same legal effect as if those decisions had been issued by the Board of Review (BOR):

(1) Decisions issued by the Assistant Secretary of Commerce for the Division of Employment Security or by the Secretary of Commerce's designee.

(2) Decisions issued by the three individuals appointed by the Governor in December 2013 to serve as members of the BOR.

SECTION 3.1.(b) This section is effective when it becomes law and applies to decisions rendered on or after November 1, 2011.

SECTION 3.2.(a) G.S. 96-4(b) and Section 21 of S.L. 2013-224 are repealed.

SECTION 3.2.(b) Article 2D of Chapter 96 of the General Statutes is amended by adding a new section to read:

"**§ 96-15.3. Board of Review.**

(a) Purpose. – The Board of Review (BOR) is created to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Division. The Department of Commerce must assign staff to the BOR. The BOR and its staff must perform their job responsibilities independent of the Governor, the General Assembly, the Department, and the Division and in accordance with any written guidance promulgated and issued by the U.S. Department of Labor.

(b) Members. – The BOR consists of three members appointed by the Governor and subject to confirmation by the General Assembly as provided in subsection (c) of this section. One member must be classified as representative of employees, one member must be classified as representative of employers, and one member must be classified as representative of the

general public. The member appointed to represent the general public will serve as chair of the BOR and must be a licensed attorney in this State.

Members of the BOR serve staggered four-year terms. A term begins on July 1 of the year of appointment and ends on June 30 of the fourth year. No individual may serve more than two terms on the BOR. In calculating the number of terms served, a partial term that is less than 24 months in length will not be included. The General Assembly must set the annual salaries of the BOR in the current Operations Appropriations Act.

(c) Confirmation. – Appointments of members to serve on the BOR are subject to confirmation by the General Assembly by joint resolution. The Governor must submit the name of the individual the Governor wants to appoint to the BOR to the General Assembly for confirmation on or before May 1 of the year of the expiration of the term. If the General Assembly does not confirm the appointment by May 30, the office will be considered vacant and must be filled in accordance with subsection (d) of this section. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the office. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the succeeding term as provided in subsection (e) of this section.

(d) Vacancies. – For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the regular session for more than 10 days, and (iii) after sine die adjournment of the regular session. A vacancy in an office of the BOR prior to the expiration of the term of office must be filled in accordance with this subsection:

(1) During legislative session. – If a vacancy in an office arises or exists when the General Assembly is in session, the Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term within 30 days after the vacancy arises to the General Assembly for confirmation by the General Assembly. If the General Assembly does not confirm the appointment within 30 days after the General Assembly receives the nomination, the office will be considered vacant and must be filled in accordance with this subsection. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the vacancy. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(2) During legislative interim. – If a vacancy in an office arises or exists when the General Assembly is not in session, the Governor must appoint an individual to that office to serve on an interim basis pending confirmation by the General Assembly. The Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term to the General Assembly for confirmation within 14 days of the date the General Assembly convenes or reconvenes for the next regular session. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(e) Legislative Appointments. – If the Governor fails to timely submit the name of an individual to be appointed to the BOR as provided in this section, then the General Assembly may appoint an individual to fill the vacancy in accordance with G.S. 120-121 and the provisions of this subsection. If the vacancy occurs in an odd-numbered year, the appointment is made upon the recommendation of the President Pro Tempore of the Senate. If the vacancy occurs in an even-numbered year, the appointment is made upon the recommendation of the Speaker of the House of Representatives."

SECTION 3.3. To achieve the staggered terms for the members of the Board of Review (BOR) in accordance with G.S. 96-15.3, as enacted by this act, and notwithstanding the appointment provisions in G.S. 96-4(b), as repealed by this act, the terms for current BOR members will expire as follows:

(1) The term of the member serving on the BOR that represents employers expires June 30, 2015.

(2) The term of the member serving on the BOR that represents employees expires June 30, 2016.

(3) The term of the member serving on the BOR that represents the general public expires June 30, 2017.

SECTION 3.4. By May 1, 2015, the Secretary of Commerce and the Chair of the Board of Review (BOR) shall jointly make a detailed written report to the Chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division on all of the following:

(1) Measures taken to ensure the independence of BOR staff regarding higher level appeals in accordance with State law and federal guidelines.

(2) The number, types, and classifications of positions (including coverage under the State Human Resources Act) assigned to BOR staff.

(3) For each BOR staff member, the percentage of duties that involve work only for the BOR and the nature of duties performed.

(4) For each BOR staff member, the percentage of duties that do not involve the work of the BOR and the nature of duties performed.

(5) Whether or not adequate staff is assigned to the BOR. If there is not adequate staffing, determine what additional resources are required to achieve adequate staffing.

PART IV. EFFECTIVE DATE

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

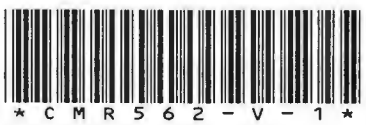
RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB AND RE-REFERRED

SB **15** **(CS#1)** Unemployment Insurance Law Changes.

Draft Number:	S15-PCS45397-RBxr-45
Serial Referral:	None
Recommended Referral:	**FINANCE**
Long Title Amended:	Yes
Floor Manager:	To be determined

TOTAL REPORTED: 1



VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gary Robertson	AP
Brad Ellis	Jeter
Mark Jernigan	NCDOT
MARK BIBBS	LLPC
Starnes	DOT
Solari	DOT
JGOODMAN	NC CHAMBER
Julia Adams Scheerer	ACEC member firms ASNC
Bill Rowe	NC Justice Center
Crystal Collins	NC Trucking Assn
Tonya Horton	TSS

VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dale Folwell	ASST. SEC Commerce
Dana Blanchard	UNC BG
R Todd	DOA
Bruce Mildwurf	NCSBA
Ken Melton	K.M.A.
LocKhart Taylor	NC-DES
Chris Farr	NC-DES
Mark Freeman	NCAE
Vicki Simmons	NCAE
Ryan J Mundo	Governor's Office
C J Sm	OSBM

VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Peyton Mayhew	
Reston Jones	NCDOT
Skip David	KLG
Jeanne Killian	Nelson Mullins
G McTeague	NMRS
Jonathan Kappler	UNC GA
Joe Royall	NCFPC
Valerie Pacheco	UCLC
MB Mann	NCBAA
Mark Black	NCBAA
JW Joyner	New Frame LLC

VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Del Giorno	Brubaker & Assoc
Jon Brubaker	"
Hayden Bynum	FSP
Andy Walsh	SA
John Carnette	NCASSA
Lexi Morgan Arthur	NCRMA
Jake Parker	NCFB
Mike Baker	UNCG
And Ell	NCPrint
Chris McClure	BC
TJ Bulbee	NP

VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Adam Pridemore	NCASA
[signature]	UCSBA
Rick Techiwi	Williams Mullen

VISITOR REGISTRATION SHEET

Rules
Name of Committee

8-6-2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Wen	
Andy Chase	KMA
Dana Fenton	CLT
Rachel Bard	NCDPI
Julie White	NCMMC
Chuck Greene	AT+T
Cady Thomas	
Isabel	UCR
Nelson Freeman	DOR
Tracy Kimbrell	Parker Poe
Ben Popkon	DOI
Jake Cashion	NCC

House Committee on Rules, Calendar, and Operations of the House
Tuesday, September 15, 2015 at 1:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 1:30 PM on September 15, 2015 in Room 1228/1327 of the Legislative Building. Representatives Blust, Boles, Bumgardner, Cotham, Daughtry, Davis, Floyd, L. Johnson, Lewis, Reives, Robinson, Saine, Stam, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 400 School Access for Boy Scouts/Girl Scouts. (Senators Barringer, Daniel, Newton)

Rep. Torbett motioned for a favorable report. The motion carried.

HR 944 Rev. Billy Graham for Postage Stamp. (Representative Rules, Calendar, and Operations of the House)

Rep. Torbett motioned for a favorable report. The motion carried.

SB 279 Amend Qualifications/Practice of Counseling. (Senator Barefoot)
Senator Barefoot and Reps. Riddell and Whitmire presented the bill to the committee. Rep. Torbett moved for a favorable report, unfavorable to the original. The motion carried.

The meeting adjourned at 1:59 PM.

David R Lewis

Representative David R. Lewis, Chair
Presiding

Mark Coggins

Mark Coggins, Committee Clerk

1:32 PM

SB 279 Barefoot

Riddell

Fav. Daughtry → Whit.

Unfav Floyd

Torbett Cotham

SB 400 Barringer / Daniel

Fav

Torbett

HB 944

Fav

Torbett

1:59 PM

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, September 15, 2015
TIME: **1:30 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 400	School Access for Boy Scouts/Girl Scouts.	Senator Barringer Senator Daniel Senator Newton
HR 944	Rev. Billy Graham for Postage Stamp.	Representative Rules, Calendar, and Operations of the House
SB 279	Amend Qualifications/Practice of Counseling.	Senator Barefoot

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:14 PM on Wednesday, October 07, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE BILL 400:
School Access for Boy Scouts/Girl Scouts

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 15, 2015
Introduced by:	Sens. Barringer, Daniel, Newton	**Prepared by:**	Drupti Chauhan
Analysis of:	Second Edition		Committee Counsel

SUMMARY: Senate Bill 400 would direct local boards of education to give priority access to civic organizations that work with students such as the Boy Scouts and Girl Scouts in the use of school facilities.

CURRENT LAW: Under the Community Schools Act, greater community involvement in the public schools is encouraged along with greater use of public school facilities. The State Board of Education (SBE) must adopt policies and guidelines based on the recommendations of the Superintendent of Public Instruction to encourage increased community involvement in the public schools and the use of public school facilities. Local boards must then develop programs and plans for increased community use of the facilities.

Several local boards (such as the Hoke County School Board) have policies on community use of schools facilities that include scouts in a list of priority users.

BILL ANALYSIS: Local boards would be directed to give priority in the use of school facilities to any youth group listed in Title 36 of the United State Code as a patriotic society, such as the Boy Scouts of America and the Girl Scouts of America, in order to encourage schools to facilitate access for students to participate in activities provided by these groups for the purposes of encouraging civic education at times other than instructional time during the school day. If the local board denies priority access to such groups, the local board must provide reasons for the denial in writing to the requesting entity.

Sections 3 and 4 of the bill would encourage charter schools and regional schools to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United State Code as a patriotic society, such as the Boy Scouts of America and the Girl Scouts of America, for the purposes of encouraging civic education. Student participation in these activities cannot interfere with instructional time during the school day.

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

O. Walker Reagan
Director

S400-SMRQ-50 E2 -V4

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

SENATE BILL 400
Education/Higher Education Committee Substitute Adopted 4/28/15

Short Title: School Access for Boy Scouts/Girl Scouts. (Public)

Sponsors:

Referred to:

March 25, 2015

A BILL TO BE ENTITLED

AN ACT TO GIVE PRIORITY ACCESS TO CIVIC ORGANIZATIONS THAT WORK WITH STUDENTS SUCH AS THE BOY SCOUTS AND GIRL SCOUTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-206 reads as rewritten:

"**§ 115C-206. State Board of Education; duties; responsibilities.**

The Superintendent of Public Instruction shall prepare and present to the State Board of Education recommendations for general guidelines for encouraging increased community involvement in the public schools and use of public school facilities. These recommendations shall include, but shall not be limited to provisions for:

(1) The use of public school facilities by governmental, charitable or civic organizations for activities within the community.

(2) The utilization of the talents and abilities of volunteers within the community for the enhancement of public school programs including tutoring, counseling and cultural programs and projects.

(3) Increased communications between the staff and faculty of the public schools, other community institutions and agencies, and citizens in the community.

(4) Local boards of education are to be directed to give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging civic education.

Based on the recommendations of the Superintendent of Public Instruction, the State Board of Education shall adopt appropriate policies and guidelines for encouraging increased community involvement in the public schools and use of the public school facilities."

SECTION 2. G.S. 115C-207 reads as rewritten:

"**§ 115C-207. Authority and responsibility of local boards of education.**

Every local board of education that uses State funds to implement programs under this Article shall:

(1) Develop programs and plans for increased community involvement in the public schools based upon policies and guidelines adopted by the State Board of Education.

(1a) Develop policies and programs designed to encourage the use of community-based academic booster organizations, which may be known as Community Achievement Network – Developing Our Educational Resources (CAN DOER) organizations, to provide tutoring and other appropriate services to encourage and support student academic achievement.

(1b) Develop policies and/or procedures for approving the use of volunteer organizations and for approving the use of individual volunteers.

(1c) Develop policies and/or procedures designed to make information available to parents and students about what tutoring and other academic support services are available to students in the community or through school volunteers or other community organizations.

(2) Develop programs and plans for increased community use of public school facilities based upon policies and guidelines adopted by the State Board of Education

(3) Establish rules governing the implementation of such programs and plans in its public schools and submit these rules along with adopted programs and plans to the State Board of Education for approval by the State Board of Education.

(4) Give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging civic education. If the local board of education denies priority access to a patriotic society listed in Title 36 of the United States Code, the local board shall provide reasons for the denial in writing to the requesting entity.

Programs and plans developed by a local board of education may provide for the establishment of one or more community schools advisory councils for the public schools under the board's jurisdiction and for the employment of one or more community schools coordinators. The local board of education shall establish the terms and conditions of employment for the community schools coordinators.

Every local board of education using State funds to implement a community schools program under this Article may enter into agreements with other local boards of education, agencies and institutions for the joint development of plans and programs and the joint expenditure of these State funds."

SECTION 3. G.S. 115C-218.75 is amended by adding a new subsection to read:

"(d) Access for Youth Groups. – Charter schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

SECTION 4. G.S. 115C-238.66 is amended by adding a new subdivision to read:

"(13) Access for youth groups. – Regional schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

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

HOUSE RESOLUTION 944

Sponsors: Committee on Rules, Calendar, and Operations of the House (Primary Sponsor).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

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

August 10, 2015

A HOUSE RESOLUTION RESPECTFULLY PETITIONING THE CITIZENS' STAMP ADVISORY COMMITTEE OF THE UNITED STATES POSTAL SERVICE AND THE POSTMASTER GENERAL OF THE UNITED STATES TO ISSUE A COMMEMORATIVE STAMP HONORING THE REVEREND BILLY GRAHAM.

Whereas, William Franklin "Billy" Graham, Jr., was born on November 7, 1918, to William Franklin Graham and Morrow Coffey Graham and was reared on a dairy farm in Charlotte, North Carolina; and

Whereas, Billy Graham attended the Florida Bible Institute from 1937 to 1940, graduating in 1940, and was ordained to the ministry in 1939; and

Whereas, Billy Graham served as pastor of The Village Church in Western Springs, Illinois, from 1943 to 1945; as a member of Youth for Christ International, where he ministered to young people and military personnel from 1945 to 1950; and as President of Northwestern Schools, a liberal arts college, Bible school, and theological seminary, from 1947 to 1952; and

Whereas, after World War II, Reverend Graham preached throughout the United States and Europe and attained international prominence as an evangelist through a series of crusades that began in 1949; and

Whereas, since 1950, Reverend Graham has conducted his ministry through the Billy Graham Evangelistic Association (BGEA), reaching multitudes of people by means of a weekly radio program, "Hour of Decision"; a newspaper column, "My Answer"; televised crusades; articles published in "Decision" magazine; and evangelistic films produced and distributed by World Wide Pictures and now reaching millions through the BGEA Web site and the Billy Graham Library in Charlotte; and

Whereas, over the years, Reverend Graham has preached to live audiences of nearly 215 million people in more than 185 countries and territories and has preached to an estimated 2.2 billion people through television and technology; and

Whereas, Reverend Graham has been a renowned humanitarian and philanthropist, providing financial assistance to victims of disasters as well as collecting and distributing clothing to those in need all around the world over the years; and

Whereas, Reverend Graham has counseled 12 Presidents and has participated in nine presidential inaugurations; and

Whereas, Reverend Graham has also counseled world leaders and has participated in many historic occasions and has been called upon as the "nation's pastor" during times of national crisis. He spoke at the National Cathedral service in Washington, D.C., three days after the 9/11 attack in 2001, as the nation and world watched and listened. Five presidents,

including George W. Bush, Bill Clinton, George H.W. Bush, Jimmy Carter, and Gerald Ford, and their wives were in the audience; and

Whereas, admired and beloved by both Christians and non-Christians, Reverend Graham continues to inspire the world with his good works; and

Whereas, there have been many great North Carolinians, but few have impacted the world more than Billy Graham; and

Whereas, it is appropriate to honor the Reverend Billy Graham, one of America's most distinguished citizens, with a commemorative postage stamp; Now, therefore,

Be it resolved by the House of Representatives:

SECTION 1. The House of Representatives respectfully petitions the Citizens' Stamp Advisory Committee of the United States Postal Service and the Postmaster General of the United States to issue a commemorative stamp honoring the Reverend Billy Graham.

SECTION 2. The Principal Clerk shall transmit copies of this resolution to the Citizens' Stamp Advisory Committee and the Postmaster General.

SECTION 3. This resolution is effective upon adoption.

SENATE BILL 279:
Amend Qualifications/Practice of Counseling

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 9, 2015
Introduced by:	Sen. Barefoot	**Prepared by:**	Denise Adams Legislative Analyst
Analysis of:	PCS to Second Edition S279-CSTB-27		

SUMMARY: ***Senate Bill 279 would require that counseling programs in North Carolina be regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation (CHEA).***

The PCS to Senate Bill 279 would (i) change the requirements applicants must meet when applying for licensure as a licensed professional counselor associate and (ii) require local boards of education to address sex trafficking prevention and awareness.

CURRENT LAW and BILL ANALYSIS:

Section 1

Under current law, the Board of Licensed Professional Counselors issues licenses for the practice of counseling to applicants seeking to be a licensed professional counselor associate, a licensed professional counselor, or a licensed professional counselor supervisor. Applicants seeking to be a licensed professional counselor associate must have (i) earned a specified minimum of credit hours of graduate training including a master's degree in counseling or a related field from a regionally accredited institution of higher education and (ii) passed an examination in accordance with rules adopted by the Board.

The Council for Higher Education Accreditation (CHEA) is a higher education membership organization in the United States, with approximately 3,000 degree-granting colleges and universities. CHEA is not an accreditation agency, but an organization that recognizes 60 institutional and programmatic accrediting organizations. The Council for Accreditation of Counseling and Related Educational Programs (CACREP) is an accreditation agency that accredits master's and doctoral degree programs in counseling and its specialties that are offered by colleges and universities in the United States. Applicants seeking to be a licensed professional counselor associate in North Carolina do not currently have to earn a master's degree from an institution of higher education that is accredited by an organization recognized by CHEA or accredited by CACREP.

Section 1 would divide the licensing requirements for a licensed professional counselor associate into three broad categories, depending upon when an applicant applies for licensure:

1. Applicants who apply for a license on or before March 1, 2016, must have (i) a master's degree from a regionally accredited school or from one accredited by an organization that is recognized by CHEA, (ii) a minimum number of hours as determined by when one enters school, and (ii) passed an exam.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

2. Applicants who apply after March 1, 2016 through June 30, 2022, must have (i) a master's from a regionally accredited school or from one accredited by an organization both recognized by CHEA and accredited by CACREP, (ii) a minimum number of hours as determined by when one enters school, and (ii) passed an exam.
3. Applicants who apply on or after July 1, 2022, must have (i) a master's from an institution accredited by CACREP, (ii) a minimum number of hours, and (iii) passed an exam.

Section 2 would make a conforming change.

Sections 3 and 4

Under current law, each local school administrative unit (LEA) is required to provide a reproductive health and safety education program beginning in the seventh grade. The program covers a variety of instruction, including factual information related to the human reproductive system, the benefits of abstinence until marriage, the risks of sexually transmitted diseases, and awareness of sexual assault and sexual abuse. Materials used in this instruction must be age appropriate for use with students and information conveyed during the instruction must be objective and based on scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education.

Sections 3 and 4 would remove the requirement that information conveyed in instruction must be approved by credentialed experts *in the field of sexual health education.* Section 4 would also require that the reproductive health and safety education program include instruction on sex trafficking prevention and awareness. Each LEA would have to collaborate with outside consultants, including law enforcement with expertise in sex trafficking, to address the threats of sex trafficking and referral protocol for high-risk pupils. Law enforcement agencies, criminal justice agencies, and non-governmental organizations with expertise in sex trafficking would be permitted to provide materials and information.

EFFECTIVE DATE: Sections 1 and 2 become effective October 1, 2015. Sections 3 and 4 are effective when they become law and apply beginning with the 2016-2017 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 279
Second Edition Engrossed 4/2/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S279-PCS15270-TB-27

Short Title: Amend Qualifications/Practice of Counseling. (Public)

Sponsors:

Referred to:

March 16, 2015

A BILL TO BE ENTITLED

AN ACT AMENDING THE PROFESSIONAL COUNSELORS ACT TO MODIFY EDUCATIONAL QUALIFICATIONS FOR THE PRACTICE OF COUNSELING AND TO REQUIRE LOCAL BOARDS OF EDUCATION TO ADDRESS SEX TRAFFICKING PREVENTION AND AWARENESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-336 reads as rewritten:

"**§ 90-336. Title and qualifications for licensure.**

(a) Each person desiring to be a licensed professional counselor associate, licensed professional counselor, or licensed professional counselor supervisor shall make application to the Board upon such forms and in such manner as the Board shall prescribe, together with the required application fee.

(b) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or before March 1, 2016, and meets all of the following criteria:

(1) Has earned a ~~minimum of 48 semester hours or 72 quarter~~specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or a related field from ~~a regionally accredited institution of higher education~~an institution of higher education that is regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation and (ii) the applicant meets one of the following criteria:

a. ~~if~~If the applicant enrolled in the master's program before July 1, ~~2009;~~2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit ~~hours~~hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours. ~~of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009; or a minimum of 60 semester hours or 90 quarter credit hours of graduate training as defined by the Board, including a master's degree in counseling or~~

~~a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program after June 30, 2013.~~

(2) Repealed by Session Laws 2009-367, s. 6, effective October 1, 2009.

(3) Has passed an examination in accordance with rules adopted by the Board.

(b1) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies after March 1, 2016, through June 30, 2022, and meets all of the following criteria:

(1) Has earned a specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or related field from an institution of higher education that is either regionally accredited or accredited by an organization both recognized by the Council for Higher Education Accreditation and accredited by the Council for Accreditation of Counseling and Related Educational Programs and (ii) the applicant meets one of the following criteria:

a. If the applicant enrolled in the master's program before July 1, 2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after July 30, 2009, a minimum of 54 semester hours or 81 quarter credit hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours.

(2) Has passed an examination in accordance with rules adopted by the Board.

(b2) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed professional counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under ~~subsection (b)~~subsection (b), (b1), or (b2) of this ~~section.~~section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised professional practice as determined by the Board.

(d) A licensed professional counselor may apply to the Board for recognition as a "licensed professional counselor supervisor" and receive the credential "licensed professional counselor supervisor" upon meeting all of the following criteria:

(1) Has met all of the requirements under subsection (c) of this section.

(2) Has one of the following:

a. At least five years of full-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact;

b. At least eight years of part-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact; or

c. A combination of full-time and part-time professional counseling experience, including a minimum of 2,500 hours of direct client contact as determined by the Board.

(3) Has completed minimum education requirements in clinical supervision as approved by the Board.

(4) Has an active license in good standing as a licensed professional counselor approved by the Board."

SECTION 2. G.S. 90-345(a)(1) reads as rewritten:

"(1) Applicant. – A person applying for licensure as a licensed professional counselor associate pursuant to ~~G.S. 90-336(b)~~G.S. 90-336(b), 90-336(b1), or 90-336(b2) or licensed professional counselor pursuant to G.S. 90-336(c)."

SECTION 3. G.S. 115C-81(e1)(4) reads as rewritten:

"(4) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade that includes the following instruction:

a. Teaches that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.

b. Presents techniques and strategies to deal with peer pressure and offering positive reinforcement.

c. Presents reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.

d. Teaches that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems.

e. Teaches that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.

f. Teaches the positive benefits of abstinence until marriage and the risks of premarital sexual activity.

g. Provides opportunities that allow for interaction between the parent or legal guardian and the student.

h. Provides factually accurate biological or pathological information that is related to the human reproductive system.

i. Teaches about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed ~~experts in the field of sexual health education.~~experts."

SECTION 4. G.S. 115C-81(e1)(4a) reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually

transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed ~~experts in the field of sexual health education.~~experts. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 5. Sections 1 and 2 of this act become effective October 1, 2015. Sections 3 and 4 of this act are effective when this act becomes law and apply beginning with the 2016-2017 school year.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

SB **400** **(CS#1)** School Access for Boy Scouts/Girl Scouts.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB **279** Amend Qualifications/Practice of Counseling.

Draft Number:	S279-PCS15270-TB-27
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

FAVORABLE FOR ADOPTION

HR **944** Rev. Billy Graham for Postage Stamp.

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

TOTAL REPORTED: 3

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
09/15/15	
Steve Mange	NCRLA
Susanne Sanmal	NC DPI
Betsy McCorkle	NCSEA
Nakisha Floyd	NCDPI
Adam Shaw	DHHS

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Adam Prudence	NCAEA
Martha Jenkins	DCR
Tracy Sternberg	Girl Scouts
Collee-Kochmek	Girl scouts - KLG
Tracy Kimbrell	Parker Poe
Kathy Hawkins	Duke Energy
Trent Womble	DHHS
Evelyn Hawthorne	ETHOR
[signature]	SA
Michelle Frazier	MFHS
Brian Lewis	New Frame

VISITOR REGISTRATION SHEET

Rules — 09/15/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brooks Rainey Pearson	SELC
BRUCE THOMPSON	PALCOZ POB
CASANDRA HOLKSTRA	NCACC
Chris Agar	DOT
Sondra Panico	NC Bd of Licensed Interstate Counselors
Fred Baron	Baron & Assoc.
PEYTON MAYNARD	
Julie Robinson	NCSEA
REV. MARK CREECH	CAL
Annalisa Dolph	DL
Susanna Birdsong	ACLU

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Preston	ACLU-NC
Alex Miller	KCG
Pat Sherman	NCFB
JAKE PARKER	NCFB
Allison Stewart	cardinal
Amy McConkey	NC Beverage
Patrick Baffi	NCAEC
Jamie Cole	NCCN
Tom BEASLEY	EDF, NCWF
Jeff Raa	GR NC
Brian Mewald	WM

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Amanda Styron	~~JDA~~
Julie White	NC DHHS
Ken McHan	K. McH.
Elizabeth Biser	Brooks Pierce
Dick Carlton	Law Offices of RC
[illegible]	[illegible]

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
David Collins	SEANC
Amanda Horaks	Tractman Sanders
Ashley Parkinson	Parkinson Law
Lori Kroll	
Erica Nelson	NCHA
Stephen Kouba	CCS
Jeff Cooper	CCS
Joy Hicks	NCDA&CS
Andy Ellen	NCRMA
David Ferrell	VB

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Polly R. [illegible]	Rep. [illegible] (LA.)
Julia Adams Schenck	Arc of NC, NCARF, MARC, ASNC
Scott Laster	SSG NC
JOEL MAYNARD	GPM & ASSOC
Krystal Maynard	GPM & ASSOC
David Heiman	NC Center for Nonprofits
Tom West	NCICU
Ellen Essick	NCDPI
Rachel Bunn	"
Burt Jenkins	NCDPI
Doug Misken	PSG

VISITOR REGISTRATION SHEET

Rules — Name of Committee

09/15/15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
ANDY WALSH	SA
DONALD TRUMP	FUTURE - POTUS
MARTY BROCK	CCIA
Laurie Orenic	LALC
Joanna Spruill	NCAFP
Ellen HARRIS	CRL
Melissa Reed	PP
Miller Nichols	Jordan Price
M. Smallwood	SOG
Carr McLamb	TSS
Jere Royall	NCFPL

House Committee on Rules, Calendar, and Operations of the House
Tuesday, September 22, 2015 at 11:35 AM
Room Room 1027

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 4:10 PM on September 22, 2015 in Room Room 1027. Representatives J. Bell, Blust, Boles, Carney, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Robinson, Saine, Stam, Szoka, Tine, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 272 Appointments Bill 2015. (Representative B. Richardson)
The bill was moved before the committee without objection. Rep. Lewis amends the bill with H272-ALG-43[v.3]. The motion carried. Rep. Lewis amends the bill a second time. The motion carried. Rep. Daughtry moves that the PCS be rolled into a new PCS, and be given a favorable report, unfavorable to the original. The motion carries.

The committee recessed at 11:40 AM. The committee resumed at 4:10 PM

SB 513 North Carolina Farm Act of 2015. (Senators Brock, B. Jackson)
The bill was moved before the committee without objection. Rep. Tine amends the bill with S513-ATQ-58[v.1]. The bill was opened for public comment. Rep. Torbett moves for a favorable report to the PCS and unfavorable to the original. The motion carries.

SB 472 Local Incentives for Historic Rehabilitation. (Senators Rucho, Brock)
The bill was moved before the committee without objection. Rep. Floyd motions for a favorable report. The motion carries.

SB 195 Motor Vehicle Service Agreement Amendments. (Senator Meredith)
The bill was moved before the committee without objection. Rep. Saine motions for a favorable report, unfavorable to the original. The motion carries.

SB 97 State Advisory Council on Indian Education. (Senator J. Davis)
The bill was moved before the committee without objection. Rep. Floyd motions for a favorable report. The motion carries.

The meeting adjourned at 4:42 PM.

Representative David R. Lewis, Chair

Mark Coggins, Committee Clerk

Corrected #5: Room 1027

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, September 22, 2015
TIME: **4:10 PM**
LOCATION: **Room 1027**
COMMENTS: **The committee will take up SB 513, SB 472, SB 195, and SB 97.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 513	North Carolina Farm Act of 2015.	Senator Brock Senator B. Jackson
SB 472	Local Incentives for Historic Rehabilitation.	Senator Rucho Senator Brock
SB 195	Motor Vehicle Service Agreement Amendments.	Senator Meredith
HB 272	Appointments Bill 2015.	Representative B. Richardson
SB 97	State Advisory Council on Indian Education.	Senator J. Davis

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:40 PM on Wednesday, October 07, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, September 22, 2015
TIME: **12:00 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **There will be Proposed Committee Substitues sent out for SB 513 and HB 272**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 513	North Carolina Farm Act of 2015.	Senator Brock Senator B. Jackson
SB 472	Local Incentives for Historic Rehabilitation.	Senator Rucho Senator Brock
SB 195	Motor Vehicle Service Agreement Amendments.	Senator Meredith
HB 272	Save the Honey Bees Special Plate.	Representative B. Richardson

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:40 PM on Monday, September 21, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

House Committee on Rules, Calendar, and Operations of the House
Tuesday, September 22, 2015, 12:00 PM
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 513	North Carolina Farm Act of 2015.	Senator Brock Senator B. Jackson
SB 472	Local Incentives for Historic Rehabilitation.	Senator Rucho Senator Brock
SB 195	Motor Vehicle Service Agreement Amendments.	Senator Meredith
HB 272	Save the Honey Bees Special Plate.	Representative B. Richardson
SB 97	State Advisory Council on Indian Education.	Senator J. Davis

Presentations

Other Business

Adjournment

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 272
PROPOSED COMMITTEE SUBSTITUTE H272-PCS10449-LG-7

Short Title: Speaker's Appointments Bill 2015. (Public)

Sponsors:

Referred to:

March 19, 2015

A BILL TO BE ENTITLED

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives; and

Whereas, the Speaker of the House of Representatives has made recommendations; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SPEAKER'S APPOINTMENTS

SECTION 1.1. Effective October 1, 2015, Lavonda Daniels of Durham County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2018.

SECTION 1.2. Harold T. Owen of Alamance County is appointed to the North Carolina Arboretum Board of Directors for a term expiring on June 30, 2016, to fill the unexpired term of Lucas S. Jack.

SECTION 1.3. Thomas C. Hege of Davidson County is appointed to the Agricultural Finance Authority for a term expiring on June 30, 2018.

SECTION 1.4. John Thompson of Robeson County and John Walsh of Iredell County are appointed to the Alarm Systems Licensing Board for terms expiring on June 30, 2018.

SECTION 1.5. Effective October 1, 2015, Dr. Karen McCulloch of Orange County and Dr. Erwin Manalo of Pitt County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring on September 30, 2019.

SECTION 1.6. Kent Jackson of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2018.

SECTION 1.7. Heather L. Bosher of Cumberland County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2017, to fill the unexpired term of Richard Lagatore.

SECTION 1.8. Kieran Shanahan of Wake County and R. Doyle Parrish of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2019.

SECTION 1.9. Anthony Helton of Rutherford County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2019.

SECTION 1.10.(a) Vickie H. Koch of Wake County is appointed to the Childcare Commission for a term expiring June 30, 2016, to fill the unexpired term of Susan Creech.

SECTION 1.10.(b) Glenda Weinert of Buncombe County and Lisa Humphreys of Wake County are appointed to the Childcare Commission for terms expiring on June 30, 2017.

SECTION 1.11. Dr. Richard K. Davis, Jr., of Catawba County is appointed to the State Board of Chiropractic Examiners for a term expiring on June 30, 2017.

SECTION 1.12. Effective August 1, 2015, J. Frank Bragg of Mecklenburg County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on July 31, 2017.

SECTION 1.13. Lawrence F. Baldwin of Carteret County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018.

SECTION 1.14. Mark A. Smith of Guilford County and Nathan A. Matthews of Catawba County are appointed to the North Carolina Code Officials Qualifications Board for terms expiring on June 30, 2019.

SECTION 1.15. Baldwin R. Mitchell, Jr., of Wilson County is appointed to the North Carolina State Board of Cosmetic Art Examiners for a term expiring on June 20, 2018.

SECTION 1.16. Tammy Huffman West of Catawba County is appointed to the Crime Victims Compensation Commission for a term expiring on June 30, 2019.

SECTION 1.17. R. Steven Johnson of Wake County, Richard W. Parks of Nash County, Angela L. Williams of Guilford County, and David L. Dail of Caswell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2017.

SECTION 1.18. Ronnie D. Edwards of Henderson County and Norlan Graves of Halifax County are appointed to the Criminal Justice Information Network Governing Board for terms expiring on June 30, 2019.

SECTION 1.19. Helene Edwards of Cumberland County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2018.

SECTION 1.20. Tyler B. Morris of Wake County and Bradley Lail of Catawba County are appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for terms expiring on June 30, 2018.

SECTION 1.21. Effective October 1, 2015, Lorrie Dollar of Wake County is appointed to the Dispute Resolution Commission for a term expiring on September 30, 2018.

SECTION 1.22. Effective September 1, 2015, Mary Lopez Carter of Orange County, Erica S. Gallion of Harnett County, and the Honorable Robert M. Wilkins of Randolph County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2017.

SECTION 1.23. Effective January 1, 2016, Kevin T. Stanley of Mecklenburg County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 1.24. Clyde E. "Butch" Smith of Polk County is appointed to the Environmental Management Commission for a term expiring on June 30, 2019.

SECTION 1.25. Robert "Scott" Clontz of Iredell County is appointed to the Board of Directors of the North Carolina Global TransPark Authority for a term expiring on June 30, 2019.

SECTION 1.26. Joseph B. Ramsey, Jr., of Wake County is appointed to the Home Inspector Licensure Board for a term expiring on July 1, 2019.

SECTION 1.27. Tom Smith of Wake County, James E. Nance of Stanly County, Paul S. Jaber of Nash County, and James W. Oglesby of Buncombe County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring on June 30, 2017.

SECTION 1.28. Effective September 1, 2015, Daniel W. Kornelis of Forsyth County, Roger L. Earnhardt of Wake County, Scott Dedman of Buncombe County, Brian

Coyle of Forsyth County, and Melody Smith of Wake County are appointed to the North Carolina Housing Partnership for terms expiring on August 31, 2018.

SECTION 1.29. Lisa P. Shock of Orange County is appointed to the Board of Directors of the North Carolina Institute of Medicine for a term expiring on January 1, 2018, to fill the unexpired term of Ronald Maddox.

SECTION 1.30. Effective October 1, 2015, Jeffrey M. Edwards of Granville County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2018.

SECTION 1.31. Matthew A. Grindstaff of Mitchell County, Ashley M. Honeycutt of Wake County, Wanda Moore of New Hanover County, Karen A. McCall of Durham County, Ryan S. Swanson of Wake County, Representative Becky Carney of Mecklenburg County, Representative Dan Bishop of Mecklenburg County, and Representative Larry Yarborough of Granville County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2017.

SECTION 1.32. Effective January 1, 2016, Rafe Rountree of Martin County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2018.

SECTION 1.33. Dean J. Jordan of Wake County is appointed to the Judicial Standards Commission for a term expiring December 31, 2020, to fill the unexpired term of James Testa.

SECTION 1.34. Ashley "Luke" Foster of Wake County, Nina S. Walker of Moore County, and Douglas S. Ramsey of Alexander County are appointed to the North Carolina Manufactured Housing Board for a term expiring on June 30, 2018.

SECTION 1.35. James J. Fitzsimmons of Mecklenburg County and Renee D. Hays of Wake County are appointed to the North Carolina Board of Massage and Bodywork Therapy for terms expiring on June 30, 2018.

SECTION 1.36.(a) Charles "Wayne" Dixon of Yadkin County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2017, to fill the unexpired term of Justin Brackett.

SECTION 1.36.(b) Dr. Peggy S. Terhune of Randolph County, Ann Shaw of Randolph County, and Roger L. Dillard, Jr., of Forsyth County are appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for terms expiring on June 30, 2018.

SECTION 1.37. R. Gene Davis of Wake County and Mary Jo Cresimore of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for a term expiring on June 30, 2017.

SECTION 1.38. Gregory F. Hauser of Mecklenburg County is appointed to the 911 Board for a term expiring on December 31, 2018, to fill the unexpired term of Johnny T. Cole.

SECTION 1.39. Effective January 1, 2016, Patricia T. Campbell of Iredell County is appointed to the North Carolina Board of Nursing for a term expiring on December 31, 2019.

SECTION 1.40. Dianna Rahash of Onslow County is appointed to the North Carolina Onsite Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2018.

SECTION 1.41.(a) Effective October 1, 2015, William "Larry" Stone of Cleveland County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2016.

SECTION 1.41.(b) Effective October 1, 2015, Harry M. Shaw of New Hanover County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2017.

SECTION 1.41.(c) Effective October 1, 2015, Cameron V. Boltes of Beaufort County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 1.42. Dr. Vinod K. Goel of Wake County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on July 1, 2018.

SECTION 1.43. The Honorable Joy A. Jones of Johnston County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2018.

SECTION 1.44. Thomas W. Adams of Brunswick County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2017.

SECTION 1.45. Jeremy Johnson of Pamlico County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019.

SECTION 1.46. Marcus Benson of New Hanover County, William J. Fletcher, Jr., of Wilkes County, David C. Arndt of Surry County, and Clyde R. Cook, Jr., of Wake County are appointed to the Private Protective Services Board for terms expiring on June 30, 2018.

SECTION 1.47. Terry Wheeler of Dare County is appointed to the State Property Tax Commission for a term expiring on June 30, 2019.

SECTION 1.48. John Michael Causey of Guilford County is appointed to the Public Officers and Employees Liability Insurance Committee for a term expiring on June 30, 2019.

SECTION 1.49. The Honorable George Rountree III of New Hanover and Gervais A. Oxendine of Robeson County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019.

SECTION 1.50. Tracy J. Warren of Beaufort County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2016, to fill the unexpired term of Dianne Layden.

SECTION 1.51. Effective September 1, 2015, Dr. Eric L. Olson of Durham County and Larry Bruce Simpson of Alamance County are appointed to the North Carolina Respiratory Care Board for terms expiring on August 31, 2018.

SECTION 1.52. Gayle S. Drummond of Dare County, William F. Small of Dare County, and Earl W. Willis, Jr., of Chowan County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2017.

SECTION 1.53. Danny E. Britt, Jr., of Robeson County, Garth K. Dunklin of Mecklenburg County, and Stephanie M. Simpson of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2017.

SECTION 1.54.(a) G.S. 143B-472.128(c) requires the terms of members of the Rural Infrastructure Authority to be staggered. To stagger the terms of the members appointed on November 21, 2013, to the Rural Infrastructure Authority pursuant to G.S. 143B-472.128(b)(3), the terms of those members shall be amended as follows:

(1) Lee Grantham's term expired on June 30, 2014.
(2) Darrell McCormick's term expired on June 30, 2015.
(3) Brady Dickson's term expired on June 30, 2015.
(4) Elizabeth Foster's term shall expire on June 30, 2016.
(5) Lige Daughtridge's term shall expire on June 30, 2016.

SECTION 1.54.(b) Frank A. Stewart of Gaston County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2016, to fill the unexpired term of Elizabeth Foster.

SECTION 1.54.(c) Lee Grantham of Robeson County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2017.

SECTION 1.54.(d) Effective July 1, 2015, the Honorable Darrell McCormick of Yadkin County and Brady Dickson of Montgomery County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2018.

SECTION 1.55. Bradley W. Langston of Forsyth County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2017.

SECTION 1.56. Dr. Ellen C. Collett of Burke County and Paul Powell of Guilford County are appointed to the Board of Trustees of the North Carolina School of Science and Mathematics for terms expiring on June 30, 2017.

SECTION 1.57. Enoch Moeller of Caldwell County is appointed to the North Carolina Board of Science and Technology for a term expiring on June 30, 2017.

SECTION 1.58. Sheriff James "Alan" Norman of Cleveland County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2017.

SECTION 1.59. Dr. Warren Newton of Orange County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2017.

SECTION 1.60.(a) G.S. 159G-70(b) requires the terms of State Water Infrastructure Authority members to be staggered. To stagger the terms, the term of the Honorable Calvin H. Stiles of Cherokee County to the State Water Infrastructure Authority expires on July 1, 2016.

SECTION 1.60.(b) Maria S. Hunnicutt of Rutherford County is appointed to the State Water Infrastructure Authority for a term expiring on July 1, 2017.

SECTION 1.61. Michael "Greg" Patterson of Wake County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2017.

SECTION 1.62. Culley C. Carson IV of Wake County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2017.

SECTION 1.63. Roger W. Knight of Wake County is appointed to the Umstead Review Panel for a term expiring on June 30, 2017, to fill the unexpired term of Robert T. "Bob" Numbers II.

SECTION 1.64. Douglas C. McVey of Madison County is appointed to the Well Contractors Certification Commission for a term expiring on June 30, 2018.

SECTION 1.65. The Honorable Timothy L. Spear of Washington County, John A. Stone of Moore County, Dean D. Proctor of Catawba County, and Tommy Fonville of Wake County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2017.

SECTION 1.66.(a) Raymond T. Covington of Guilford County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2016.

SECTION 1.66.(b) Dr. Karen Sullivan Glaser of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2017.

SECTION 1.66.(c) Charles Taylor of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2018.

SECTION 1.67.(a) Johnny Hutchins of Cleveland County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2019.

SECTION 1.67.(b) Samuel T. Bratton of Wake County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2020.

PART II. EFFECTIVE DATE

SECTION 2.1. Unless otherwise specified, all appointments made by this act are for terms to begin upon ratification of this act.

SECTION 2.2. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 272 DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

(Rep.) Lewis
Sen.)

1 moves to amend the bill on page 2, line 38
2 ( ) WHICH CHANGES THE TITLE
3 by deleting "Cleveland" and substituting
4 "Polk".
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

SIGNED _____

ADOPTED DRL FAILED _____ TABLED _____

GA-33-A

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 272

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

H272-ALG-43 [v.3]

Amends Title [NO]
H272-CSLG-6

Date _____ ,2015

Representative Lewis

moves to amend the bill on page 2, line 49, by deleting the word "Don" and substituting "Daniel"; and

on page 5, line 2, by deleting the word "Stanley" and substituting "Montgomery".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

SENATE BILL 97: Graham
State Advisory Council on Indian Education

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 22, 2015
Introduced by:	Sen. J. Davis	**Prepared by:**	Drupti Chauhan
Analysis of:	Second Edition		Committee Counsel

SUMMARY: ***Senate Bill 97 changes the composition of the State Advisory Council on Indian Education, with current members serving the remainder of their terms.***

CURRENT LAW:

Under G.S. 115C-210.1, the 15 members of the State Advisory Council on Indian Education (Council) are appointed as follows:

- Two legislative members (one from the Senate appointed by the President Pro Tempore, and one from the House of Representatives appointed by the Speaker).
- Two Indian members from higher education appointed by the Board of Governors of The University of North Carolina.
- One Indian member from the North Carolina Commission on Indian Affairs appointed by that Commission.
- Eight Indian parents of students enrolled in the public schools.
- Two Indian educators from the public schools appointed by the State Board of Education (SBE) from a list submitted by the NC Commission on Indian Affairs.

Under current law the Council should broadly represent North Carolina Indian tribes and organizations and any other tribe gaining State recognition in the future.

BILL ANALYSIS:

SB 97 would make changes to the composition of the Council as follows:

- Would direct the Board of Governors of The University of North Carolina and the State Board of Community Colleges to each appoint an American Indian member from higher education, preferably faculty members.
- Would reduce the number of American Indian parents from eight to five, and clarify that appointed parents must be of students enrolled in the K-12 public schools, including charter schools.
- Would increase the number of American Indian K-12 public school educators from two to five and require one member be a Title VII director or coordinator. (Title VII addresses Indian Education programs in the federal Elementary and Secondary Education Act). The bill would define a K-12 educator to include a school administrator, classroom teacher, resource teacher, or school counselor. The bill would also require that the appointed educators must have a current North Carolina educator's license.
- Would provide that members on the Council must be broadly representative of North Carolina's Indian tribes and organizations, State-recognized tribes and organizations, any Indian tribe

gaining State recognition in the future, and parents and educators from tribes recognized by the United States Department of the Interior, Bureau of Indian Affairs.

Members currently serving on the Council are to serve out the remainder of their terms and when a vacancy occurs a new member will be appointed under the changes set forth in this bill. The bill would also clarify references to "Indian" as someone who is an "American Indian".

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

BACKGROUND: In 1988, the SBE adopted an Indian education policy to provide a process for identifying issues pertaining to the education of American Indian students in grades K–12. In the same year, the N.C. General Assembly enacted Article 13A (NCGS § 115C-210 et. seq.) to establish a fifteen member State Advisory Council on Indian Education to serve as the mechanism for advocating on the behalf of American Indian students. Membership consists of American Indian parents and educators, legislative members from the N.C. Senate and House of Representatives, representatives appointed by the UNC Board of Governors, and the North Carolina Commission of Indian Affairs.

The Council advises the SBE on issues pertaining to the education of American Indian students. More specifically, the Council is charged with the following duties:

- To advise the SBE on effective educational practices for American Indian students.
- To explore programs that raise academic achievement and reduces the dropout rate among American Indian students.
- To advise the SBE and the Department of Public Instruction on ways to improve coordination and communication for the benefit of American Indian students affected by state and federal programs administered at the state level.
- To prepare and present an annual report to the SBE, tribal organizations, and to conferees at the annual North Carolina Indian Unity Conference.
- To advise the SBE on any other aspect of American Indian education when requested by the SBE, educators, parents, students, business leaders, and other constituents.

S 2

SENATE BILL 97*
Education/Higher Education Committee Substitute Adopted 4/28/15

Short Title: State Advisory Council on Indian Education. (Public)

Sponsors:

Referred to:

February 23, 2015

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE MEMBERSHIP OF THE STATE ADVISORY COUNCIL ON INDIAN EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-210.1 reads as rewritten:

"**§ 115C-210.1. Membership – How appointed.**

(a) The Council shall consist of 15 members, as follows:

(1) Two legislative members appointed as follows:

a. ~~(one senator~~One member appointed by the President Pro Tempore of the ~~Senate and one representative~~Senate.

b. One member appointed by the Speaker of the ~~House);~~House of Representatives.

(2) Two American Indian members from higher ~~education to be appointed by the Board of Governors of the University system;~~education, who are preferably faculty members. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall each appoint a member.

(3) One American Indian member from the North Carolina Commission on Indian Affairs to be appointed by that ~~Commission;~~Commission.

(4) ~~Eight~~Five American Indian parents of students enrolled in K-12 public ~~schools and~~schools, including charter schools.

(4a) ~~two~~Five American Indian ~~educators from public elementary/secondary schools~~ K-12 public school educators, one member who shall be a Title VII director or coordinator, to be appointed by the State Board of Education from a list of recommendations submitted by the North Carolina Commission on Indian ~~Affairs;~~Affairs. For the purposes of this subdivision, a K-12 educator may be a school administrator, classroom teacher, resource teacher, or school counselor. A member appointed pursuant to this subdivision must hold a current North Carolina professional educator license.

~~(5) Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, specifically, the Eastern Band of Cherokee, Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi, Meherrin, Person County Indians, Cumberland County Association for Indian People, the Guilford Native American Association, the Metrolina Native American~~

~~Association, and any other Indian tribe gaining State recognition in the future.~~

(b) American Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, North Carolina State-recognized tribes and organizations (Coharie Tribe, Eastern Band of the Cherokee Nation, Haliwa-Saponi Indian Tribe, Lumbee Tribe of North Carolina, Meherrin Indian Tribe, Occaneechi Band of the Saponi Nation, Sappony, Waccamaw Siouan Tribe, Cumberland County Association for Indian People, Guilford Native American Association, Metrolina Native American Association, Triangle Native American Society, and any other Indian tribe gaining State recognition in the future), and parents and educators from tribes recognized by the United States Department of the Interior, Bureau of Indian Affairs."

SECTION 2. Notwithstanding G.S. 115C-210.1, as amended by this act, the current members serving on the State Advisory Council on Indian Education as of the effective date of this act shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members on the Council shall be appointed in accordance with G.S. 115C-210.1, as amended by this act.

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

SENATE BILL 195: Dollar
Motor Vehicle Service Agreement Amendments

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 22, 2015
Introduced by:	Sen. Meredith	**Prepared by:**	Wendy Graf Ray
Analysis of:	PCS to Second Edition S195-CSRO-31		Committee Counsel

SUMMARY: Senate Bill 195 would:

- ***Define ancillary anti-theft protection program and ancillary anti-theft protection program warranty.***
- ***Clarify what is included in motor vehicle service agreements.***
- ***Clarify ancillary anti-theft protection programs and warranties and motor vehicle service agreements are not contracts of insurance.***
- ***Make conforming changes to related statutes.***

CURRENT LAW: Motor vehicle service agreement companies are regulated under Article 43 of Chapter 66 of the General Statutes. These companies offer service agreements to indemnify against loss caused by motor vehicle failure. The Article sets out requirements for the agreements as well as record-keeping requirements for the companies. The Article does not apply to performance guarantees, warranties, or motor vehicle service agreements made by manufacturers, distributors, or their subsidiaries.

BILL ANALYSIS: Senate Bill 195 would more clearly define a motor vehicle service agreement, which indemnifies the agreement holder against loss caused by a motor vehicle failure. Motor vehicle service agreements would specifically include agreements for repair of tires, repair of dents, repair of cracks in windshields, replacement of key fobs, and other services approved by the Commissioner of Insurance.

The bill would define ancillary anti-theft protection program and ancillary anti-theft protection program warranty under the statutes regulating motor vehicle service agreements. An ancillary anti-theft protection program would be defined as a device or system installed on a motor vehicle to prevent loss or damage from theft. An ancillary anti-theft protection program warranty would be an agreement that the warrantor would pay incidental costs if the product fails to prevent loss or damage.

The bill would also make clear that ancillary anti-theft protection program warranties and service agreements are not contracts of insurance.

EFFECTIVE DATE: The act would become effective October 1, 2015.

O. Walker Reagan
Director

S195-SMSU-94 CSRO-31 -V2

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 195
Transportation Committee Substitute Adopted 4/15/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S195-CSRO-31 [v.4]

9/22/2015 10:21:57 AM

Short Title: Motor Vehicle Service Agreement Amendments. (Public)

Sponsors:

Referred to:

March 9, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A LEGAL FRAMEWORK FOR THE SALE AND REGULATION OF MOTOR VEHICLE ANCILLARY ANTI-THEFT PROTECTION CONTRACTS IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-370 reads as rewritten:

"**§ 66-370. Motor vehicle service agreement companies.**

(a) This section applies to all motor vehicle service agreement companies soliciting business in this State, but it does not apply to maintenance agreements, performance guarantees, warranties, or motor vehicle service agreements made by

(1) A manufacturer,

(2) A distributor, or

(3) A subsidiary or affiliate of a manufacturer or a distributor, where fifty-one percent (51%) or more of the subsidiary or affiliate is owned directly or indirectly by

a. The manufacturer,

b. The distributor, or

c. The common owner of fifty-one percent (51%) or more of the manufacturer or distributor

in connection with the sale of motor vehicles. This section does not apply to any motor vehicle dealer licensed to do business in this State (i) whose primary business is the retail sale and service of motor vehicles; (ii) who makes and administers its own service agreements with or without association with a third-party administrator or who makes its own service agreements in association with a manufacturer, distributor, or their subsidiaries or affiliates; and (iii) whose service agreements cover only vehicles sold by the dealer to its retail customer; provided that the dealer complies with G.S. 66-372 and G.S. 66-373. A motor vehicle dealer who sells a motor vehicle service agreement to a consumer, as defined in 15 U.S.C. § 2301(3), is not deemed to have made a written warranty to the consumer with respect to the motor vehicle sold or to have entered into a service contract with the consumer that applies to the motor vehicle, as provided in 15 U.S.C. § 2308(a), if: (i) the motor vehicle dealer acts as a mere agent of a third party in selling the motor vehicle service agreement; and (ii) the motor vehicle dealer would, after the sale of the motor vehicle

service agreement, have no further obligation under the motor vehicle service agreement to the consumer to service or repair the vehicle sold to the consumer at or within 90 days before the dealer sold the motor vehicle service agreement to the consumer. An agreement whereby an employer, or a third party contracted by the employer, provides mileage reimbursement and incidental maintenance and repairs to its employees for personal vehicles used for business purposes shall not be considered a motor vehicle service agreement or a contract of insurance.

(b) The following definitions apply in this section and in G.S. 66-371, 66-372, and 66-373:

(1) Ancillary anti-theft protection program. – A device or system that (i) is installed on or applied to a motor vehicle, (ii) is designed to prevent loss or damage to a motor vehicle from theft, and (iii) includes an ancillary anti-theft protection program warranty. For purposes of this section, the term "ancillary anti-theft protection program" includes alarm systems, body part marking products, steering locks, window etch products, pedal and ignition locks, fuel and ignition kill switches, and electronic, radio, and satellite tracking devices. "Ancillary anti-theft protection program" does not include fuel additives, oil additives, or other chemical products applied to the engine, transmission, or fuel system, or interior or exterior surfaces of a motor vehicle.

(1a) Ancillary anti-theft protection program warranty. – A written agreement by a warrantor that provides if the ancillary anti-theft protection program fails to prevent loss or damage to a motor vehicle from a theft, that the warrantor will pay to or on behalf of the warranty holder specified incidental costs, as a result of the failure of the ancillary anti-theft protection program to perform pursuant to the terms of the ancillary anti-theft protection program warranty. Incidental costs may be reimbursed in either a fixed amount specified in the ancillary anti-theft protection program warranty or by use of a formula itemizing specific incidental costs incurred by the warranty holder.

~~(1)~~(1b) Authorized insurer. – An insurance company authorized to write liability insurance under Articles 7, 16, 21, or 22 of Chapter 58 of the General Statutes.

(2) Distributor. – Defined in G.S. 20-286(3).

(3) Licensed insurer. – An insurance company licensed to write liability insurance under Article 7 or 16 of Chapter 58 of the General Statutes.

(4) Motor vehicle. – Defined in G.S. 20-4.01(23), but also including mopeds as defined in G.S. 20-4.01(27)d1.

(4a) Motor vehicle failure. – The failure of a mechanical or other component part of the motor vehicle arising out of the ownership, operation, or use of the vehicle.

(5) Motor vehicle service agreement. –

a. Any contract or agreement (i) indemnifying the motor vehicle service agreement holder against loss caused by ~~failure, arising out of the ownership, operation, or use of a motor vehicle, of a mechanical or other component part of the motor vehicle~~a motor vehicle failure that is listed in the ~~agreement.~~agreement or (ii) providing for the repair of a motor vehicle failure that is listed in the agreement.

b. A motor vehicle service agreement includes a contract or agreement to perform or to indemnify the holder of the motor vehicle service agreement for performance of any of the following services:

1. The repair or replacement of tires or wheels on a motor vehicle damaged as a result of coming into contact with road hazards.
2. The removal of dents, dings, or creases on a motor vehicle that can be repaired using the process of paintless dent removal without affecting the existing paint or finish and without replacing vehicle body panels, sanding, bonding, or painting.
3. The repair of chips or cracks in or the replacement of motor vehicle windshields as a result of damage caused by road hazards.
4. The replacement of a motor vehicle key or key-fob in the event that the key or key-fob becomes inoperable or is lost or stolen.
5. Other services which may be approved by the Commissioner of Insurance, if not inconsistent with other provisions of this Article.

c. ~~The term~~A motor vehicle service agreement does not ~~mean~~ include a contract or agreement guaranteeing the performance of parts or lubricants manufactured or distributed by the guarantor and sold for use in connection with a motor vehicle where no additional consideration is paid or given to the guarantor for the contract or agreement beyond the price of the parts or lubricants.

(6) Motor vehicle service agreement company. – Any person that issues motor vehicle service agreements and that is not a licensed insurer.

…."

SECTION 2. G.S. 58-1-15 reads as rewritten:

"**§ 58-1-15. Warranties by manufacturers, distributors, or sellers of goods or services.**

…

(b) Any ~~warranty~~ warranty, including ancillary anti-theft protection program warranties as defined by G.S. 66-370(b)(1a), made solely by a manufacturer, distributor, or seller of goods or services without charge, or an extended warranty offered as an option and made solely by a manufacturer, distributor, or seller of goods or services for charge, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or any other remedial measure, including replacement of goods or repetition of services, shall not be a contract of insurance under Articles 1 through 64 of this Chapter; however, service agreements on motor vehicles are governed by G.S. 66-370, 66-372, and 66-373. Service agreements on home appliances are governed by G.S. 66-371, 66-372, and 66-373.

(b1) Service agreements on home appliances or on motor vehicles offered in compliance with Article 43 of Chapter 66 of the General Statutes shall not be contracts of insurance and shall be exempt from all provisions of this Chapter unless otherwise expressly provided.

…."

SECTION 3. G.S. 66-372(e)(2) reads as rewritten:

"(2) With respect to a motor vehicle service agreement as defined in ~~G.S. 66-370(b)(1),~~G.S. 66-370, provide for a right of assignability by the consumer to a subsequent purchaser before expiration of coverage if the subsequent purchaser meets the same criteria for motor vehicle service agreement acceptability as the original purchaser; and"

SECTION 4. This act becomes effective October 1, 2015.

SENATE BILL 472:
Local Incentives for Historic Rehabilitation

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 22, 2015
Introduced by:	Sens. Rucho, Brock	**Prepared by:**	Greg Roney Committee Counsel
Analysis of:	First Edition		

SUMMARY: ***Senate Bill 472 would authorize cities and counties to make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned.***

The bill also clarifies the language of G.S. 158-7.1 which authorizes cities and counties to make appropriations for economic development purposes, including requiring all appropriations have public hearings, comply with the Local Government Budget and Fiscal Control Act, and be reported in the annual financial report.

CURRENT LAW: G.S. 158-7.1 authorizes cities and counties to make expenditures for economic development. G.S. 158-7.1(a) contains a general grant of authority. G.S. 158-7.1(b) grants express authority for 7 types of economic development projects and gives special rules for these 7 types of projects. G.S. 158-7.1(c) requires a public hearing for projects covered by G.S. 158-7.1(b). G.S. 158-7.1(d) and G.S. 158-7.1(d2) place additional requirements on projects authorized under G.S. 158-7.1(b) including a requirement that the proposed sale price of land plus future tax revenue to be generated by the project equal or exceed the fair market value of the land. The remainder of the statute imposes reporting rules, funding limits, and other requirements.

Specifically, G.S. 158-7.1(a) authorizes cities and counties to make appropriations for economic development that "increase the population, taxable property, agricultural industries and business prospects of any city or county." Without limiting the general grant of authority in subsection (a), G.S. 158-7.1(b) contains special rules for 7 types of economic development projects:

1. Industrial parks to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar industrial or commercial purposes.
2. Holding land for resale that is suitable for industrial or commercial use.
3. Options for the acquisition of land that is suitable for industrial or commercial use.
4. Acquisition or construction of a building suitable for industrial or commercial use.
5. Construction or assistance in the extension of utility services to industrial facilities, whether the utility is publicly or privately owned.
6. Construction or assistance in the extension of water and sewer lines to industrial facilities, whether the industrial facility is publicly or privately owned.
7. Site preparation for industrial facilities, whether the industrial facility is publicly or privately owned.

BILL ANALYSIS: Senate Bill 472 would add an eighth authorization to G.S. 158-7.1(b) allowing cities and counties to make grants or loans for:

8. Rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned.

The bill would modify subsection (a) of G.S. 158-7.1 that grants general authority to cities and counties to make appropriations for economic development by:

- Replacing a list of economic development purposes that included "other purposes" with the words "economic development purposes."
- Adding "employment" and "industrial output" to the list of permissible economic development goals.

The bill standardizes the treatment of appropriations for economic development by:

- Making all appropriations subject to the public hearing requirement of G.S. 158-7.1(c).
- Making all appropriations subject to the Local Government Budget and Fiscal Control Act and public disclosure in the local government's annual financial report under the requirements of G.S. 158-7.1(e).

The bill adds headings to all of the subsections of G.S. 158-7.1 and makes other technical changes.

EFFECTIVE DATE: Senate Bill 472 would be effective when it becomes law.

BACKGROUND: Article 3D of Chapter 105, titled Historic Rehabilitation Tax Credits, provided a State tax credit for rehabilitating income-producing historic structures (G.S. 105-129.35) and a State tax credit for rehabilitating non-income-producing historic structures (G.S. 105-129.36). Article 3D expired for rehabilitation expenditures incurred on or after January 1, 2015.

Article 3H of Chapter 105, titled Mill Rehabilitation Tax Credit, provided a State tax credit for income-producing rehabilitated mill property (G.S. 105-129.71) and a State tax credit for non-income-producing rehabilitated mill property (G.S. 105-129.72). Article 3H expired for rehabilitation projects for which an application for an eligibility certification is submitted on or after January 1, 2015.

The 2015 Appropriations Act (S.L. 2015-241, House Bill 97) enacted new Article 3L, titled "Historic Rehabilitation Tax Credits Investment Program." The new historic tax credit is effective January 1, 2016, and expires on January 1, 2020.

The 2015 Appropriations Act would allow a tax credit for historic rehabilitation as follows:

- Income Producing Property: Tax credit capped at $4,500,000 and equal to 15% of the first $10 million, plus 10% of the next $10 million, plus 5% for the first $20 million if in Tier 1 or 2, plus 5% for certain sites (at least 65%-vacant manufacturing facility or agricultural warehouse) for expenses to rehabilitate a structural component of a building listed in the National Register or located in a registered historic district and certified by the Secretary of the Interior.
- Non-Income Producing Property: Tax credit capped at $22,500 and equal to 15% of expense to rehabilitate a building listed in the National Register of Historic Places or certified by the State Historic Preservation Officer as contributing to the historic significance of a National Register Historic District or a locally designated historic district certified by the United States Department of the Interior. Expenses must exceed $10,000.

SENATE BILL 472

Short Title:	Local Incentives for Historic Rehabilitation.	(Public)
Sponsors:	Senators Rucho, Brock (Primary Sponsors); J. Davis, Rabin, Tarte, and Wells.	
Referred to:	Rules and Operations of the Senate.	

March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO APPROPRIATE MONEY FOR HISTORIC REHABILITATION AND TO CLARIFY AND STANDARDIZE THE REQUIREMENTS FOR APPROPRIATING FUNDS FOR LOCAL ECONOMIC DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-7.1 reads as rewritten:

"**§ 158-7.1. Local development.**

(a) Economic Development. – Each county and city in this State is authorized to make appropriations for ~~the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of~~ economic development purposes. These appropriations must be determined by the governing body of the city or ~~of the~~ county ~~commissioners of the county, will~~ to increase the population, taxable property, agricultural ~~industries and~~ industries, employment, industrial output, or business prospects of ~~any~~ the city or county. These appropriations may be funded by the levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. The specific activities listed in subsection (b) of this section are not intended to limit the grant of authority provided by this section.

(b) Specific Activities. – A county or city may undertake any of the following specific economic development ~~activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.~~activities under this section:

(1) A county or city may acquire and develop land for an industrial park, to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar industrial or commercial purposes. A county may acquire land anywhere in the county, including inside of cities, for an industrial park, while a city may acquire land anywhere in the county or counties in which it is located. A county or city may develop the land by installing utilities, drainage facilities, street and transportation facilities, street lighting, and similar facilities; may demolish or rehabilitate existing structures; and may prepare the site for industrial or

commercial uses. A county or city may convey property located in an industrial park pursuant to subsection (d) of this section.

(2) A county or city may acquire, assemble, and hold for resale property that is suitable for industrial or commercial use. A county may acquire such property anywhere in the county, including inside of cities, while a city may acquire such property inside the city or, if the property will be used by a business that will provide jobs to city residents, anywhere in the county or counties in which it is located. A county or city may convey property acquired or assembled under this subdivision pursuant to subsection (d) of this section.

(3) A county or city may acquire options for the acquisition of property that is suitable for industrial or commercial use. The county or city may assign such an option, following such procedures, for such consideration, and subject to such terms and conditions as the county or city deems desirable.

(4) A county or city may acquire, construct, convey, or lease a building suitable for industrial or commercial use.

(5) A county or city may construct, extend or own utility facilities or may provide for or assist in the extension of utility services to be furnished to an industrial facility, whether the utility is publicly or privately owned.

(6) A county or city may extend or may provide for or assist in the extension of water and sewer lines to industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(7) A county or city may engage in site preparation for industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(8) A county or city may make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned.

(c) Public Hearing. – Any appropriation or expenditure pursuant to ~~subsection (b) of~~ this section must be approved by the county or city governing body after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held. If the appropriation or expenditure is for the acquisition of an interest in real property, the notice shall describe the interest to be acquired, the proposed acquisition cost of such interest, the governing body's intention to approve the acquisition, the source of funding for the acquisition and such other information needed to reasonably describe the acquisition. If the appropriation or expenditure is for the improvement of privately owned property by site preparation or by the extension of water and sewer lines to the property, the notice shall describe the improvements to be made, the proposed cost of making the improvements, the source of funding for the improvements, the public benefit to be derived from making the improvements, and any other information needed to reasonably describe the improvements and their purpose.

(d) Interests in Real Property. – A county or city may lease or convey interests in real property held or acquired pursuant to subsection (b) of this section in accordance with the procedures of this subsection. A county or city may convey or lease interests in property by private negotiation and may subject the property to such covenants, conditions, and restrictions as the county or city deems to be in the public interest or necessary to carry out the purposes of this section. Any such conveyance or lease must be approved by the county or city governing body, after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall describe the interest to be conveyed or leased, the value of the interest, the proposed consideration for the conveyance or lease, and the governing body's intention to approve the conveyance or lease. Before such an interest may be

conveyed, the county or city governing body shall determine the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair market value of the interest, subject to whatever covenants, conditions, and restrictions the county or city proposes to subject it to. The consideration for the conveyance may not be less than the value so determined.

(d1) Repealed by Session Laws 1993, c. 497, s. 22.

(d2) Calculation of Consideration. – In arriving at the amount of consideration that it receives, the Board may take into account prospective tax revenues from improvements to be constructed on the property, prospective sales tax revenues to be generated in the area, as well as any other prospective tax revenues or income coming to the county or city over the next 10 years as a result of the conveyance or lease provided the following conditions are met:

(1) The governing board of the county or city shall determine that the conveyance of the property will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs in the county or city that pay at or above the median average wage in the county or, for a city, in the county where the city is located. A city that spans more than one county is considered to be located in the county where the greatest population of the city resides. For the purpose of this subdivision, the median average wage in a county is the median average wage for all insured industries in the county as computed by the Department of Commerce, Division of Employment Security, for the most recent period for which data is available.

(2) The governing board of the county or city shall contractually bind the purchaser of the property to construct, within a specified period of time not to exceed five years, improvements on the property that will generate the tax revenue taken into account in arriving at the consideration. Upon failure to construct the improvements specified in the contract, the purchaser shall reconvey the property back to the county or city.

(e) Local Government Budget and Fiscal Control Act. – All appropriations and expenditures pursuant to ~~subsections (b) and (c) of~~ this section shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of the North Carolina General Statutes, respectively, for cities and counties and shall be listed in the annual financial report the county or city submits to the Local Government Commission. The budget format for each such governing body shall make such disclosures in such detail as the Local Government Commission may by rule and regulation direct.

(f) Limitation. – At the end of each fiscal year, the total of the following for each county and city may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county or city as of January 1 preceding the beginning of the fiscal year:

(1) The investment in property acquired at any time under subdivisions (b)(1) through (b)(4) of this section and owned at the end of the fiscal year.

(2) The amount expended during the fiscal year under subdivisions (b)(5) and (b)(7) of this section.

(3) The amount of tax revenue that was taken into account under subsection (d2) of this section and was expected to be received during the fiscal year.

The Local Government Commission shall review the annual financial reports filed by counties and cities to determine if any county or city has exceeded the limit set by this subsection. If the Commission finds that a county or city has exceeded this limit, it shall notify the county or city. A county or city that receives a notice from the Commission under this subsection must submit to the Commission for its review and approval any appropriation or expenditure the county or city proposes to make under this section during the next three fiscal

years. The Commission shall not approve an appropriation or expenditure that would cause a county or city to exceed the limit set by this subsection.

(g) Repealed by Session Laws 1989, c. 374, s. 1.

(h) Economic Development Agreement. – Each economic development agreement entered into between a private enterprise and a city or county shall clearly state their respective responsibilities under the agreement. Each agreement shall contain provisions regarding remedies for a breach of those responsibilities on the part of the private enterprise. These provisions shall include a provision requiring the recapture of sums appropriated or expended by the city or county upon the occurrence of events specified in the agreement. Events that would require the city or county to recapture funds would include the creation of fewer jobs than specified in the agreement, a lower capital investment than specified in the agreement, and failing to maintain operations at a specified level for a period of time specified in the agreement."

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

SENATE BILL 513:
North Carolina Farm Act of 2015

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 22, 2015
Introduced by:	Sens. Brock, B. Jackson	**Prepared by:**	Chris Saunders Staff Attorney
Analysis of:	PCS to Fifth Edition S513-CSTQxf-27 [v.57]		

SUMMARY: ***The Proposed Committee Substitute (PCS) for Senate Bill 513 would make various changes to agricultural, transportation, and environmental laws.***

The PCS makes the following changes from the Fifth Edition of the bill:

- ***In Section 3, relating to the definition of "sustainable agriculture," deletes a reference to "social goals."***
- ***In Section 11, relating to shellfish cultivation leases in areas containing submerged aquatic vegetation, adds a technical change to allow the Department of Environment and Natural Resources to stay in compliance with federal law.***
- ***In Section 13, relating to termination of conservation agreements, removes references to the Council of State so that the section applies to all conservation agreements to which the State is a party, and allows funds from the Agriculture Development and Farmland Preservation Trust Fund to be distributed to the Department of Agriculture and Consumer Services for the purchase of agricultural conservation easements or agreements to be held by the Department.***
- ***In Section 14, relating to the transfer of the captive cervid program from the Wildlife Resources Commission to the Department of Agriculture and Consumer Services, makes a technical change to allow the temporary rules adopted by the Commission related to captive cervids to remain in effect until the Department adopts permanent rules, and makes a technical change to delete a reference to federal rules that would not apply to the Commission.***
- ***In Section 15, relating to the burning of agricultural plastics, changes the effective date to January 1, 2015.***
- ***Adds Section 17, which would delay, from 2018 to 2024, the period by which 0.2% of total electric power in the State must be supplied by swine waste. This section would also require electric public utilities with more than 150,000 retail jurisdictional customers to meet no more than a combined 25% of the annual requirement for swine waste resources by purchasing renewable energy certificates from out-of-state new renewable energy facilities and generating electric power from swine waste derived biogas produced out-of-state.***
- ***Adds Section 18, which would modify the implementation of the Odor Control of Feed Ingredient Manufacturing Plants Rule to provide that raw material is considered in storage after it has been located at a facility for 36 hours rather than 24 hours, and to***

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

extend the length of time a vehicle carrying certain raw materials may be parked outside an odor controlled area before the materials are unloaded for processing.

- ***Adds Section 19, which would exempt from the Sedimentation Pollution Control Act any activities undertaken to restore wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the federal Clean Water Act.***
- ***Adds Section 20, which would clarify reimbursement eligibility for third-party claims from the Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds.***
- ***Adds Section 21, which would establish a Renewable Energy Economic Development Study Committee and direct the Committee to evaluate and study the State's policies related to renewable energy and distributed generation.***
- ***In Section 22, relating to the American Eel Aquaculture Plan, extends the date for interested parties to submit information to participate in the program until November 1, 2015.***
- ***In Section 28, relating to the creation of a farm winery permit, eliminates the proposed on-premises farm winery unfortified wine permit and instead allows a farm winery to obtain an on-premises unfortified wine permit at a reduced cost.***
- ***Adds Section 29, which would allow the Pesticide Board to accept continuing certification credits for license renewal of pesticide dealers, pesticide applicators, and pest control consultants.***
- ***Adds Section 30, which would clarify that a project intended for the purpose of commercial resale of natural gas or propane gas is not an eligible project for the Expanded Gas Service to Agriculture Fund under the Department of Commerce.***
- ***Adds Section 32, which would authorize the Department of Agriculture and Consumer Services to register facilities engaged in the compounding of sterile drugs that are registered as outsourcing facilities with the federal Food and Drug Administration.***
- ***Adds Section 33, which would provide that emergency measures developed by the State Veterinarian during animal disease outbreaks related to composting dead domesticated animals are deemed permitted with respect to water quality, and that periodic testing of waste products from animal waste management systems may be suspended during animal disease outbreaks to the extent necessary to prevent the spread of the disease.***
- ***Adds Section 34, which would clarify that a "farm building," for purposes of the State Building Code, includes any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research.***
- ***Adds Section 35, which would make changes to the Wildlife Resources Commission's authority to conduct inspections of weapons, equipment, fish, and wildlife. This section would also require the Commission to report on complaints against Commission law enforcement officers.***

- ***In Section 36, making technical corrections to various Department of Agriculture and Consumer Services statutes, updates one correction to reflect language in the Appropriations Act.***

CURRENT LAW AND BILL ANALYSIS:

Section 1 of the PCS would increase the North Carolina Horse Council assessment from $2.00 to $4.00 per ton of commercial horse feed, and provide that the assessment is levied for a period of ten years, up from three years. Under G.S. 106-825, the Council must use these funds to promote the interests of the horse industry.

Section 2 would provide that an employer does not have to withhold State income tax on compensation paid to an H-2A agricultural worker if the employer is not required to withhold federal income tax on that compensation. Since calendar year 2011, an employer must report compensation of $600 or more paid to an H-2A agricultural worker on Form W-2, but the employer is not required to withhold federal taxes on the compensation unless the worker fails to provide the employer with either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). In the case of an H-2A agricultural worker who fails to provide a SSN or ITIN, the employer must withhold and remit 28% of the compensation and continue withholding this amount until the worker furnishes the employer the SSN or ITIN.

This section is effective for taxable years beginning on or after January 1, 2015.

Section 3 would establish a policy supporting sustainable agriculture in the State and define the term "sustainable agriculture."

Section 4 would direct the Department of Transportation (DOT) to amend its rules to allow permitted oversize vehicles to operate between sunset and sunrise, Monday through Sunday of each week. Current rules do not permit oversize vehicles to operate on Sundays. Additionally, this section would direct DOT to amend its rules to remove Labor Day, Memorial Day, and New Year's Day from the list of holidays during which an oversize vehicle may not operate from noon on the weekday preceding the holiday until noon of the weekday after the holiday.

Section 5 would provide that any vehicle carrying baled hay from place to place on the same farm, from one farm to another, from farm to market, or from market to farm, that does not exceed 12 feet in width may be operated on the highways of this State. Such vehicles exceeding 10 feet in width must operate only during daylight hours and must display a red flag or flashing warning light in the front and rear of the vehicle.

Section 6 would amend the right of center requirements to provide that farm equipment is not required to operate to the right of the center line when the combined width of the traveling lane and the accessible shoulder is less than the width of the equipment, and make a conforming change.

Section 7 would amend the definition of "agricultural spreader vehicle" to include vehicles designed for off-highway use on a farm to spread feed, and allow agricultural spreader vehicles that are exempt from the requirement of registration and certificate of title to travel at a speed of up to 45 miles per hour, up from 35 miles per hour.

Section 8 would allow any person to operate an all-terrain vehicle or utility vehicle on a public street or highway when engaged in farming operations.

Section 9 would clarify that the weight limitation exceptions for transportation of agricultural products and supplies apply to vehicles carrying dairy products; vehicles carrying water, fertilizer, pesticides,

seeds, fuel, or animal waste to or from a farm; and vehicles carrying feed ingredients from a storage or holding facility to a mill or farm.

This section would become effective October 1, 2015.

Section 10 would require meteorological towers between 50 and 200 feet[1] high to be marked and painted such that they are visible during daylight hours from of a distance of at least 2,000 feet. The towers must be painted in alternating bands of orange and white, have a marker ball attached to the top third of each guy wire, and have a seven-foot long safety sleeve at each anchor point. Any person constructing a meteorological tower must also register with DOT, provide the location and height of the proposed tower, and pay a $350 registration fee. DOT must develop and maintain a database of these towers by January 1, 2017, and make the database available on its Web site. The Secretary of Transportation would be permitted to assess a $10,000 penalty against any person who violates either the marking or notice requirements. Towers existing on January 1, 2017, would be grandfathered.

This section would become effective January 1, 2017, and would apply to meteorological towers erected on or after that date.

Section 11 would direct the Secretary of Environment and Natural Resources, except as prohibited by federal law, not to exclude any area from shellfish cultivation leases solely on the basis that the area contains submerged aquatic vegetation. However, the policy of the Army Corps of Engineers, Wilmington District, prohibits shellfish leasing in areas with submerged aquatic vegetation, and this section would not be enforceable until the Corps amends its policy.

This section would become effective October 1, 2015, and would apply to any new shellfish cultivation leases or renewals of existing shellfish cultivation leases issued on or after that date.

Section 12 would make three changes to present-use value taxation:

- This section would provide that, for purposes of present-use value, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses.
- This section would provide that when a tax assessor is determining whether a business entity applicant for present-use value has farming as its principal business, there is a rebuttable presumption that farming is the business entity's primary business if the applicant has been approved for present value taxation for a qualifying property in another county. Any determination about the applicant's eligibility would not affect the determination of whether the individual parcel of land meets the classifications for agricultural, horticultural, or forest land pursuant to G.S. 105-277.3. Further, if the assessor is able to rebut the presumption, this would not invalidate a determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.
- This section would direct the Department of Revenue to annually publish a present-use value program guide and make the guide available on its Web site. Tax assessors would be required to adhere to the Department's guide when making decisions regarding the qualifications or appraisal of property for the present-use value taxation program.

This section would become effective July 1, 2015, and applies to taxes imposed for taxable years beginning on or after that date. The requirement to publish a present-use value guide would be effective when it becomes law.

---

[1] Towers above 200 feet tall are regulated by the Federal Aviation Administration.

Section 13 would provide that for any conservation agreement where at least one party to the agreement is a public body of the State, no request for termination or substantial modification shall be granted that is made for the purpose of economic development. This section would apply only to perpetual conservation agreements or term conservation agreements terminated or substantially modified before the end of the term, to which the State or a subdivision of the State is a party. However, this section would not apply to condemnation actions initiated by a public condemnor.

This section would clarify that parties to a conservation agreement may include a provision in the agreement requiring the consent of the grantor or the grantor's successors in interest to terminate or substantially modify the agreement for any purpose.

Any agency that manages a conservation agreement program would be permitted to adopt rules governing its procedure for termination or substantial modification of a conservation agreement, provided that the rules must be at least as stringent as the requirements of this section.

This section would also allow funds from the Agricultural Development and Farmland Preservation Trust Fund to be distributed to the Department of Agriculture and Consumer Services (DACS) for the purchase of agricultural conservation easements or agreements to be held by the Department.

Section 14 would transfer the captive cervid program (deer farming) from the jurisdiction of the Wildlife Resources Commission (WRC) to DACS. DACS would be responsible for regulating the production, sale, possession, and transportation, including importation and exportation, of farmed cervids. This would include any cervid species that is held in captivity and produced, bought, or sold for commercial purposes, including white-tailed deer, elk, fallow deer, and red deer.

DACS would be authorized to issue new captivity licenses and permits for farmed cervid facilities that will hold cervids that are not susceptible to Chronic Wasting Disease (CWD). Until the USDA has adopted an approved method of testing for CWD in living cervids, CWD-susceptible deer would not be allowed to be imported into this State. At such time as a live CWD test is developed, DACS would be authorized to issue new captivity licenses or permits for farmed cervid facilities that will hold cervids susceptible to CWD only if the CWD-susceptible source animals are from a certified herd in accordance with USDA Standards from an existing licensed facility. However, DACS would not be authorized to issue an importation permit for any farmed cervid from a CWD-positive, -exposed, or -suspect farmed cervid facility.

All free-ranging cervids would be required to be removed from any new captive cervid facility before stocking the facility with farmed cervids. Further, hunt facilities would be prohibited, and only the licensee, the owner or an employee of the facility, or a qualified veterinarian administering euthanasia would be permitted to kill a farmed cervid on the premises of a licensed facility.

Local governments would be prohibited from adopting any ordinances inconsistent with or more restrictive than the provisions of this section. Farmed cervids would not be subject to the provisions of G.S. 113-129, setting forth definitions related to wildlife resources.

Live farmed cervids would only be able to be transported on a public road if the cervid has an official form of identification and the appropriate transportation, importation, or exportation permit issued by DACS. Any live farmed cervid transported on a public road would be subject to inspection by a wildlife law enforcement officer to ensure that the farmed cervid has the required official identification and permits.

Violation of any requirement of the Article would be punishable by a civil penalty of not more than $5,000 per animal, issued by DACS. In determining the amount of the penalty, the Commissioner of Agriculture would consider the degree and extent of harm caused by the violation.

WRC would retain jurisdiction over the possession and transportation, including importation and exportation, of non-farmed cervids, including game carcasses and parts of game carcasses extracted by hunters and carcasses and parts of carcasses imported from hunt facilities as defined by USDA Standards.

Section 15 would allow burning of polyethylene agricultural plastic without an air quality permit, provided that the burning:

- Does not violate State or federal ambient air quality standards.
- Is conducted between an hour after sunrise and an hour before sunset.
- Is set back at least 250 feet from a paved public roadway and at least 500 feet from an occupied structure outside the property where the burning is conducted.
- Is conducted in a manner such that it does not constitute a public nuisance.
- Is conducted by any of the following means:
    - By professionally manufactured equipment solely for the purpose of plastic mulch burning or incineration and approved by the Commissioner.
    - By a fire that is enclosed in a noncombustible container.
    - By a fire that is restricted to a pile no greater than eight feet in diameter on cleared ground.

DACS would be permitted to adopt rules to implement the provisions of this section.

This section would be retroactively effective on January 1, 2015.

Section 16 would alter the implementation of animal waste management system regulations to provide that:

- A "new animal waste management system" does not include a system that has been abandoned or unused for a period of four years or more and is then put back into service.
- Certain swine waste management system performance standards will not apply to any facility that meets all the following conditions:
    - Has had no animals on site for five continuous years or more.
    - Notifies the Division of Water Resources in the Department of Environment and Natural Resources (DENR) in writing at least 60 days prior to bringing any animals back onto the site.
    - The system depopulated after January 1, 2005, and the system ceased operation no longer than 10 years prior to the current date.
    - At the time the system ceased operation, it was in compliance with an individual permit or a general permit.
    - The Division of Water Resources issues an individual permit or a certificate of coverage under a general permit for operation of the system before any animals are brought on the facility.
    - The permit for the animal waste management system does not allow production to exceed the greatest steady state live weight previously permitted for the system.
    - No component of the animal waste management system and swine farm, other than an existing swine house or land application site, may be constructed in the 100-year floodplain.

- The inactive animal waste management system was not closed using the expenditure of public funds and was not closed pursuant to a settlement agreement, court order, cost-share agreement, or grant condition.

Section 17 would delay, from 2018 to 2024, the period by which 0.2% of total electric power in the State must be supplied by swine waste, and delays other scheduled swine waste resource requirements by six years. This section would also require electric public utilities with more than 150,000 retail jurisdictional customers to meet no more than a combined 25% of the annual requirement for swine waste resources by purchasing renewable energy certificates from out-of-state new renewable energy facilities and generating electric power from swine waste derived biogas produced out-of-state.

Section 18 would modify implementation of the Odor Control of Feed Ingredient Manufacturing Plants Rule, 15A NCAC 02D .0539. The Rule requires that various odor control measures be implemented at any facility that produces feed-grade animal proteins or feed-grade animal fats and oils. The Rule specifically provides that a person at such facilities must not cause or permit any raw material to be handled, transported, or stored, or to undertake the preparation of any raw material without taking reasonable precautions to prevent odors from being discharged. For the purpose of the Rule, raw material is considered in storage after it has been unloaded at a facility or after it has been located at the facility for at least 24 hours.

Section 18 would modify the implementation of the Rule to provide that:

- Raw material is considered in storage after it has been unloaded at a facility or after it has been located at the facility for at least 36 hours.
- A vehicle or container holding raw material, which has not been unloaded inside or parked inside an odor controlled area within the facility, must be unloaded for processing of the raw material prior to the expiration of the following time limits:
  - For feathers with only trace amounts of blood, such as those obtained from slaughtering houses that separate blood from offal and feathers, no later than 48 hours after being weighed upon arrival at the facility.
  - For used cooking oil in sealed tankers, no later than 96 hours after being weighed upon arrival at the facility.

Section 19 would exempt from the Sedimentation Pollution Control Act activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the federal Clean Water Act. Under current law, sedimentation and erosion control plans approved by DENR or a local government are required for land-disturbing activities that affect more than one acre of land. There are several exemptions from these requirements, including activities related to agriculture and forestry.

Section 20 would provide guidance for the use of Commercial or Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds for payment of compensation to third parties for bodily injury and property damage in excess of $100,000 per occurrence. There is, however, a rule (15A NCAC 02P .0403) that provides additional guidance:

- The term "third-party bodily injury" means specific physical bodily injury proximately resulting from exposure, explosion, or fire caused by the presence of a petroleum release and which is incurred by a person other than the owner or operator, or employees or agents of an owner or operator.

- The term "third-party property damage" means actual physical damage or damage due to specific loss of normal use of property owned by a person other than the owner or operator of an underground storage tank from which a release has occurred.

This section would codify the limitations of 15A NCAC 02P .0403 into statute, and make other conforming changes.

These changes would be effective for claims for reimbursement pending or submitted on or after the effective date of this act.

Section 21 would create the Renewable Energy Economic Development Study Committee to study renewable energy issues. The Committee would consist of 17 members, including four members of the General Assembly and thirteen representatives from stakeholder groups. The Committee would make its final report to the 2016 General Assembly when the General Assembly reconvenes in May 2016.

Section 22 would direct the Division of Marine Fisheries (Division) of DENR and the WRC to jointly develop a pilot American Eel Aquaculture Plan for the harvest and aquaculture of American eels. The pilot project would be limited to a maximum annual harvest of 200 pounds of the glass eel stage of the American eel for use in domestic aquaculture facilities. The plan would also require that the eels be harvested only in watersheds that minimally contribute to the spawning stock of the American eel. The pilot plan would require the approval of the Atlantic States Marine Fisheries Commission. The Division and WRC would be required to make every effort to have the plan approved for implementation by 2016, and persons interested in participating in the pilot program must submit all required information no later than November 1, 2015. The Division and the North Carolina Marine Fisheries Commission would not be permitted to issue permits for the harvest and aquaculture of the glass eel stage of American eels until the pilot plan is approved by the Atlantic States Marine Fisheries Commission.

Section 23 would amend the definition of mining to provide that mining does not include excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt from the requirements of the Sedimentation Pollution Control Act.

Section 24 would reduce the holding and advertising period for unclaimed livestock to allow the sale of unclaimed livestock within 13 days, rather than the 50 days required under current law. This section would also replace archaic language in the notification procedure.

This section would be effective when it becomes law and would apply to livestock impounded on or after that date.

Section 25 would repeal DACS's reporting requirement for the North Carolina Dairy Stabilization and Growth Program and change the reporting date for revenues and expenditures of the Spay/Neuter Account from February to March of each year.

Section 26 would allow the Forest Service to accept a prescribed burner certification from another state or other entity. Prescribed burning is defined as "the planned and controlled application of fire to naturally occurring vegetative fuels under safe weather and safe environmental and other conditions, while following appropriate precautionary measures that will confine the fire to a predetermined area and accomplish the intended management objectives."

Section 27 would reduce the penalty for failure to guard a fire by watchman from a Class 3 misdemeanor to an infraction. Article 22 of Chapter 14 of the General Statutes contains several similar violations with more severe penalties:

- G.S. 14-136, Setting fire to grass and brushlands and woodlands, punishable as a Class 2 misdemeanor or a Class I felony.

- G.S. 14-137, Willfully or negligently setting fire to woods and fields, punishable as a Class 2 misdemeanor.
- G.S. 14-138.1, Setting fire to grassland, brushland, or woodland, punishable as a Class 3 misdemeanor.

Section 28 would establish a farm winery permit and farm winery unfortified wine permit. Any winery that produces at least 75% of its wine from honey, grapes, or other fruit or grain grown within the State would be able to obtain a farm winery permit, which would cost $150, versus $300 for an unfortified winery permit. A winery that produces at least 10,000 gallons of wine per year from honey, grapes, or other fruit or grown within the State would also be eligible for a farm winery permit. This section would also allow the holder of a farm winery permit to obtain an on-premises unfortified wine permit, for a cost of $100 rather than $400.

The holder of a farm winery permit would have all the privileges of an unfortified winery permittee, plus the ability to give visitors free tasting samples of the wine manufactured at the farm winery without obtaining a limited winery permit, and to affix a label to the bottle certifying that the wine originates from a permitted farm winery. A large farm winery could only label bottles of wine with a North Carolina appellation of origin as originating from a permitted farm winery.

This section would also make conforming changes and direct DACS to study and report on ways to promote farm wineries within the State, including the development of a "passport" program where customers visiting a given number of farm wineries may receive a form of special recognition, such as a special sticker for their car. The report would be due to the Agriculture and Forestry Awareness Study Commission no later than February 1, 2016.

This section would become effective July 1, 2016, and would apply to permits issued on or after that date.

Section 29 would allow the Pesticide Board to grant license renewal for pesticide dealers, pesticide applicators, and pest control consultants by completion of continuing certification credit requirements. Under current law, license renewals may only be issued by re-examination.

Section 30 would clarify that a project intended for the purpose of commercial resale of natural gas or propane gas is not an eligible project for the Expanded Gas Service to Agriculture Fund under the Department of Commerce.

Section 31 would make a conforming change to clarify that all USDA-generated information received by DACS that is confidential under federal law must be held confidential. This section would also provide that all information collected by DACS from farm owners or animal owners, including laboratory reports received or generated from samples submitted for analysis, that may be used to identify an individual or business subject to regulation by DACS may not be disclosed without the permission of the owner, unless necessary to prevent the spread of animal disease or implement animal health programs.

Section 32 would authorize DACS to register facilities engaged in the compounding of sterile drugs that are registered as outsourcing facilities with the federal Food and Drug Administration to ensure consistency with current registration practices for drug wholesalers, manufacturers, and repackagers.

Section 33 would clarify the powers of the State Veterinarian to develop emergency measures to prevent and control the spread of a contagious animal disease by providing that emergency measures relating to the composting of dead domesticated animals are deemed permitted with respect to DENR water quality permits, and DENR is not required to issue permits. This section would also provide that the State Veterinarian may temporarily suspend periodic testing of waste products from animal waste

management systems and dry litter poultry facilties, in consultation with the Commissioner of Agriculture and the approval of the Governor, to the extent necessary to prevent and control an animal disease. During the suspension of waste analysis, the 1217 Interagency Committee must establish waste product nutrient content to be used for application of waste at no greater than agronomic rates.

Section 34 would clarify that a "farm building," for purposes of the State Building Code, includes any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. This section also makes technical changes to the farm building subsection in the Building Code statute.

Section 35 would provide that a wildlife inspector, protector, or other law enforcement officer may not inspect weapons or equipment possessed incident to an activity under the officer's jurisdiction unless the officer has a reasonable suspicion that a violation has been committed, except to check whether a shotgun is plugged or unplugged. This section would clarify that it is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect fish or wildlife for the purpose of ensuring compliance with bag limits and size limits. This section also prohibits officers from inspecting weapons, equipment, fish, or wildlife in the absence of a person in apparent control of the item to be inspected, with some exceptions.

This section would also require WRC to report to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2016, and annually thereafter, on the number of complaints received against WRC officers, the subject matter of the complaints, and the geographic areas in which the complaints were filed.

Section 36 would make technical corrections overlooked in the transfer of the Forest Service from DENR to DACS in 2011.

Section 37 contains a severability clause and effective date.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.

Jeff Hudson, Jennifer McGinnis, and Heather Fennell, staff attorneys, substantially contributed to this summary.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 513

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/12/15
Finance Committee Substitute Adopted 5/14/15
Fourth Edition Engrossed 5/19/15
House Committee Substitute Favorable 6/10/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S513-CSTQxf-27 [v.57]
9/21/2015 5:53:06 PM

Short Title: North Carolina Farm Act of 2015. (Public)

Sponsors:

Referred to:

March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE REGULATORY RELIEF TO THE AGRICULTURAL COMMUNITY OF NORTH CAROLINA BY PROVIDING FOR VARIOUS TRANSPORTATION AND ENVIRONMENTAL REFORMS AND BY MAKING VARIOUS OTHER STATUTORY CHANGES.

The General Assembly of North Carolina enacts:

REVISE HORSE INDUSTRY PROMOTION ACT TO INCREASE CAPS ON DURATION AND AMOUNT OF AN ASSESSMENT

SECTION 1. G.S. 106-823 reads as rewritten:

"**§ 106-823. Referendum.**

(a) The Council may conduct a referendum among horse owners upon the question of whether an assessment shall be levied consistent with this Article.

(b) The Council shall determine all of the following:

(1) The amount of the proposed assessment, not to exceed ~~two dollars ($2.00)~~four dollars ($4.00) per ton of commercial horse feed.

(2) The period for which the assessment shall be levied, not to exceed ~~three~~10 years.

(3) The time and place of the referendum.

(4) Procedures for conducting the referendum and counting votes.

(5) Any other matters pertaining to the referendum.

...."

CONFORM COMPENSATION PAID TO AN H-2A AGRICULTURAL WORKER TO FEDERAL WAGE WITHHOLDING STANDARDS

SECTION 2.(a) G.S. 105-163.3(b) reads as rewritten:

"(b) Exemptions. – The withholding requirement does not apply to the following:

(1) Compensation that is subject to the withholding requirement of G.S. 105-163.2.

(2) Compensation paid to an ordained or licensed member of the clergy.

(3) Compensation paid to an entity exempt from tax under G.S. 105-130.11.

(4) Compensation paid to an alien, as described by 8 U.S.C. § 1101(a)(15)(H)(ii)(a), that is not subject to federal income tax withholding under section 1441 of the Code."

SECTION 2.(b) This section is effective for taxable years beginning on or after January 1, 2015.

ESTABLISH POLICY SUPPORTING SUSTAINABLE AGRICULTURE

SECTION 3. Article 1 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-26.3. Declaration of policy supporting sustainable agriculture.**

The General Assembly hereby finds and declares that it shall be the policy of this State to support and promote sustainable agriculture. For purposes of this section, "sustainable agriculture" means the use of science-based agricultural practices, technologies, or biological systems supported by research or otherwise demonstrated to lead to broad outcomes-based improvements, including such critical outcomes as increasing agricultural productivity and improving human health through access to safe, nutritious, affordable food and other agricultural products, while enhancing agricultural and surrounding environmental conditions through the stewardship of water, soil, air quality, biodiversity, and wildlife habitat. Further, the General Assembly finds and declares that it is in the interest of the people of this State to use sustainable agriculture to meet the needs of the present and to improve the ability of future generations to meet their own needs, while advancing progress toward environmental and economic goals and the well-being of agricultural producers and rural communities."

MODIFY OVERSIZE VEHICLE PERMIT TIME RESTRICTIONS

SECTION 4.(a) 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations). – Until the effective date of the revised permanent rule that the Department of Transportation is required to adopt pursuant to Section 4(d) of this act, the Department shall implement 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) as provided in Sections 4(b) and 4(c) of this act.

SECTION 4.(b) Implementation. – Notwithstanding subdivision (h)(1) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of Transportation shall allow movement of a permitted oversize vehicle between sunrise and sunset Monday through Sunday. However, a 16-foot-wide mobile or modular home unit with a maximum three-inch gutter edge is restricted to travel from 9:00 A.M. to 2:30 P.M. Monday through Sunday. A 16-foot-wide unit is authorized to continue operation after 2:30 P.M., but not beyond sunset, when traveling on an approved route as determined by an engineering study and the unit is being exported out-of-state.

SECTION 4.(c) Implementation. – Notwithstanding subdivision (h)(2) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of Transportation shall only prohibit movement of a permitted oversize vehicle and vehicle combination after noon on the weekday preceding the three holidays of Independence Day, Thanksgiving Day, and Christmas Day until noon on the weekday following a holiday. If the observed holiday falls on the weekend, travel is restricted from 12:00 noon on the preceding Friday until 12:00 noon on the following Monday.

SECTION 4.(d) Additional Rule-Making Authority. – The Department of Transportation shall adopt rules to amend 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) consistent with Sections 4(b) and 4(c) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department pursuant to this section shall be substantively identical to the provisions of Sections 4(b) and 4(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in

G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 4.(e) Effective Date. – Sections 4(b) and 4(c) of this act expire on the date that rules adopted pursuant to Section 4(d) of this act become effective.

ALLOW OVERSIZE TRANSPORTATION OF HAY BALES

SECTION 5. G.S. 20-116 is amended by adding a new subsection to read:

"**§ 20-116. Size of vehicles and loads.**

...

(o) Any vehicle carrying baled hay from place to place on the same farm, from one farm to another, from farm to market, or from market to farm that does not exceed 12 feet in width may be operated on the highways of this State. Vehicles carrying baled hay that exceed 10 feet in width may only be operated under the following conditions:

(1) The vehicle may only be operated during daylight hours.

(2) The vehicle shall display a red flag or a flashing warning light on both the rear and front ends. The flags or lights shall be attached to the equipment as to be visible from both directions at all times while being operated on the public highway for not less than 300 feet."

AMEND RIGHT-OF-CENTER REQUIREMENTS FOR CERTAIN AGRICULTURAL VEHICLES

SECTION 6.(a) G.S. 20-116(j) reads as rewritten:

"(j) Nothing in this section shall be construed to prevent the operation of self-propelled grain combines or other self-propelled farm equipment with or without implements, not exceeding 25 feet in width on any highway, unless the operation violates a provision of this subsection. Farm equipment includes a vehicle that is designed exclusively to transport compressed seed cotton from a farm to a gin and has a self-loading bed. Combines or equipment which exceed 10 feet in width may be operated only if they meet all of the conditions listed in this subsection. A violation of one or more of these conditions does not constitute negligence per se.

(1) The equipment may only be operated during daylight hours.

(2) The equipment must display a red flag on front and rear ends or a flashing warning light. The flags or lights shall be attached to the equipment as to be visible from both directions at all times while being operated on the public highway for not less than 300 feet.

(3) Equipment covered by this section, which by necessity must travel more than 10 miles or where by nature of the terrain or obstacles the flags or lights referred to in subdivision (2) of this subsection are not visible from both directions for 300 feet at any point along the proposed route, must be preceded at a distance of 300 feet and followed at a distance of 300 feet by a flagman in a vehicle having mounted thereon an appropriate warning light or flag. No flagman in a vehicle shall be required pursuant to this subdivision if the equipment is being moved under its own power or on a trailer from any field to another field, or from the normal place of storage of the vehicle to any field, for no more than ten miles and if visible from both directions for 300 feet at any point along the proposed route.

(4) Every piece of equipment so operated shall operate to the right of the center line ~~when meeting traffic coming from the opposite direction and at all other times when possible and practical.~~ unless the combined width of the traveling lane and the accessible shoulder is less than the width of the equipment.

...."

SECTION 6.(b) G.S. 20-146 is amended by adding a new subsection to read:

"**§ 20-146. Drive on right side of highway; exceptions.**

(a) Upon all highways of sufficient width a vehicle shall be driven upon the right half of the highway except as follows:

(1) When overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

(2) When an obstruction exists making it necessary to drive to the left of the center of the highway; provided, any person so doing shall yield the right-of-way to all vehicles traveling in the proper direction upon the unobstructed portion of the highway within such distance as to constitute an immediate hazard;

(3) Upon a highway divided into three marked lanes for traffic under the rules applicable thereon; or

(4) Upon a highway designated and signposted for one-way traffic.

(a1) Self-propelled grain combines or other self-propelled farm equipment shall be operated to the right of the center line except as provided in G.S. 20-116(j)(4).

(b) Upon all highways any vehicle proceeding at less than the legal maximum speed limit shall be driven in the right-hand lane then available for thru traffic, or as close as practicable to the right-hand curb or edge of the highway, except when overtaking and passing another vehicle proceeding in the same direction or when preparing for a left turn.

...."

AMEND DEFINITION OF "AGRICULTURAL SPREADER VEHICLE," INCREASE SPEED LIMIT FOR AGRICULTURAL SPREADER VEHICLES

SECTION 7. G.S. 20-51 reads as rewritten:

"**§ 20-51. Exempt from registration.**

The following shall be exempt from the requirement of registration and certificate of title:

...

(16) A vehicle that meets all of the following conditions is exempt from the requirement of registration and certificate of title. The provisions of G.S. 105-449.117 continue to apply to the vehicle and to the person in whose name the vehicle would be registered.

a. Is an agricultural spreader vehicle. An "agricultural spreader vehicle" is a vehicle that is designed for off-highway use on a farm to spread feed, fertilizer, seed, lime, or other agricultural ~~products on a field.~~products.

b. Is driven on the highway only for the purpose of going from the location of its supply source for fertilizer or other products to and from a farm.

c. Does not exceed a speed of ~~35~~45 miles per hour.

d. Does not drive outside a radius of 50 miles from the location of its supply source for fertilizer and other products.

e. Is driven by a person who has a license appropriate for the class of the vehicle.

f. Is insured under a motor vehicle liability policy in the amount required under G.S. 20-309.

g. Displays a valid federal safety inspection decal if the vehicle has a gross vehicle weight rating of at least 10,001 pounds."

ALLOW ALL-TERRAIN VEHICLES AND UTILITY VEHICLES USED FOR AGRICULTURAL PURPOSES TO OPERATE ON PUBLIC ROADS

SECTION 8. G.S. 20-171.22 reads as rewritten:

"**§ 20-171.22. Exceptions.**

(a) The provisions of this Part do not apply to any owner, operator, lessor, or renter of a farm or ranch, or that person's employees or immediate family or household members, when operating an all-terrain vehicle while engaged in farming operations.

(a1) Any person may operate an all-terrain vehicle or utility vehicle on a public street or highway while engaged in farming operations.

(b) The provisions of this Part do not apply to any person using an all-terrain vehicle for hunting or trapping purposes if the person is otherwise lawfully engaged in those activities.

(c) The provisions of G.S. 20-171.19(a1) do not apply to any person 16 years of age or older if the person is otherwise lawfully using the all-terrain vehicle on any ocean beach area where such vehicles are allowed by law. As used in this subsection, "ocean beach area" means the area adjacent to the ocean and ocean inlets that is subject to public trust rights. Natural indicators of the landward extent of the ocean beaches include, but are not limited to, the first line of stable, natural vegetation; the toe of the frontal dune; and the storm trash line."

CLARIFY THE ROAD WEIGHT LIMITATION EXCEPTIONS FOR TRANSPORTATION OF AGRICULTURAL PRODUCTS AND SUPPLIES

SECTION 9.(a) G.S. 20-118(c)(12) reads as rewritten:

"(12) Subsections (b) and (e) of this section do not apply to a vehicle or vehicle combination that meets all of the conditions set out below:

a. Is transporting any of the following items within 150 miles of the point of origination:

1. ~~Agriculture~~ Agriculture, dairy, and crop products transported from a farm to a processing plant or market.
2. Water, fertilizer, pesticides, seeds, fuel, or animal waste transported to or from a ~~farm by a farm vehicle as defined in G.S. 20-37.16(e)(3).~~ farm.
3. Meats, livestock, or live poultry transported from the farm where they were raised to a processing plant or market.

3a. Feed or feed ingredients that ~~is~~are used in the feeding of poultry or livestock and transported from a storage facility, holding facility, or mill to a farm.

4. Forest products originating and transported from a farm or woodlands to market with delay interruption or delay for further packaging or processing after initiating transport.
5. Wood residuals, including wood chips, sawdust, mulch, or tree bark from any site.
6. Raw logs to market.
7. Trees grown as Christmas trees from field, farm, stand, or grove to a processing point."

SECTION 9.(b) This section becomes effective October 1, 2015.

ESTABLISH MARKING AND NOTICE REQUIREMENTS FOR METEOROLOGICAL TOWERS

SECTION 10.(a) Chapter 63 of the General Statutes is amended by adding a new Article to read:

"Article 11.

"Marking and Notice of Meteorological Towers.

"**§ 63-110. Marking of meteorological towers.**

(a) As used in this Article, the term:

(1) "Height" means the distance from the base of a tower to the highest point of the tower.

(2) "Meteorological tower" means a structure that is either self-standing or supported by guy wires and ground anchors and has guy wires and accessory facilities on which equipment used to measure wind speed and direction is mounted. "Meteorological tower" does not include a structure that is affixed or located adjacent to a building, house, or barn.

(b) Except as required by federal law, rule, or regulation, any meteorological tower over 50 feet in height shall be marked and painted or otherwise constructed to be visible in clear air during daylight hours from a distance of not less than 2,000 feet. Meteorological towers shall also comply with the following additional requirements:

(1) A meteorological tower shall be painted in equal alternating bands of aviation orange and white, beginning with orange at the top of the tower.

(2) One marker ball shall be attached to the top third of each outside guy wire.

(3) Guy wires shall have a seven-foot-long safety sleeve at each anchor point that extends from the anchor point along each guy wire attached to the anchor point.

"**§ 63-111. Registration; notification; tower database; penalty.**

(a) The Department of Transportation shall adopt rules requiring any person proposing to construct a meteorological tower to register with the Department. The person proposing to construct the tower shall notify the Department of the proposal, the location and height of the proposed tower, and any other information the Department may require to ensure aviation safety and shall pay a registration fee of three hundred fifty dollars ($350.00). The rules shall require the owner of a meteorological tower to notify the Department upon removal or destruction of a tower.

(b) The Department of Transportation shall establish and maintain an electronic database that contains the location of all meteorological towers in the State by January 1, 2017. The Department may contract with a governmental entity or private entity to create and maintain the database. The Department shall make the contents of the database available on its Web site.

"**§ 63-112. Penalties.**

The Secretary of Transportation may assess a civil penalty of not more than ten thousand dollars ($10,000) per violation against any person who violates any provision of this Article."

SECTION 10.(b) This section becomes effective January 1, 2017, and applies to meteorological towers erected on or after that date.

ALLOW SHELLFISH CULTIVATION LEASES IN AREAS CONTAINING SUBMERGED AQUATIC VEGETATION

SECTION 11.(a) G.S. 113-202(b) reads as rewritten:

"(b) The Secretary may delete any part of an area proposed for lease or may condition a lease to protect the public interest with respect to the factors enumerated in subsection (a) of this section. The Secretary may not grant a new lease in an area heavily used for recreational purposes. Except as prohibited by federal law, the Secretary shall not exclude any area from leasing solely on the basis that the area contains submerged aquatic vegetation and shall make specific findings based on the standards set forth in subsection (a) of this section prior to reaching a decision not to grant or renew a lease for shellfish cultivation for any area containing submerged aquatic vegetation."

SECTION 11.(b) This section becomes effective October 1, 2015, and applies to any new shellfish cultivation leases or renewals of existing shellfish cultivation leases issued on or after that date.

PRESENT-USE VALUE MODIFICATIONS

SECTION 12.(a) G.S. 105-277.2 reads as rewritten:

"**§ 105-277.2. Agricultural, horticultural, and forestland – Definitions.**

The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

(1) Agricultural land. – Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program. For purposes of this definition, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit must be appraised under the use-value schedules as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(1), and each tract must be under a sound management program. If the agricultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent agricultural land, protect water quality of adjacent agricultural land, or serve as buffers for adjacent livestock or poultry operations.

...

(4) Individually owned. – Owned by one of the following:

a. An individual.

b. A business entity that meets all of the following conditions:

1. Its principal business is farming agricultural land, horticultural land, or forestland. When determining whether an applicant under G.S. 105-277.4 has as its principal business farming agricultural land, horticultural land, or forestland, the assessor shall presume the applicant's principal business to be farming agricultural land, horticultural land, or forestland if the applicant has been approved by another county for present-use value taxation for a qualifying property located within the other county; provided, however, the presumption afforded the applicant may be rebutted by the assessor and shall have no bearing on the determination of whether the individual parcel of land meets one or more of the classes defined in G.S. 105-277.3(a). If the assessor is able to rebut the presumption, this shall not invalidate the determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.

2. All of its members are, directly or indirectly, individuals who are actively engaged in farming agricultural land, horticultural land, or forestland or a relative of one of the individuals who is actively engaged. An individual is indirectly a member of a business entity that owns the land if

the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity that owns the land.

3. It is not a corporation whose shares are publicly traded, and none of its members are corporations whose shares are publicly traded.

4. If it leases the land, all of its members are individuals and are relatives. Under this condition, "principal business" and "actively engaged" include leasing.

c. A trust that meets all of the following conditions:

1. It was created by an individual who owned the land and transferred the land to the trust.

2. All of its beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust that owns the land if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust that owns the land.

d. A testamentary trust that meets all of the following conditions:

1. It was created by an individual who transferred to the trust land that qualified in that individual's hands for classification under G.S. 105-277.3.

2. At the date of the creator's death, the creator had no relatives.

3. The trust income, less reasonable administrative expenses, is used exclusively for educational, scientific, literary, cultural, charitable, or religious purposes as defined in G.S. 105-278.3(d).

e. Tenants in common, if each tenant would qualify as an owner if the tenant were the sole owner. Tenants in common may elect to treat their individual shares as owned by them individually in accordance with G.S. 105-302(c)(9). The ownership requirements of G.S. 105-277.3(b) apply to each tenant in common who is an individual, and the ownership requirements of G.S. 105-277.3(b1) apply to each tenant in common who is a business entity or a trust.

...."

SECTION 12.(b) G.S. 105-277.4 is amended by adding a new subsection to read:

"**§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use value; appeal; deferred taxes.**

...

(f) The Department shall publish a present-use value program guide annually and make the guide available electronically on its Web site. When making decisions regarding the qualifications or appraisal of property under this section, the assessor shall adhere to the Department's present-use value program guide."

SECTION 12.(c) Section 12(a) of this act becomes effective July 1, 2015, and applies to taxes imposed for taxable years beginning on or after that date. The remainder of this section is effective when this act becomes law.

PROCEDURE FOR TERMINATION OR SUBSTANTIAL MODIFICATION OF CONSERVATION AGREEMENTS

SECTION 13.(a) Article 4 of Chapter 121 of the General Statutes is amended by adding a new section to read:

"**§ 121-39A. Termination or substantial modification of agreements.**

(a) For any conservation agreement where at least one party to the agreement is a public body of this State, no request for termination or substantial modification shall be granted that is made for the purpose of economic development, including, but not limited to, instances where some or all of the property subject to the conservation agreement is to be commercially developed by a third party. For purposes of this section, "substantial modification" means a change to the terms of a conservation agreement that would result in a diminishment to the conservation restrictions applicable to the property contained in the agreement that would affect more than five percent (5%) of the property subject to the agreement.

(b) Notwithstanding any authority given to a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, or municipal or public corporation, or any instrumentality of any of the foregoing, to release or terminate conservation easements under other law, this section shall apply to conservation agreements that are intended to be effective perpetually or that are terminated or substantially modified prior to the period of time stipulated in the agreement, and where at least one party to the agreement is a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, or municipal or public corporation, or any instrumentality of any of the foregoing. This section shall not apply to a condemnation action initiated by a public condemnor governed by Article 6 of Chapter 40A of the General Statutes.

(c) Parties to a conservation agreement may include a provision at the time an agreement is executed requiring the consent of the grantor or the grantor's successors in interest to terminate or substantially modify the agreement for any purpose.

(d) Any agency managing a conservation agreement program may adopt rules governing its procedure for termination or substantial modification of a conservation agreement, provided that any such rules may be no less stringent than the requirements of this section."

…."

SECTION 13.(b) G.S. 106-744(c1) reads as rewritten:

"(c1) The Commissioner shall distribute Trust Fund monies for only the purposes under subsection (c) of this section, including transaction costs, as follows:

(1) To a private nonprofit conservation organization that matches thirty percent (30%) of the Trust Fund monies it receives with funds from sources other than the Trust Fund.

(2) To counties according to the match requirements under subsection (c2) of this section.

(3) To the Department of Agriculture and Consumer Services for the purchase of agricultural conservation easements or agreements to be held by the Department."

SECTION 13.(c) Section 13.(a) of this act becomes effective when it becomes law, and applies to conservation agreements executed on or after that date. The remainder of this section becomes effective when it becomes law, and applies to easements or agreements in effect on that date and executed on or after that date.

TRANSFER CAPTIVE CERVID PROGRAM TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 14.(a) Article 49H of Chapter 106 of the General Statutes reads as rewritten:

"Article 49H.

"~~Production and Sale~~Production, Sale, and Transportation of ~~Fallow Deer and Red Deer.~~Farmed Cervids.

"§ 106-549.97. Regulation by Department of Agriculture and Consumer Services of ~~certain~~farmed cervids produced and sold for commercial purposes; ~~certain authority of North Carolina Wildlife Resources Commission not affected;~~ definitions.

~~(a) The Department of Agriculture and Consumer Services shall regulate the production and sale of farmed cervids. The Board of Agriculture shall adopt rules for the production and sale of farmed cervids in such a manner as to provide for close supervision of any person, firm, or corporation producing and selling farmed cervids and shall notify any such person, firm, or corporation that the activity is subject to compliance with Wildlife Resources Commission rules pursuant to G.S. 113-272.6.~~

(a1) The following definitions apply in this Article:

(1) Commission. – The North Carolina Wildlife Resources Commission.

(2) Department. – The North Carolina Department of Agriculture and Consumer Services.

(3) Farmed Cervid. – Any cervid, as defined by the USDA Standards, that is susceptible to Chronic Wasting Disease, or any other member of the Cervidae family that is not susceptible to Chronic Wasting Disease, that is held in captivity and produced, bought, or sold for commercial purposes. With regard to cervids that are susceptible to Chronic Wasting Disease, the term "farmed cervid" shall only include any cervid that was bred in captivity and has been continuously maintained within a herd that is enrolled in and complies with a USDA-approved Herd Certification Program. Any animal registered or tagged in any licensed captive cervid facility existing within the State as of October 1, 2015, is deemed to be a farmed cervid.

(4) Non-Farmed Cervid. – All animals in the family Cervidae other than farmed cervids.

(5) USDA. – The United States Department of Agriculture.

(6) USDA Standards. – The United States Department of Agriculture's Chronic Wasting Disease Program Standards, May 2014 edition, and subsequent updates.

(a2) The Department of Agriculture and Consumer Services shall regulate the production, sale, possession, and transportation, including importation and exportation, of farmed cervids. The Department shall have sole authority with regard to farmed cervids, including administration of the North Carolina Captive Cervid Herd Certification Program. The Department shall allow the sale of farmed cervids, whether alive or dead, whole or in part, including, but not limited to, the sale of antlers, antler velvet, hides, or meat from captive populations of farmed cervids. The Department shall follow the USDA Standards and the provisions set forth in 9 C.F.R. Part 55 and 9 C.F.R. Part 81 in the implementation of this Article with regard to cervids susceptible to Chronic Wasting Disease. The Department may adopt rules to implement this Article, including, but not limited to, requirements for captivity licenses, captivity permits, transportation permits, importation permits, and exportation permits. The Department may issue new captivity licenses or permits for farmed cervid facilities that will hold cervids susceptible to Chronic Wasting Disease only if Chronic Wasting Disease-susceptible source animals are from a certified herd in accordance with USDA Standards from an existing licensed facility. Nothing in this section shall limit the Department's ability to issue new captivity licenses and permits for farmed cervid facilities that will hold cervids that are not susceptible to Chronic Wasting Disease. The Department shall not issue an importation permit for any farmed cervid from a Chronic Wasting Disease-positive, exposed, or suspect farmed cervid facility. Until such time as the USDA has adopted an approved method of testing for Chronic Wasting Disease in living cervids, cervids susceptible to Chronic Wasting Disease shall not be imported into North Carolina.

(a3) All free-ranging cervids shall be removed from any new captive cervid facility prior to stocking the facility with farmed cervids.

(a4) Hunt facilities as defined by USDA Standards are prohibited. Any farmed cervid killed on the premises of a licensed facility shall be killed only by the licensee, the owner of the facility, an employee of the facility, or a qualified veterinarian administering euthanasia.

(a5) The Department and the Commission may develop a Memorandum of Agreement authorizing joint enforcement activities. The Memorandum of Agreement may allow for enforcement activities by the Commission on captive cervid facilities in instances of illegal importation. The Memorandum of Agreement may also provide for additional enforcement activities by the Commission on captive cervid facilities where appropriate as requested by the Department.

(b) The North Carolina Wildlife Resources Commission shall regulate the possession and transportation, including importation and exportation, of non-farmed cervids pursuant to G.S. 113-272.6. No action taken by the Department shall in any way limit the authority of the Commission to regulate non-farmed cervids as wildlife resources of the State belonging to the people of the State as a whole. Nothing in this Article shall authorize the Department to regulate hunting or any activity related to hunting.

~~(c) The following definitions apply in this Article:~~

~~(1) Repealed by Session Laws 2003-344, s. 11, effective July 27, 2003.~~

~~(2) Repealed by Session Laws 2003-344, s. 11, effective July 27, 2003.~~

~~(3) Cervid or Cervidae. All animals in the Family Cervidae (elk and deer).~~

~~(4) Farmed Cervid. Any member of the Cervidae family, other than white-tailed deer, elk, mule deer, or black-tailed deer, that is bought and sold for commercial purposes.~~

~~(5) White-tailed deer. A member of the species Odocoileus virginianus.~~

(d) No county, municipality, or any other unit of local government may adopt any ordinance, regulation, or law that is inconsistent with or more restrictive than the provisions of this Article. Any ordinance, regulation, or law that is currently enacted that is inconsistent with or more restrictive than the provisions of this Article is hereby repealed.

(e) In order to carry out the authority granted by this Article, the Department may enforce the rules adopted by the Wildlife Resources Commission under its prior authority pursuant to G.S. 150B-21.7, including the rules governing issuance of captivity licenses, captivity permits, transportation permits, importation permits, and exportation permits, until such time as the Department adopts rules for the implementation of this Article. Notwithstanding G.S. 150B-21.1(d), the Codifier of Rules shall retain all temporary amendments in effect for 15A NCAC 10B .0118, 15A NCAC 10H .0301, 15A NCAC 10H .0302, and 15A NCAC 10H .0304 until replaced by permanent rules.

(f) The provisions of G.S. 113-291 shall not apply to the production, sale, transportation, importation, or exportation of farmed cervids under this Article, whether alive or dead, whole or in part.

(g) No live farmed cervid shall be transported on a public road within the State unless the cervid has an official form of identification approved by the State Veterinarian for this purpose and the appropriate transportation, importation, or exportation permit issued by the Department.

(h) Any live farmed cervid that is transported on a public road within the State shall be subject to inspection by a wildlife law enforcement officer to ensure that each farmed cervid has official identification required under this Article and that the appropriate permit has been obtained from the Department.

(i) Any person transporting a live farmed cervid on a public road within the State without the appropriate farmed cervid identification and permit may be subject to a civil

penalty by the Department under this Article. Each cervid that fails to meet the tagging and transportation requirements of the Department shall constitute a separate violation.

(j) The Commissioner of Agriculture may assess a civil penalty of not more than five thousand dollars ($5,000) per animal against any person who violates a provision of this Article or any rule adopted thereunder. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation. The clear proceeds of civil penalties assessed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

~~"§ 106-549.98. Inspection fees.~~

~~The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of fallow deer as required by Article 49B of Chapter 106 of the General Statutes. The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of red deer as required by Article 49B of Chapter 106 of the General Statutes."~~

SECTION 14.(b) G.S. 113-272.6 reads as rewritten:

"**§ 113-272.6. ~~Transportation~~ Possession, Transportation, Importation, and Exportation of non-farmed ~~cervids and licensing of captive cervid facilities.~~cervids.**

(a) The Wildlife Resources Commission shall regulate the possession and transportation, including importation and exportation, ~~and possession~~ of non-farmed cervids, including game carcasses and parts of game carcasses extracted by ~~hunters.~~hunters and carcasses and parts of carcasses imported from hunt facilities as defined by USDA Standards. For purposes of this section, the term "non-farmed cervid" has the same meaning as in G.S. 106-549.97. ~~The Commission shall allow the sale of antlers, antler velvet, or hides from captive populations of cervids.~~ The Commission shall adopt rules to implement this section, including requirements for ~~captivity licenses, captivity permits, and transportation permits.~~transportation, importation, and exportation permits. ~~The rules adopted pursuant to this section shall establish standards of care for the transportation and possession of cervids, including requirements for fencing, tagging, record keeping, and inspection of captive cervid facilities.~~ Notwithstanding any other provision of law, the Commission may charge a fee of up to fifty dollars ($50.00) for the processing of applications for ~~captivity licenses, captivity permits, and transportation~~transportation, importation, and exportation permits, and the renewal or modification of those ~~licenses and~~ permits. The fees collected shall be applied to the costs of administering this section.

(b) The Wildlife Resources Commission shall notify every applicant for a ~~transportation~~ permit that any permit issued is subject to the applicant's compliance with the Department of Agriculture and Consumer Services' requirements for transportation pursuant to Article 34 of Chapter 106 of the General Statutes.

(c) The Department of Agriculture and Consumer Services shall regulate the ~~production and sale~~production, sale, and transportation, including importation and exportation, of farmed cervids for commercial purposes and the licensing of farmed cervid facilities pursuant to G.S. 106-549.97. No action taken by the Wildlife Resources Commission shall in any way limit the authority of the Department of Agriculture and Consumer Services to regulate farmed cervids.

~~(d) Notwithstanding any other provision of law, the North Carolina Wildlife Resources Commission shall issue captivity licenses, captivity permits, or transportation permits to any person possessing cervids that were held in captivity by that person prior to May 17, 2002, if the Executive Director finds that the applicant has come into compliance with all applicable~~

~~rules related to the holding of cervids in captivity by January 1, 2004, and that issuance of such license or permit does not pose unreasonable risk to the conservation of wildlife resources.~~

~~(e) Any captivity license, captivity permit, or cervids held contrary to the provisions of this section may be subject to forfeiture and disposition in accordance with the provisions of G.S. 113-137 or G.S. 113-276.2.~~"

ALLOW ALTERNATE DISPOSAL OF BIODEGRADABLE AGRICULTURAL PLASTICS

SECTION 15.(a) G.S. 106-950 reads as rewritten:

"**§ 106-950. Exempt fires; no permit fees.**

(a) This Article shall not apply to any fires started, or caused to be started, within 100 feet of an occupied dwelling house if such fire shall be confined (i) within an enclosure from which burning material may not escape or (ii) within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment.

(a1) Except in cases where the Commissioner has prohibited all open burning during periods of hazardous forest fire conditions or during air pollution episodes declared pursuant to Article 21B of Chapter 143 of the General Statutes, this Article shall not apply to, and no air quality permit shall be required for, the burning of polyethylene agricultural plastic used in connection with agricultural operations related to the growing, harvesting, or maintenance of crops, when all of the following conditions apply:

(1) The burning does not violate any State or federal ambient air quality standards.

(2) The burning is conducted between an hour after sunrise and an hour before sunset.

(3) The fire is set back at least 250 feet from any paved public roadway and at least 500 feet from any dwelling, group of dwellings, or commercial or institutional establishment, or other occupied structure not located on the property on which the burning is conducted.

(4) The burning is conducted in a manner such that it does not constitute a public nuisance.

(5) The burning is conducted by any of the following means:

a. By professionally manufactured equipment solely for the purpose of plastic mulch burning or incineration and approved by the Commissioner.

b. By a fire that is enclosed in a noncombustible container.

c. By a fire that is restricted to a pile no greater than eight feet in diameter built upon ground cleared of all combustible material.

(b) No charge shall be made for the granting of any permit required by this Article."

SECTION 15.(b) The Department of Agriculture and Consumer Services may adopt rules to implement the provisions of this section.

SECTION 15.(c) This section becomes effective January 1, 2015.

AMEND THE DEFINITION OF "NEW ANIMAL WASTE MANAGEMENT SYSTEM" AND THE APPLICATION OF SWINE WASTE MANAGEMENT SYSTEM PERFORMANCE STANDARDS

SECTION 16. Section 21 of S.L. 2013-413 reads as rewritten:

"**SECTION 21.(a)** 15A NCAC 02T .1302 ~~(Definitions).~~(Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards). – Until the effective date of the revised permanent ~~rule~~ rules that the Environmental Management Commission is required to adopt pursuant to Section 21(c) of this act, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 02T .1302 (Definitions) and

15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) as provided in Section 21(b) of this act.

"**SECTION 21.(b)** Implementation. – Notwithstanding 15A NCAC 02T .1302 (Definitions), "new animal waste management system" means animal waste management systems which are constructed and operated at a site where no feedlot existed ~~previously, where a system serving a feedlot has been abandoned or unused for a period of four years or more and is then put back into service,~~previously or where a permit for a system has been rescinded, and is then reissued when the permittee confines animals in excess of the thresholds established in G.S. 143-215.10B. Notwithstanding subsection (a) of 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards), the Swine Waste Management System Performance Standards shall:

(1) Apply to any farm facility that receives a permit for its animal waste management system that allows a level of production at the farm, as measured by steady state live weight, greater than the largest production for which the farm has received a permit in the past, and so that they also apply to any other animal waste management system otherwise subject to regulation under G.S. 143-215.10I.

(2) Not apply to any facility that meets all of the following conditions:

a. Has had no animals on site for five continuous years or more.

b. Notifies the Division of Water Resources in writing at least 60 days prior to bringing any animals back on to the site.

c. The system depopulated after January 1, 2005, and the system ceased operation no longer than 10 years prior to the current date.

d. At the time the system ceased operation, the system was in compliance with an individual permit or a general permit issued pursuant to G.S. 143-215.10C.

e. The Division of Water Resources issues an individual permit or certificate of coverage under a general permit issued pursuant to G.S. 143-215.10C for operation of the system before any animals are brought on the facility.

f. The permit for the animal waste management system does not allow production, measured by steady state live weight, to exceed the greatest steady state live weight previously permitted for the system under G.S. 143-215.10C.

g. No component of the animal waste management system and swine farm, other than an existing swine house or land application site, shall be constructed on land that is located within the 100-year floodplain.

h. The inactive animal waste management system was not closed using the expenditure of public funds and was not closed pursuant to a settlement agreement, court order, cost share agreement, or grant condition.

"**SECTION 21.(c)** Additional Rule-Making Authority. – The Environmental Management Commission shall adopt ~~a rule~~rules as promptly as practicable to amend 15A NCAC 02T .1302 (Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) consistent with Section 21(b) of this act. Notwithstanding G.S. 150B-19(4), the ~~rule~~ rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 21(b) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

"**SECTION 21.(d)** Sunset. – Section 21(b) of this act expires on the date that rules adopted pursuant to Section 21(c) of this act become effective."

DELAY AND LIMIT OUT-OF-STATE SWINE WASTE

SECTION 17.(a) G.S. 62-133.8(e) reads as rewritten:

"(e) Compliance With REPS Requirement Through Use of Swine Waste Resources. – For calendar year ~~2018~~ 2024 and for each calendar year thereafter, at least two-tenths of one percent (0.2%) of the total electric power in kilowatt hours sold to retail electric customers in the State shall be supplied, or contracted for supply in each year, by swine waste. Notwithstanding subdivision (b)(2) of this section, electric public utilities with more than 150,000 North Carolina retail jurisdictional customers as of December 31, 2006 shall not meet more than a total of 25% of the annual requirement in this subsection from both of the following methods combined: (i) purchasing renewable energy certificates from out-of-State new renewable energy facilities, and (ii) generating electric power from swine waste derived biogas produced out-of-State. The electric power suppliers, in the aggregate, shall comply with the requirements of this subsection according to the following schedule:

Calendar Year	Requirement for Swine Waste Resources
~~2012~~2018	0.07%
~~2015~~2021	0.14%
~~2018~~2024	0.20%"

SECTION 17.(b) The North Carolina Utilities Commission may continue to use its authority under G.S. 62-133.8(i)(2) to modify or delay the provisions of G.S. 62-133.8(e) in whole or in part if it determines that it is in the public interest to do so. Incremental costs incurred by an electric power supplier prior to the effective date of this Section to comply with any requirement amended by this section may be recovered as provided in G.S. 62-133.8(h)."

MODIFY IMPLEMENTATION OF THE ODOR CONTROL OF FEED INGREDIENT MANUFACTURING PLANTS RULE

SECTION 18.(a) Definitions. – "Odor Control of Feed Ingredient Manufacturing Plants Rule" means 15A NCAC 02D .0539 (Odor Control of Feed Ingredient Manufacturing Plants) for purposes of this section and its implementation.

SECTION 18.(b) Odor Control of Feed Ingredient Manufacturing Plants Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environment and Natural Resources shall implement the Odor Control of Feed Ingredient Manufacturing Plants Rule as provided in subsection (c) of this section.

SECTION 18.(c) Implementation. – Notwithstanding the Odor Control of Feed Ingredient Manufacturing Plants Rule, the Commission shall implement the rule as follows:

(1) Raw material shall be considered in "storage" after it has been unloaded at a facility or after it has been located at the facility for at least 36 hours.

(2) A vehicle or container holding raw material, which has not been unloaded inside or parked inside an odor controlled area within the facility, shall be unloaded for processing of the raw material prior to the expiration of the following time limits:

a. For feathers with only trace amounts of blood, such as those obtained from slaughtering houses that separate blood from offal and feathers, no later than 48 hours after being weighed upon arrival at the facility.

b. For used cooking oil in sealed tankers, no later than 96 hours after being weighed upon arrival at the facility.

SECTION 18.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to replace the Odor Control of Feed Ingredient Manufacturing Plants Rule. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 18.(e) Effective Date. – Subsection (c) of this section expires when permanent rules to replace subsection (c) of this section have become effective, as provided by subsection (d) of this section.

EXEMPT CERTAIN WETLANDS MITIGATION ACTIVITIES FROM REQUIREMENTS UNDER THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 19. G.S. 113A-52.01 reads as rewritten:

"**§ 113A-52.01. Applicability of this Article.**

This Article shall not apply to the following land-disturbing activities:

(1) Activities, including the breeding and grazing of livestock, undertaken on agricultural land for the production of plants and animals useful to man, including, but not limited to:
   a. Forages and sod crops, grains and feed crops, tobacco, cotton, and peanuts.
   b. Dairy animals and dairy products.
   c. Poultry and poultry products.
   d. Livestock, including beef cattle, llamas, sheep, swine, horses, ponies, mules, and goats.
   e. Bees and apiary products.
   f. Fur producing animals.

(2) Activities undertaken on forestland for the production and harvesting of timber and timber products and conducted in accordance with best management practices set out in Forest Practice Guidelines Related to Water Quality, as adopted by the Department.

(3) Activities for which a permit is required under the Mining Act of 1971, Article 7 of Chapter 74 of the General Statutes.

(4) For the duration of an emergency, activities essential to protect human life, including activities specified in an executive order issued under G.S. 166A-19.30(a)(5).

(5) Activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the Clean Water Act."

CLARIFY REIMBURSEMENT OF THIRD-PARTY CLAIMS FROM THE COMMERCIAL AND NONCOMMERCIAL LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP FUNDS

SECTION 20.(a) G.S. 143-215.94V(e) reads as rewritten:

"(e) If the Commission concludes under subsection (d) of this section that no cleanup, no further cleanup, or no further action will be required, the Department shall not pay or reimburse any costs otherwise payable or reimbursable under this Article from either the Commercial or Noncommercial Fund, other than reasonable and necessary to conduct the risk assessment required by this section, unless:

(1) Cleanup is ordered or damages are awarded in a finally adjudicated judgment in an action against the owner or landowner. To be eligible for reimbursement of damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment, however, an owner or operator shall (i) notify the Department of any such claim; (ii) provide the Department with all pleadings and other related documents if a lawsuit has been filed; and (iii) provide the Department copies of any medical reports, statements, investigative reports, or certifications from licensed professionals necessary to determine that a claim for bodily injury or property damage is reasonable and necessary. Reimbursement of claims for damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment shall be subject to the limitations set forth in G.S. 143-215.94B(b)(5) and G.S. 143-215.94D(b1)(2), as applicable, and any other provision governing third-party claims set forth in this Article.

...."

SECTION 20.(b) G.S. 143-215.94A is amended by adding three new subdivisions to read:

"**§ 143-215.94A. Definitions.**

Unless a different meaning is required by the context, the following definitions shall apply throughout this Part and Part 2B of this Article:

...

(12) "Third party" means a person other than the owner or operator of an underground storage tank from which a release has occurred, or employees or agents of an owner or operator. A property owner shall not be considered a third party if the property was transferred by the owner or operator of an underground storage tank in anticipation of damage due to a release.

(13) "Third-party bodily injury" or "bodily injury" when used in connection with "third-party" means specific physical bodily injury proximately resulting from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred by a person other than the owner or operator of an underground storage tank from which a release has occurred, or employees or agents of an owner or operator.

(14) "Third-party property damage" or "property damage" when used in connection with "third-party" means actual physical damage or damage due to specific loss of normal use that proximately resulted from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred to property owned by a person other than the owner or operator of an underground storage tank from which a release has occurred, or employees or agents of an owner or operator."

SECTION 20.(c) G.S. 143-215.94B reads as rewritten:

"**§ 143-215.94B. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.**

(a) There is established under the control and direction of the Department the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This Commercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, other monies paid to it or recovered on behalf of the Commercial Fund, and fees paid pursuant to this Part.

(b) The Commercial Fund shall be used for the payment of the following costs up to an aggregate maximum of one million dollars ($1,000,000) per occurrence resulting from a discharge or release of a petroleum product from a commercial underground storage tank:

...

(5) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

...."

SECTION 20.(d) G.S. 143-215.94D reads as rewritten:

"**§ 143-215.94D. Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.**

(a) There is established under the control and direction of the Department the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This Noncommercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, or other monies paid to it or recovered on behalf of the Noncommercial Fund.

...

(b1) The Noncommercial Fund shall be used for the payment of the costs of:

(1) For releases discovered or reported to the Department prior to August 1, 2013, the cleanup of environmental damage as required by G.S. 143-215.94E(a).

(1a) For releases discovered or reported to the Department on or after August 1, 2013, the cleanup of environmental damage as required by G.S.143-215.94E(a) in excess of two thousand dollars ($2,000) or the sum of the following amounts, whichever is less:

a. A deductible of one thousand dollars ($1,000) per occurrence.

b. A co-payment equal to ten percent (10%) of the costs of the cleanup of environmental damage, per occurrence.

(2) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

...."

SECTION 20.(e) This section is effective when it becomes law and applies to claims for reimbursement pending or submitted on or after that date.

ESTABLISH THE RENEWABLE ENERGY ECONOMIC DEVELOPMENT STUDY COMMITTEE TO STUDY RENEWABLE ENERGY POLICIES IN NORTH CAROLINA.

SECTION 21.(a) Establishment. – There is established the Renewable Energy Economic Development Study Committee. The Committee shall have four co-chairs, the two Senate members appointed to the Committee, and the two House members appointed to the Committee. The Committee shall meet upon the call of the co-chairs. Vacancies shall be filled by the appointing authority. A quorum of the Committee shall be a majority of the members.

SECTION 21.(b) The Commission shall be composed of 17 members as follows:

(1) Eight members with experience in renewable energy appointed by the Speaker of the House of Representatives, as follows:

a. Two members of the House of Representatives.
b. One representative of a North Carolina electric public utility.
c. One representative of ElectriCities of North Carolina.
d. One representative of North Carolina industrial electric customers.
e. One representative of the North Carolina renewable energy industry.
f. One representative of the North Carolina environmental community.
g. One representative of North Carolina military interests with experience in energy management.

(2) Eight members with experience in renewable energy appointed by the President Pro Tempore of the Senate, as follows:
a. Two members of the Senate.
b. One representative of North Carolina electric public utility.
c. One representative of a North Carolina Electric Membership Corporations.
d. One representative of North Carolina commercial electric customers.
e. Two representatives of the North Carolina renewable energy industry, one with experience in swine or poultry waste.
f. One representative of North Carolina higher education interests with experience in energy management.

(3) The Executive Director the Public Staff of the North Carolina Public Utilities Commission or the Executive Director's designee.

SECTION 21.(c) Duties. – The Committee shall:

(1) Identify classes of costs and benefits of North Carolina's current policies related to renewable energy and distributed generation.

(2) Identify, study, and recommend changes, if any, to those policies identified in subsection (1) of this section that will promote the integration of renewable and distributed energy resources in a manner that is consistent with facilitating the operation of reliable, resilient, and safe electric systems in the State.

(3) In making any recommended changes to those policies identified in subsection (1) of this section, the Committee shall consider and identify the impact the recommended changes would have on the promotion of economic development in the State, the provision of reliable and affordable electric service to the citizens of the State, and the inducement of investments in North Carolina's electric grid to support energy conservation and the promotion and integration of distributed energy resources.

(4) In carrying out its duties, the Committee shall specifically consider:
a. Whether State laws and policies should be changed to allow third-party sales of electricity from renewable energy facilities to allow customers to utilize solar and non-solar energy power purchase agreements, or other similar financing agreements, to finance generation. If these agreements are authorized, what should be the oversight, if any, provided by the North Carolina Utilities Commission to ensure electric customers and ratepayers are protected.
b. Whether changes to the State renewable energy portfolio standard (REPS) are needed, and how the REPS fits into the overall State incentive strategy for renewable energy and distributed energy resources.

c. Whether changes to existing renewable energy laws and policies are needed to further promote the energy independence and security goals of the State's military installations.

d. Whether changes to existing renewable energy laws and policies are necessary to protect the reliability, resilience, and safety of North Carolina's electric grid and the impacts from increased distributed generation and large scale renewable generation.

e. Whether North Carolina's current laws and policies to promote and incentivize large scale and small scale distributed generation and net-metering customers are appropriate given the cost and benefit impact of the polices on North Carolina's electric consumers and citizens.

f. Whether a North Carolina State investment tax credit for renewable technologies should be extended to encourage energy infrastructure and economic development.

g. Whether changes to existing State laws and policies related to North Carolina's implementation of the Public Utility Regulatory Policy Act of 1978 and interconnection procedures for Qualifying Facilities should be considered to promote economic development and ensure affordable and reasonable rates for North Carolina electric customers.

h. Whether electric utilities should be allowed to recover all of the costs of Qualifying Facilities power purchases through G.S. 62-133.2.

i. Whether changes to existing State laws and policies should be considered by the North Carolina General Assembly in order to promote the development of advanced grid technologies to encourage energy conservation and distributed generation resources, and integration of same, to provide enhanced energy consumption data to electric customers, and to promote the advancement and adoption of electric vehicles.

SECTION 21.(d) The Renewable Energy Economic Development Study Committee shall make a final report to the 2016 General Assembly when it reconvenes in May 2016. The report shall include the findings and recommendations of the study including any legislative proposals.

DIRECT DIVISION OF MARINE FISHERIES AND WILDLIFE RESOURCES COMMISSION TO DEVELOP A PILOT AMERICAN EEL AQUACULTURE PLAN

SECTION 22.(a) The Division of Marine Fisheries of the Department of Environment and Natural Resources and the Wildlife Resources Commission shall jointly develop a pilot American Eel Aquaculture Plan for the harvest and aquaculture of American eels (Anguilla rostrata). The pilot American Eel Aquaculture Plan shall include all of the following conditions:

(1) The pilot project shall allow for a minimum harvest of 200 pounds of the glass eel stage of the American eel annually for use in domestic aquaculture facilities.

(2) The harvest may only occur in watersheds that minimally contribute to the spawning stock of the American eel.

(3) The Division shall submit the pilot American Eel Aquaculture Plan to the Atlantic States Marine Fisheries Commission for its approval. The requested pilot Plan shall include the pounds requested; the location, method, and dates

of harvest; the duration of requested harvest; prior approval of any applicable permits; descriptions of each facility, including the capacity of each facility in which the glass eels will be held, and husbandry methods; descriptions of the markets the eels will be distributed to; a monitoring program to ensure harvest is not exceeded; and adequate enforcement capabilities.

(4) American eels harvested under the pilot American Eel Aquaculture Plan may not be sold until they reach the legal size in the jurisdiction of operations, unless otherwise specified in the Plan.

SECTION 22.(b) The Division and the Wildlife Resources Commission shall make every effort to have the pilot American Eel Aquaculture Plan approved by the Atlantic States Marine Fisheries Commission to be implemented during 2016. Persons interested in participating in the pilot American Eel Aquaculture Plan shall submit all information required by the Division and the Wildlife Resources Commission, in a form acceptable to the Division and the Wildlife Resources Commission, no later than November 1, 2015. The Division and the Marine Fisheries Commission shall issue no permits for the harvest and aquaculture of the glass eel stage of American eels in the State until the pilot American Eel Aquaculture Plan has been approved by the Atlantic States Marine Fisheries Commission.

AMEND DEFINITION OF MINING RELATIVE TO AGRICULTURAL ACTIVITIES

SECTION 23. G.S. 74-49(7) reads as rewritten:

"**§ 74-49. Definitions.**

Wherever used or referred to in this Article, unless a different meaning clearly appears from the context:

...

(7) "Mining" ~~means:~~means any of the following:

~~a.~~ ~~The~~ (i) the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid ~~matter.~~matter;

~~b.~~ ~~Any~~ (ii) any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, soils, and other solid matter from their original ~~location.~~

~~c.~~ ~~The~~ location; or (iii) the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use. "Mining" does not include:

a. Those aspects of deep mining not having significant effect on the surface, where the affected land does not exceed one acre in area.

b. Mining operations where the affected land does not exceed one acre in area.

c. Plants engaged in processing minerals produced elsewhere and whose refuse does not affect more than one acre of land.

d. Excavation or grading when conducted solely ~~in aid of on-site farming or of~~for on-site construction for purposes other than mining.

e. Removal of overburden and mining of limited amounts of any ores or mineral solids when done only for the purpose and to the extent necessary to determine the location, quantity, or quality of any natural deposit, provided that no ores or mineral solids removed during exploratory excavation or mining are sold, processed for sale, or consumed in the regular operation of a business, and provided

further that the affected land resulting from any exploratory excavation does not exceed one acre in area.

f. Excavation or grading where all of the following apply:

1. The excavation or grading is conducted to provide soil or other unconsolidated material to be used without further processing for a single off-site construction project for which an erosion and sedimentation control plan has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.
2. The affected land, including nonpublic access roads, does not exceed five acres.
3. The excavation or grading is completed within one year.
4. The excavation or grading does not involve blasting, the removal of material from rivers or streams, the disposal of off-site waste on the affected land, or the surface disposal of groundwater beyond the affected land.
5. The excavation or grading is not in violation of any local ordinance.
6. An erosion and sedimentation control plan for the excavation or grading has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.

g. Excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt, pursuant to G.S. 113A-52.01(1), from the requirements of Article 4 of Chapter 113A of the General Statutes."

AMEND THE HOLDING AND ADVERTISING PERIOD FOR UNCLAIMED LIVESTOCK

SECTION 24.(a) G.S. 68-20 reads as rewritten:

"**§ 68-20. Notice of sale and sale where owner fails to redeem or is unknown; application of proceeds.**

If the owner fails to redeem his livestock within three days after the notice and demand as provided in G.S. 68-18 is received or within three days after the determination of the costs and damages as provided in G.S. 68-19, ~~then, upon written notice fully describing the livestock, stating the place, date, and hour of sale posted at the courthouse door and three or more public places in the township where the owner resides, and after~~the impounder shall notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After 10 days from such posting, the impounder shall sell the livestock at public auction. If the owner of the livestock remains unknown to the impounder, then, ~~30~~ three days after publication of the notice required by G.S. 68-18.1, the impounder shall ~~post at the courthouse door and three public places in the township where the livestock is impounded a written notice fully describing the livestock, and stating the place, date, and hour of sale.~~ notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After ~~20~~10 days from such posting, the impounder shall sell the livestock at public auction. The proceeds of any such public sale shall be applied to pay the reasonable costs of impounding and maintaining the livestock and the damages to the impounder caused by the livestock. Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in an attempt to locate the owner of the livestock. The balance, if any, shall be paid to the owner of the livestock, if known, or, if the owner is not known, then to the school fund of the county where the livestock was impounded."

SECTION 24.(b) This section is effective when this act becomes law and applies to livestock impounded on or after that date.

MODIFY DEPARTMENT OF AGRICULTURE REPORTING REQUIREMENTS

SECTION 25.(a) G.S. 106-815 is repealed.

SECTION 25.(b) G.S. 19A-62(c) reads as rewritten:

"(c) Report. – In ~~February~~ March of each year, the Department must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The report must contain information regarding all revenues and expenditures of the Spay/Neuter Account."

PRESCRIBED BURNING ACT MODIFICATIONS

SECTION 26. G.S. 106-968 reads as rewritten:

"**§ 106-968. Prescribed burning.**

(a) Prior to conducting a prescribed burning, the landowner shall obtain a prescription for the prescribed burning prepared by a certified prescribed burner and filed with the North Carolina Forest Service of the Department of Agriculture and Consumer Services. A copy of the prescription shall be provided to the landowner. A copy of this prescription shall be in the possession of the responsible burner on site throughout the duration of the prescribed burning. The prescription shall include:

(1) The landowner's name and address.
(2) A description of the area to be burned.
(3) A map of the area to be burned.
(4) An estimate ~~in~~ of tons of the fuel located on the area.
(5) The objectives of the prescribed burning.
(6) A list of the acceptable weather conditions and parameters for the prescribed burning sufficient to minimize the likelihood of smoke damage and fire escaping onto adjacent areas.
(7) The name of the certified prescribed burner responsible for conducting the prescribed burning.
(8) A summary of the methods that are adequate for the particular circumstances involved to be used to start, control, and extinguish the prescribed burning.
(9) Provision for reasonable notice of the prescribed burning to be provided to nearby homes and businesses to avoid effects on health and property.

(b) The prescribed burning shall be conducted by a certified prescribed burner in accordance with a prescription that satisfies subsection (a) of this section. The certified prescribed burner shall be present on the site and shall be in charge of the burning throughout the period of the burning. A landowner may conduct a prescribed burning and be in compliance with this Article without being a certified prescribed burner if the landowner is burning a tract of forestland of 50 acres or less owned by that landowner and is following all conditions established in a prescription prepared by a certified prescribed burner.

(c) Prior to conducting a prescribed burning, the landowner or the landowner's agent shall obtain an open-burning permit under Article 78 of this Chapter from the North Carolina Forest Service of the Department of Agriculture and Consumer Services. This open-burning permit must remain in effect throughout the period of the prescribed burning. The prescribed burning shall be conducted in compliance with all the following:

(1) The terms and conditions of the open-burning permit under Article 78 of this Chapter.
(2) The State's air pollution control statutes under Article 21 and Article 21B of Chapter 143 of the General Statutes and any rules adopted pursuant to these statutes.

(3) Any applicable local ordinances relating to open burning.
(4) The ~~voluntary~~ smoke management guidelines adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services.
(5) Any rules adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services, to implement this Article.

(d) The North Carolina Forest Service may accept prescribed burner certification from another State or other entity for the purpose of prescribed burning under this Article."

MODIFY PENALTY FOR FAILURE TO GUARD A FIRE BY WATCHMAN

SECTION 27. G.S. 14-140.1 reads as rewritten:

"**§ 14-140.1. Certain fire to be guarded by watchman.**

Any person, firm, corporation, or other legal entity who shall burn any brush, grass, or other material whereby any property may be endangered or destroyed, without keeping and maintaining a careful watchman in charge of the burning, shall be guilty of ~~a Class 3 misdemeanor~~an *infraction* which may include a fine of not ~~less than ten dollars ($10.00) or~~ more than fifty dollars ($50.00). Fire escaping from the brush, grass, or other material while burning shall be prima facie evidence of violation of this provision."

ESTABLISH FARM WINERY PERMIT

SECTION 28.(a) G.S. 18B-902(d), as amended by S.L. 2015-98, reads as rewritten:

"(d) Fees. – An application for an ABC permit shall be accompanied by payment of the following application fee:

(1) On-premises malt beverage permit – $400.00.
(2) Off-premises malt beverage permit – $400.00.
(3) On-premises unfortified wine permit – ~~$400.00.~~$400.00, unless the application is for a farm winery, in which case the fee shall be $100.00.
(4) Off-premises unfortified wine permit – $400.00.
(5) On-premises fortified wine permit – $400.00.
(6) Off-premises fortified wine permit – $400.00.
(7) Brown-bagging permit – $400.00, unless the application is for a restaurant seating less than 50, in which case the fee shall be $200.00.
(8) Special occasion permit – $400.00.
(9) Limited special occasion permit – $50.00.
(10) Mixed beverages permit – $1,000.
(11) Culinary permit – $200.00.
(12) Unfortified winery permit – $300.00.
(13) Fortified winery permit – $300.00.
(14) Limited winery permit – $300.00.
(15) Brewery permit – $300.00.
(16) Distillery permit – $300.00.
(17) Fuel alcohol permit – $100.00.
(18) Wine importer permit – $300.00.
(19) Wine wholesaler permit – $300.00.
(20) Malt beverage importer permit – $300.00.
(21) Malt beverage wholesaler permit – $300.00.
(22) Bottler permit – $300.00.
(23) Salesman permit – $100.00.
(24) Vendor representative permit – $50.00.
(25) Nonresident malt beverage vendor permit – $100.00.
(26) Nonresident wine vendor permit – $100.00.

(27) Any special one-time permit under G.S. 18B-1002 – $50.00.
(28) Winery special event permit – $200.00.
(29) Mixed beverages catering permit – $200.00.
(30) Guest room cabinet permit – $1,000.
(31) Liquor importer/bottler permit – $500.00.
(32) Cider and vinegar manufacturer permit – $200.00.
(33) Brew on premises permit – $400.00.
(34) Wine producer permit – $300.00.
(35) Wine tasting permit – $100.00.
(36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and applicable to wine shipper permit applications submitted on or after that date.
(37) Wine shop permit – $100.00.
(38) Winemaking on premises permit – $400.00.
(39) Wine shipper packager permit – $100.00.
(40) Malt beverage special event permit – $200.00.
(41) Malt beverage tasting permit – $100.00.
(42) Spirituous liquor tasting permit – $100.00.
(43) Antique spirituous liquor permit - $100.00.
(44) Farm winery permit – $150.00."

SECTION 28.(b) G.S. 18B-1001(3) reads as rewritten:

"**§ 18B-1001. Kinds of ABC permits; places eligible.**

...

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not

pursuant to this subdivision. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;
d. Private clubs;
e. Convention centers;
f. Cooking schools;
g. Community theatres;
h. Wineries;
i. Wine producers.
j. Farm wineries.

SECTION 28.(c) G.S. 18B-1100 is amended by adding a new subdivision to read:

"**§ 18B-1100. Commercial permits.**

...

(21) Farm winery."

SECTION 28.(d) Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1103A. Authorization of farm winery permit.**

(a) Special Qualifications. – Except as provided in subsection (c) of this section, any winery that produces at least seventy-five percent (75%) of its wine from honey, grapes, or other fruit or grain grown in this State may obtain a farm winery permit.

(b) Special Qualifications for Large Wineries. – Except as provided in subsection (c) of this section, any winery that produces at least 10,000 gallons of wine per year from honey, grapes, or other fruit or grain grown in this State may obtain a farm winery permit. A winery obtaining a farm winery permit under these conditions may only affix the label in subdivision (c)(10) of this section to bottles of wine bearing a North Carolina State appellation of origin or a North Carolina American Viticultural Area appellation of origin.

(c) Exceptions to Special Qualifications. – In the event that the Commissioner of Agriculture determines that a natural disaster, act of God, or continued adverse weather condition has destroyed no less than forty percent (40%) of a certain grape varietal grown or produced in this State and used for winemaking, the Commissioner, in consultation with the Chairman of the Alcoholic Beverage Control Commission, may give authorization to a duly licensed farm winery to manufacture or sell wine produced from grapes grown outside the State. No such authorization shall be granted to a farm winery permittee unless such permittee certifies to the Commissioner the quantity of North Carolina grown grapes unavailable to the licensee due to the natural disaster, act of God, or continuing adverse weather condition and satisfies the Commissioner that reasonable efforts were made to obtain grapes from a North Carolina source for the purpose of making wine. A farm winery that has produced at least 10,000 gallons of wine from honey, grapes, or other fruit or grain grown in this State for at least three of the previous five years shall not lose its qualification as a farm winery if it is unable to produce 10,000 gallons of wine from honey, grapes, or other fruit or grain grown in this State in a year due to a natural disaster, act of God, or continued adverse weather condition. No farm winery shall exceed the amount of out-of-state grown grapes or juice authorized by the Commissioner.

(d) Authorized Acts. – The holder of a farm winery permit may:

(1) Manufacture unfortified wine.
(2) Sell, deliver, and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State.

(3) Ship its wine in closed containers to individual purchasers inside and outside this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1, and 18B-1001.2 and other applicable provisions of this Chapter.

(4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State. A sale under this subdivision shall not be considered a retail or wholesale sale under the ABC laws.

(5) Regardless of the results of any local wine election, sell the wine owned by the winery at the winery for on- or off-premise consumption, upon obtaining the appropriate permit under G.S. 18B-1001.

(6) Sell the wine manufactured by the winery for on- or off-premise consumption at no more than three other locations in the State, upon obtaining the appropriate permit under G.S. 18B-1001. This subdivision shall not authorize a winery that holds both a farm winery permit and an unfortified winery permit to sell wine manufactured by the winery for on- or off-premise consumption at more than three other locations in total.

(7) Receive, in closed containers, and sell at the winery, unfortified wine produced inside North Carolina under contract with the winery. Such contract wine must have the winery's name clearly displayed on each bottle. The contract wine may be sold also at affiliated retail outlets of the winery physically located on or adjacent to the winery. Any wine received by a winery under this provision must be made available for sale by the winery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the wine were being imported by the winery.

(8) Allow winemaking on premises as allowed by a permit issued pursuant to G.S. 18B-1001(17).

(9) Give visitors free tasting samples of the wine manufactured at the farm winery. The Commission may issue rules regulating these tastings.

(10) Affix to the bottle a label certifying that the wine originates from a permitted farm winery. The North Carolina Department of Agriculture and Consumer Services may issue rules regulating the certification label. Nothing in this subdivision shall be construed as altering or superseding any other State or federal wine labeling laws."

SECTION 28.(e) G.S. 18B-1112 reads as rewritten:

"§ 18B-1112. Authorization of vendor representative permit.

(a) Authorized Acts. – The holder of a vendor representative permit may represent an unfortified winery, fortified winery, limited winery, farm winery, brewery, bottler, importer, nonresident malt beverage vendor, or nonresident wine vendor, either as an employee or an agent, to solicit orders for that commercial permittee's product. The vendor representative may sell, deliver, and ship alcoholic beverages in this State only to permittees to whom the commercial permittee he represents may sell, deliver, or ship.

(b) Number of Permits. – A vendor representative shall secure a separate permit for each commercial permittee he represents. A permit may not be issued without the approval of the commercial permittee."

SECTION 28.(f) G.S. 18B-1114.1 reads as rewritten:

"§ 18B-1114.1. Authorization of winery special event permit.

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a farm winery permit, a viticulture/enology course authorization, or a wine producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural

festivals, balloon races, local fund-raisers, and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine."

SECTION 28.(g) G.S. 18B-1201 reads as rewritten:

"**§ 18B-1201. Definitions.**

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

(1) "Agreement" means a commercial relationship between a wine wholesaler and a winery. The agreement may be of a definite or indefinite duration and is not required to be in writing. Any of the following constitutes prima facie evidence of an "agreement" within the meaning of this definition:

a. A relationship whereby the wine wholesaler is granted the right to offer and sell a brand offered by a winery;

b. A relationship whereby the wine wholesaler, as an independent business, constitutes a component of a winery's distribution system;

c. A relationship whereby the wine wholesaler's business is substantially associated with a brand offered by a winery;

d. A relationship whereby the wine wholesaler's business is substantially reliant on a winery for the continued supply of wine;

e. The shipment, preparation for shipment, or acceptance of any order by any winery or its agent for any wine or beverages to a wine wholesaler within this State;

f. The payment by a wine wholesaler and the acceptance of payment by any winery or its agent for the shipment of any order of wine or beverages intended for sale within this State.

(2) "Territory" or "sales territory" means the area of primary sales responsibility expressly or implicitly designated by any agreement between any wine wholesaler and winery for a brand offered by any winery.

(3) "Wine wholesaler" means any holder of a wine wholesaler permit, wine importer permit, or bottler permit issued under the authority of this Chapter.

(4) "Winery" means any holder of an unfortified winery permit, fortified winery permit, limited winery permit, farm winery permit, or nonresident wine vendor permit issued under the authority of this Chapter who sells at least 1,250 cases of wine in North Carolina per year."

SECTION 28.(h) The North Carolina Department of Agriculture and Consumer Services shall study ways to promote farm wineries within the State, including the development of a "passport" program where customers visiting a given number of farm wineries may receive a form of special recognition, such as a special sticker for their car. The Department shall report its findings and recommendations, including any legislative proposals, to the Agriculture and Forestry Awareness Study Commission no later than February 1, 2016.

SECTION 28.(i) Section 28(h) of this act is effective when this act becomes law. The remainder of this section becomes effective July 1, 2016, and applies to permits issued on or after that date.

CLARIFY THE PESTICIDE BOARD'S AUTHORITY TO RELICENSE AND RECERTIFY LICENSEES FOR PESTICIDE DEALERS, APPLICATORS, AND PEST CONTROL CONSULTANTS

SECTION 29.(a) G.S. 143-449 reads as rewritten:

"**§ 143-449. Qualifications for pesticide dealer license; examinations.**

(a) An applicant for a license must present evidence satisfactory to the Board concerning his qualifications for such license.

(b) Each applicant shall satisfy the Board as to his responsibility in carrying on the business of a pesticide dealer. Each applicant for an original license must demonstrate upon written, or written and oral, examination to be prescribed by the Board his knowledge of pesticides, their usefulness and their hazards; his competence as a pesticide dealer; and his knowledge of the laws and regulations governing the use and sale of pesticides. A nonrefundable fee of fifty dollars ($50.00) shall be charged for each examination required by this section. This examination fee is in addition to any fee authorized pursuant to any other provision of Article 4C of Chapter 106 of the General Statutes.

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of a pesticide dealer operating more than one location, and in the case of an applicant that is a corporation, governmental unit or agency, or other organized group;

(2) Provide for license renewal ~~license examinations~~by completion of continuing certification credit requirements as prescribed by the Board or re-examinations at intervals not more frequent than four years."

SECTION 29.(b) G.S. 143-453 reads as rewritten:

"§ 143-453. Qualifications for pesticide applicator's license; examinations.

...

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of an applicant that is a corporation or governmental unit or agency;

(2) Provide for license renewal by completion of continuing certification credit requirements as prescribed by the Board or re-examinations ~~examinations~~ at intervals not more frequent than four years, or more frequently if found by the Board to be required to be necessary in order to qualify North Carolina's State pesticide control plan for federal approval."

SECTION 29.(c) G.S. 143-455 reads as rewritten:

"§ 143-455. Pest control consultant license.

...

(d) Pest control consultants shall be subject to the same provisions as pesticide applicators concerning penalties for late applications for license, changes of address, transferability of licenses, continuing certification credit requirements, periodic reexamination, and examinations for corporate applicants."

CLARIFY THAT PROJECTS FOR THE PURPOSE OF COMMERCIAL RESALE OF NATURAL GAS OR PROPANE GAS ARE NOT ELIGIBLE FOR THE EXPANDED GAS PRODUCTS SERVICE TO AGRICULTURE FUND

SECTION 30. G.S. 143B-437.020(a)(3) reads as rewritten:

"§ 143B-437.020. Natural gas and propane gas for agricultural projects.

(a) Definitions. –

...

(3) Eligible project. – A discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas or propane gas service. A project intended for the purpose of commercial resale of natural gas or propane gas shall not be an eligible project.

LIMIT THE PERSONALLY IDENTIFYING INFORMATION THAT THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES MAY DISCLOSE ABOUT ITS ANIMAL HEALTH PROGRAMS

SECTION 31. G.S. 106-24.1 reads as rewritten:

"**§ 106-24.1. Confidentiality of information collected and published.**

All information published by the Department of Agriculture and Consumer Services pursuant to this Part shall be classified so as to prevent the identification of information received from individual farm operators. All information generated by any federal agency received pursuant to this Part ~~from individual farm operators~~ that is confidential under federal law shall be held confidential by the Department and its employees. All information collected by the Department from ~~individual farm operators~~farm owners or animal owners, ~~for the purposes of its animal health programs,~~ including, but not limited to, certificates of veterinary inspection, animal medical records, laboratory ~~reports,~~ reports received or generated from samples submitted for analysis, or other records that may be used to identify a person or private business entity subject to regulation by the Department shall not be disclosed without the permission of the owner unless the State Veterinarian determines that disclosure is necessary to prevent the spread of an animal disease or to protect the public health, or the disclosure is necessary in the implementation of these animal health programs."

ALLOW DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO REGISTER OUTSOURCING FACILITIES ENGAGED IN THE COMPOUNDING OF STERILE DRUGS

SECTION 32. G.S. 106-140.1, as amended by S.L. 2015-241, reads as rewritten:

"**§ 106-140.1. Registration of producers of prescription drugs and devices.**

(a) On or before December 31 of each year, every person doing business in North Carolina and operating as a wholesaler, manufacturer, outsourcing facility, or repackager, as those terms are defined in subsection (j) of this section, shall register with the Commissioner his name and business location(s) in North Carolina. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(b) Every person, upon first operating as a wholesaler, ~~manufacturer~~ manufacturer, outsourcing facility, or repackager in North Carolina shall immediately register with the Commissioner his name, place of business, and such establishment. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(c) Every person duly registered in accordance with subsections (a) and (b) of this section shall register with the Commissioner any additional establishment that he owns or operates in the State of North Carolina prior to doing business as a manufacturer, ~~wholesaler~~wholesaler, outsourcing facility, or repackager.

(d) The Commissioner may assign a registration number to any person or any establishment registered in accordance with this section.

(e) The Commissioner shall make available for inspection to any person so requesting any registration filed pursuant to this section.

(f) The following classes of people are exempt from the registration requirements of this section:

(1) Pharmacists as defined in G.S. 90-85.3(q) holding a valid permit as defined in G.S. 90-85.3(m);

(2) Practitioners licensed or registered by law to prescribe or administer drugs and who manufacture, prepare, compound, or process drugs or devices solely for use in the course of their professional practice.

(3) Persons who manufacture, prepare, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale.

(4) Other classes of persons the Commissioner may by rule exempt from the application of this section upon a finding that registration by these classes of persons in accordance with this section is not necessary for the protection of the public health.

(5) Wholesale distributors of prescription drugs licensed under G.S. 106-145.3.

(g) Every establishment in the State of North Carolina registered with the Commissioner pursuant to this section shall be subject to inspection pursuant to G.S. 106-140.

(h) The Commissioner shall adopt rules to implement the registration requirements of this section. These rules shall provide for an annual registration fee of one thousand dollars ($1,000) for companies operating as ~~manufacturers~~manufacturers, outsourcing facilities, or repackagers and seven hundred dollars ($700.00) for companies operating as wholesalers. The Department of Agriculture and Consumer Services shall use these funds for the implementation of the North Carolina Food, Drug and Cosmetic Act.""

(i) For the purposes of this act, name means the name of the partnership if a partnership and the name of the corporation if a corporation.

(j) As used in this section:

(1) The term "manufacturer" means a person who prepares, derives, or produces a prescription drug. Pharmacists are specifically excluded from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(2) The term "prescription drug" means a drug that under federal law is required, prior to being dispensed or delivered, to be labeled with the following statement: "Caution: Federal law prohibits dispensing without a prescription."

(3) The term "repackager" means a person who repacks, relabels, or manipulates a prescription drug which was in a unit packaged and sealed by a manufacturer. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(4) The term "wholesaler" means a person acting as a jobber, wholesale merchant, salvager, or broker, or agent thereof, who sells or distributes for resale a prescription drug. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(5) The term "outsourcing facility" means a manufacturer at a single geographic location or address that is engaged in the compounding of sterile drugs, has elected to register as an outsourcing facility with the Food and Drug Administration, and complies with the requirements as provided in 21 U.S.C. 353b. Exemptions provided by 21 U.S.C. 353b(a) with respect to labeling, new drug registration, and distribution supply chain requirements shall also apply to compounded drugs distributed in North Carolina by an outsourcing facility."

EXEMPTIONS FROM CERTAIN DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES PERMITS AND WASTE ANALYSIS DURING IMMINENT THREAT OF CONTAGIOUS ANIMAL DISEASE

SECTION 33.(a) G.S. 106-399.4(a) reads as rewritten:

"(a) When determined by the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, that there is an imminent threat within the State of a contagious animal disease that has the potential for very serious and rapid spread, is of serious socioeconomic and public health consequence, or is of major importance in the

international trade of animals and animal products, the State Veterinarian or an authorized representative may develop and implement any emergency measures and procedures that the State Veterinarian determines necessary to prevent and control the animal disease. Any emergency measure or procedure relating to composting of dead domesticated animals pursuant to this part shall be deemed to be permitted pursuant to G.S. 143-215.1(b) and it shall not be necessary for the Department of Environment and Natural Resources to issue individual permits."

SECTION 33.(b) G.S. 143-215.10C is amended by adding a new subsection to read:

"(f2) Periodic testing of waste products as required in subdivision (6) of subsection (e) of this section, subsection (f) of this section and subsection (f1) of this section may be temporarily suspended in compliance with G.S. 106-399.4 when the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, determines that there is an imminent threat within the State of a contagious animal disease. The suspension of testing only applies to the animal operation types designated by the State Veterinarian, and shall be in effect for a period of time that the State Veterinarian deems necessary to prevent and control the animal disease. During the suspension of waste analysis, waste product nutrient content to be used for application of waste at no greater than agronomic rates shall be established by the 1217 Interagency Committee as created by Session Law 1995-626."

CLARIFY CONSTRUCTION OF FARM BUILDINGS ON STATE PROPERTY

SECTION 34. G.S. 143-138(b4) reads as rewritten:

"(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are greenhouses, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) A "farm building" shall include:

a. ~~any~~Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of spectator-seating structures in effect at the time of the construction of the spectator-seating.

b. Any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180

days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.

c. Any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. The term "agriculture" has the same meaning as in G.S. 106-581.1. The term "unoccupied" does not exclude the keeping of livestock.

(1a) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more glass or plastic walls, has an area over ninety-five percent (95%) of which is used to grow or cultivate plants, is built in accordance with the National Greenhouse Manufacturers Association Structural Design manual, and is not used for retail sales. Additional provisions addressing distinct life safety hazards shall be approved by the local building-rules jurisdiction.

~~(3) A "farm building" shall include any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.~~

(4) A "primitive camp" shall include any structure primarily used or associated with outdoor camping activities, including structures used for educational, instructional, or recreational purposes for campers and for management training, that are (i) not greater than 4,000 square feet in size and (ii) are not intended to be occupied for more than 24 hours consecutively. "Structures primarily used or associated with outdoor camping activities" include, but are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins, campfire shelters, picnic shelters, tents, tepees or other indigenous huts, support buildings used only for administrative functions and not for activities involving campers or program participants, and any other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with outdoor camping activities such as hiking, fishing, hunting, or nature appreciation, regardless of material used for construction. The specific types of primitive camping activities, structures, and uses set forth in this subdivision are for illustrative purposes and should not be construed to limit, in any manner, the types of activities, structures, or uses that are exempted from building rules.

(5) A "primitive farm building" shall include any structure used for activities, instruction, training, or reenactment of traditional or heritage farming practices. "Primitive farm buildings" include, but are not limited to, sheds, barns, outhouses, doghouses, or other structures that are utilized to store any equipment, tools, commodities, livestock, or other items supporting farm management. These specific types of farming activities, structures, and uses set forth by this subdivision are for illustrative purposes and should not be construed to limit in any manner the types of activities, structures, or uses that are exempted from building rules.

~~(6) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings,~~

~~receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.~~"

WILDLIFE SEARCH AND SEIZURE MODIFICATIONS

SECTION 35.(a) G.S. 113-136(k) reads as rewritten:

"(k) It is unlawful to refuse to exhibit upon request by any inspector, protector, or other law enforcement officer any item required to be carried by any law or rule as to which inspectors or protectors have enforcement jurisdiction. The items that must be exhibited include boating safety or other equipment or any license, permit, tax receipt, certificate, or identification. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect ~~weapons, equipment, fish, or wildlife that~~weapons or equipment if the officer reasonably believes them to be possessed incident to an activity regulated by any law or rule as to which inspectors and protectors have enforcement ~~jurisdiction.~~ jurisdiction and the officer has a reasonable suspicion that a violation has been committed, except that an officer may inspect a shotgun to confirm whether it is plugged or unplugged without a reasonable suspicion that a violation has been committed. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect fish or wildlife for the purpose of ensuring compliance with bag limits and size limits. Except as authorized by G.S. 113-137, nothing in this section gives an inspector, protector, or other law enforcement officer the authority to inspect, in the absence of a person in apparent control of the item to be inspected, any of the following:

(1) Weapons.
(2) Equipment, except for equipment left unattended in the normal operation of the equipment, including, but not limited to, traps, trot lines, crab pots, and fox pens.
(3) Fish.
(4) Wildlife."

SECTION 35.(b) The Wildlife Resources Commission shall report to the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2016, and annually thereafter, on the number of complaints received against Commission law enforcement officers, the subject matter of the complaints, and the geographic areas in which the complaints were filed.

SECTION 35.(c) Section 35(a) of this section becomes effective December 1, 2015, and applies to offenses committed on or after that date. The remainder of this section is effective when it becomes law.

TECHNICAL CORRECTIONS

SECTION 36.(a) G.S. 14-137, as amended by S.L. 2015-241, reads as rewritten:

"**§ 14-137. Willfully or negligently setting fire to woods and fields.**

If any person, firm or corporation shall willfully or negligently set on fire, or cause to be set on fire, any woods, lands or fields, whatsoever, every such offender shall be guilty of a Class 2 misdemeanor. This section shall apply only in those counties under the protection of the Department of ~~Environmental Quality~~Agriculture and Consumer Services in its work of forest fire control. It shall not apply in the case of a landowner firing, or causing to be fired, his own open, nonwooded lands, or fields in connection with farming or building operations at the time and in the manner now provided by law: Provided, he shall have confined the fire at his own expense to said open lands or fields."

SECTION 36.(c) G.S. 69-25.5 reads as rewritten:

"**§ 69-25.5. Methods of providing fire protection.**

Upon the levy of such tax, the board of county commissioners shall, to the extent of the taxes collected hereunder, provide fire protection for the district –

(1) By contracting with any incorporated city or town, with any incorporated nonprofit volunteer or community fire department, or with the Department of ~~Environment and Natural Resources~~Agriculture and Consumer Services to furnish fire protection, or

(2) By furnishing fire protection itself if the county maintains an organized fire department, or

(3) By establishing a fire department within the district, or

(4) By utilizing any two or more of the above listed methods of furnishing fire protection."

SECTION 36.(d) G.S. 143-166.13 reads as rewritten:

"**§ 143-166.13. Persons entitled to benefits under Article.**

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

(1) State Government Security Officers, Department of Administration;

(2) State Correctional Officers, Division of Adult Correction of the Department of Public Safety;

(3) State Probation and Parole Officers, Division of Adult Correction of the Department of Public Safety;

(4) Sworn State Law-Enforcement Officers with the power of arrest, Division of Adult Correction of the Department of Public Safety;

(5) Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice;

(6) State Highway Patrol Officers, Department of Public Safety;

(7) General Assembly Special Police, General Assembly;

(8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;

(9) Juvenile Justice Officers, Division of Juvenile Justice of the Department of Public Safety;

(10) Insurance Investigators, Department of Insurance;

(11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Public Safety;

(12) Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;

(13) Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;

(14) Utilities Commission Transportation Inspectors and Special Investigators;

(15) North Carolina Ports Authority Police, Department of Transportation;

(16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment and Natural Resources;

(17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Public Safety.

(18) Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue.

(19) Sworn State Law-Enforcement Officers with the power of arrest, University System.

(20) Sworn State Law-Enforcement Officers with the power of arrest, Department of Agriculture and Consumer Services.

(b) The following persons are entitled to benefits under this Article regardless of whether they are subject to the Criminal Justice Training and Standards Act:

(1) Driver License Examiners injured by accident arising out of and in the course of giving a road test, Division of Motor Vehicles, Department of Transportation;

(2) Employees of the Division of Adult Correction of the Department of Public Safety injured by a direct and deliberate act of an offender supervised by the Division or while performing supervisory duties over offenders which place the employees at risk of such injury.

(c) As used in this Article, the term "eligible person" or "person" shall mean any individual listed under subsection (a) or (b) of this section."

EFFECTIVE DATE AND SEVERABILITY CLAUSE

SECTION 37.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 37.(b) Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 513

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

S513-ATQ-58 [v.1]

Amends Title [NO]
S513-CSTQxf-27 [v.57]

Date _____,2015

Representative TINE

moves to amend the bill on page 16, line 40, by rewriting the line to read:

"Section 404 of the Clean Water Act.

(6) Activities undertaken pursuant to Natural Resources Conservation Service standards to restore the wetlands functions of converted wetlands as defined in 7 Code of Federal Regulations § 12.2 (January 1, 2014 Edition).".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SB **97** **(CS#1)** State Advisory Council on Indian Education.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	C. Graham

SB **472** Local Incentives for Historic Rehabilitation.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **195** **(CS#1)** Motor Vehicle Service Agreement Amendments.

Draft Number:	S195-PCS45413-RO-31
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Dollar

TOTAL REPORTED: 3

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **272** Save the Honey Bees Special Plate.

Draft Number:	H272-PCS10449-LG-7
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Torbett

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

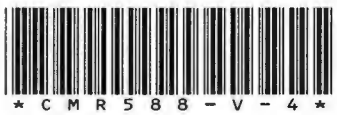
RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1 AND RE-REFERRED

SB **513** **(HCS#1)** North Carolina Farm Act of 2015.

Draft Number:	S513-PCS45414-TQxf-27
Serial Referral:	None
Recommended Referral:	**FINANCE**
Long Title Amended:	No
Floor Manager:	Dixon

TOTAL REPORTED: 1



VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/22/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tim Gestwicki	NCWF
Liz Rutledge	NCWF
Tommy Stevens	NCPC
Angie Maier	NCPC
Al Ripley	NCJC
Matt Ellington	NCJC
Bill Foster	AP
Tom Fripp	Staff
Chad Adams	NCDPS
Anne Preston	NCDPS
Scott Falls	Public

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/22/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Cady Thomas	Focus Carolina
Isabel Villa Garcia	UCAR
Bill Rowe	NC Justice Center
Thomas Rhyne	Grass Roots North Carolina
Adam Pridemore	NCABA
John Mitchell	MFS
Michelle Frazier	MFS
John Handi	MFS
Tracy Kimbrell	Parker Poe
Joyce Peters	CSS
Ashley Jones	NC DOC

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/22/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Erica	Duke Energy
Patrick Buffkin	NCAEC
[signature]	NCAEC

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/22/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tommy C.	MRA
Rick Eccline	WM
David Heinen	NCN

VISITOR REGISTRATION SHEET

Rules — Name of Committee

9-22-15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Biser	BP
Angie Mann	NRC
Tommy Stevens	NC PC
Henry Jones	Jordan Price
Jon Carr	Jordan Price Law Firm
Jarrod Forbes	Rockwood Asset Mgmt
Miller Nichols	Jordan Price
Mary Maclean Asbill	SELC
David McGowan	NCPetro
Tim KENT	NC BEER & WINE
Joe Hamlin	MFS

VISITOR REGISTRATION SHEET

Rules
Name of Committee

9-22-15
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
J Bode	Batt
Hugh Johnson	NCACC
Paul Sherman	NCFB
Doug Lassiter	NCSTA
Becki Gray	JLJ
Bo Heath	McGuireWoods
Lexi Armur	NCRMA
Steve Monge	NCRLA
Charmaine Fuller Cooper	AARP
Debra Williams	NCDPI
Chris Anderson	

VISITOR REGISTRATION SHEET

Rules — Name of Committee

9-22-15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JOEL MAYNARD	[illegible] & ASSOC
TOM BEAN	EDF
JACKSON STANCIL	LCS
Joy Hicks	NCDA
Steve Troxler	NCDA
Michelle Frazier	MFFS
Kelli [illegible]	Duke Energy
BRUCE THOMPSON	PARKER POE
Meg Miller	AMGA
Amanda [illegible]	NCDA
Doug Mosley	PSG

	NCDAOS
Dina Wabse	NCDACS
Patrick Buffkin	NCAES
Jeffrey Austin	UNC Sch Legis Reporting Service
Isabel Villa Garcia	NCAR
	Public
Susanna Birdsong	ACLU

VISITOR REGISTRATION SHEET

Rules — Name of Committee

9-22-15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jonathan Kappler	UNC GA
Maggie Clark	NCSEA
Chuck Greene	AT+T
Trey Raber	AT&T
Janae Moore	AT+T
John Cooper	CCS
Chris McClure	BB
[illegible]	NCAEC
Gordon Myers	NCWRC
Jon Evans	"
Ashton Godwin	"

VISITOR REGISTRATION SHEET

Rules — Name of Committee

9-22-19 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
ANDY WALSH	SA
Dana Sipe	SA
Quinn Merwald	WM
Carr McLamb	TSS
Tim Gestwicki	NCWF
Betsy McCorkle	NCSEA

VISITOR REGISTRATION SHEET

Rules — Name of Committee

9-22-15 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Warren	[illegible]
Lisa Martin	Cap-a-d
Mike Aquilo	NCCASA
Chris Agan	DOJ
Adam Pridemore	NCBA
Stephen Kaufman	CCS
Scott Brown	Zootastic Trautman
Liz Rattelade	NCWF
Al Ripley	NCJC
Matt Ellinwood	NCJC
Laurie Ohneko	LCLC
Bill Scobon	DJ

House Committee on Rules, Calendar, and Operations of the House
Thursday, September 24, 2015 at 8:30 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 8:30 AM on September 24, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Burr, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, Hastings, Lewis, Reives, Robinson, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 371 LME/MCO Claims Reporting/Mental Health Amends. (Senator Hartsell)
Stam moved a favorable report, unfavorable to the original. The motion carries.

SB 524 Grad Requirements/Sports Pilot. (Senators Curtis, Soucek, Tillman)
No action taken on bill.

SB 698 Legacy Medical Care Facility/CON Exempt. (Senator Hise)
Rep. Torbett moves a favorable report, unfavorable to the original. The motion carries.

SB 391 County Omnibus Legislation. (Senator Tarte)
Rep. Torbett moves a favorable report. The motion carries.

SB 363 Expand Outdoor Food Service at Public Events. (Senator Hartsell)
No action taken on bill.

SB 95 Performance-Based RIF/School Policy. (Senators Barefoot, Soucek)
No action taken on bill.

SB 258 Party Exec. Comm./Fill Vacancy/Washington Cty. (Senator Smith-Ingram)
Rep. Bell moves a favorable report. The motion carries.

SB 119 GSC Technical Corrections 2015. (Senator Hartsell)
No action taken on bill.

SB 159 Corrected Reval./Minimal Refunds/Prop. Taxes. (Senators Tarte, Rucho)
Rep. Cotham's amendment was adopted. Rep. Torbett moves favorable report to PCS as amended, unfavorable to the original. The motion carries.

HB 805 Measurability Assessments. (Representatives Blackwell, Avila)
No action taken on bill.

HB 813 Results First Framework. (Representatives Riddell, Blackwell, Blust, Collins)
Rep. Bell moves favorable report, unfavorable to the original. The motion carries.

SB 313 Industrial Hemp. (Senator Bingham)
No action taken on bill.

The meeting recessed at 8:56 AM

SB 513 North Carolina Farm Act of 2015
The bill was before the committee by the desk of Rep. Lewis without objection. Rep. Daughtry moves a favorable report to the PCS, unfavorable to the original.

The meeting adjourned at 5:00 PM.

David R Lewis

Representative David R. Lewis, Chair
Presiding

Matt Coggins

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, September 24, 2015
TIME: **8:30 AM**
LOCATION: **1228/1327 LB**
COMMENTS: **The Rules Committee will meet and take up the following bills. The first item up will be for discussion only: HB 373 2016 Presidential Primary. The bills that are not disposed of before session convenes at 10am will be considered upon the adjournment of session. Also, SB 513 will have a new PCS for consideration before the committee.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 371	LME/MCO Claims Reporting/Mental Health Amends.	Senator Hartsell
SB 524	Grad Requirements/Sports Pilot.	Senator Curtis Senator Soucek Senator Tillman
SB 698	Legacy Medical Care Facility/CON Exempt.	Senator Hise
SB 391	County Omnibus Legislation.	Senator Tarte
SB 363	Expand Outdoor Food Service at Public Events.	Senator Hartsell
SB 95	Performance-Based RIF/School Policy.	Senator Barefoot Senator Soucek
SB 258	Party Exec. Comm./Fill Vacancy/Washington Cty.	Senator Smith-Ingram
SB 119	GSC Technical Corrections 2015.	Senator Hartsell
SB 159	Corrected Reval./Minimal Refunds/Prop. Taxes.	Senator Tarte Senator Rucho
HB 805	Measurability Assessments.	Representative Blackwell Representative Avila
HB 813	Results First Framework.	Representative Riddell Representative Blackwell Representative Blust Representative Collins
SB 313	Industrial Hemp.	Senator Bingham

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:07 PM on Wednesday, October 07, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

HOUSE BILL 813:
Results First Framework

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 23, 2015
Introduced by:	Reps. Riddell, Blackwell, Blust, Collins	**Prepared by:**	Karen Cochrane-Brown
Analysis of:	Second Edition		Staff Attorney

SUMMARY: ***House Bill 813 would authorize the Office of State Budget and Management to participate in the Pew-MacArthur Results First Initiative and direct the Office to develop a framework for providing uniform, program-level accountability information in State Government. The bill would also require State agencies and certain non-state entities to develop, implement, and maintain information systems that provide program-level accountability information regarding the programs operated by those agencies or entities.***

[As introduced, this bill was identical to S603, as introduced by Sens. Stein, B. Jackson, which is currently in Senate Re-ref to Information Technology. If fav, re-ref to Appropriations/Base Budget.]

BILL ANALYSIS:

PART I. RESULTS FIRST PROJECT.

Section 1 of HB 813 authorizes the Office of State Budget and Management to consult and work with the Pew-MacArthur Results First Initiative to implement a cost-benefit analysis model for use in crafting policy and budget decisions. OSBM is directed to file an interim report on implementing the cost-benefit analysis model with the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on General Government, and the Joint Legislative Program Evaluation Oversight Committee by April 8, 2016, and a final report by October 1, 2016.

The section also appropriates the sum of $100,000 for the fiscal year 2015-2016 to the Office of State Budget and Management to implement this Part.

PART II. RESULTS FIRST FRAMEWORK.

Section 2.1 enacts a new Article in Chapter 143 entitled "Results First Framework". OSBM is directed to design and establish, in consultation with the State Auditor, the State Controller, the State Chief Information Officer, and the Office of State Human Resources, a framework for providing uniform, program-level accountability information in State government. The Article applies to any State agency in the executive branch and also to any non-State entity that receives State funds.

The framework must provide a way for each State agency and each non-State entity to provide specified information relating to the agency's or entity's mission, programs, purpose, revenues, organization, and contact information. The information must be provided in a uniform manner and be accessible through the main State government website.

O. Walker Reagan
Director

* H 8 1 3 - S M R O - 4 0 E 2 - V 1 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Once OSBM establishes the framework and all standards, policies, and procedures, it must notify the agencies and non-State entities and allow a period of at least 30 days after notification for comments. OSBM must review and consider all comments before finalizing the framework.

OSBM must publish an annual report by January 1 of each year setting out the standards, policies, and procedures to be used by agencies in providing and maintaining information required by the Article. The report must be sent to each State agency, and non-State entity, and to the Program Evaluation Division and the Fiscal Research Division of the General Assembly.

State agencies and non-State entities are required to establish a system that provides the required information within the framework established by OSBM using existing resources allocated for computers and computer maintenance. The information must be updated on a timely basis and be easily accessible to citizens. The head of each agency or non-Sate entity is responsible for ensuring that the agency or entity complies with the requirements of the Article. Except as provided by a policy adopted by OSBM, each agency and non-State entity must list its employees in the directory available through the main State government website.

The Office of State Human Resources is directed to adopt rules setting standards and format for the agencies' and entities' organizational charts. OSBM, the Office of Human Resources, and the Office of Information Technology shall provide technical assistance and software to agencies and entities to assure uniformity.

Section 2.2 amends the Administrative Procedure Act so that OSBM is fully exempted from the requirements of the Act, including the requirements for rulemaking, review of contested cases by the Office of Administrative Hearings, and judicial review of administrative decisions, with respect to the new Article.

OSBM must finalize the framework and associated standards, policies, and procedures by April 8, 2016, and file the initial annual report by January 1, 2017.

EFFECTIVE DATE: G.S. 143-47.35 (Required State agency and non-State entity information) as enacted by Section 2.1 of this act, becomes effective with respect to all State agencies and non-State entities subject to this act on January 1, 2017. Except as otherwise provided, the act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 813*
Committee Substitute Favorable 8/13/15
PROPOSED COMMITTEE SUBSTITUTE H813-CSRO-30 [v.1]
8/18/2015 10:30:38 AM

Short Title: Results First Framework. (Public)

Sponsors:

Referred to:

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE OFFICE OF STATE BUDGET AND MANAGEMENT TO PARTICIPATE IN THE PEW-MACARTHUR RESULTS FIRST INITIATIVE AND TO REQUIRE STATE AGENCIES AND CERTAIN NON-STATE ENTITIES TO DEVELOP, IMPLEMENT, AND MAINTAIN INFORMATION SYSTEMS THAT PROVIDE UNIFORM, PROGRAM-LEVEL ACCOUNTABILITY INFORMATION REGARDING THE PROGRAMS OPERATED BY THOSE AGENCIES.

The General Assembly of North Carolina enacts:

PART I. RESULTS FIRST PROJECT

SECTION 1.1. The General Assembly finds and declares that a nationally recognized cost-benefit analysis model will allow the General Assembly to direct public resources to cost-effective programs that deliver the best outcomes for residents. The Office of State Budget and Management shall receive periodic updates that incorporate new research and enhancements identified through work in participating states and practical technical assistance to implement this cutting-edge approach for identifying policy and budget options. The General Assembly also intends to provide necessary assistance for State agencies to align their individual efforts and resources to achieve Statewide priority outcomes.

SECTION 1.2. The Office of State Budget and Management and the Fiscal Research Division of the General Assembly may consult and work with staff from the Pew-MacArthur Results First Initiative to implement a cost-benefit analysis model for use in crafting policy and budget decisions. The goal of the project is to obtain a model that will help the State invest in policies and programs that can be shown to work.

The Office of State Budget and Management shall take the model into account in developing the framework required by G.S. 143-47.32, as enacted in Section 2.1 of this act, to the extent the model has relevance to that framework.

SECTION 1.3. The Office of State Budget and Management shall file an interim report with the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on General Government, and the Joint Legislative Program Evaluation Oversight Committee by April 8, 2016, on progress in implementing the cost-benefit analysis model and a final report by October 1, 2016. The reports may include recommendations for legislation.

SECTION 1.4. There is appropriated from the General Fund for the fiscal year 2015-2016, to the Office of State Budget and Management the sum of seventy-five thousand

dollars ($75,000), and to the Fiscal Research Division of the General Assembly the sum of seventy-five thousand dollars ($75,000) to implement the provisions of this Part.

PART II. RESULTS FIRST FRAMEWORK

SECTION 2.1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 2E.
"Results First Framework.

"**§ 143-47.30. Definitions.**

The following definitions apply in this Article:

(1) Benchmarks. – A broad societal indicator used for gauging ultimate outcomes of programs, such as U.S. Census data. Multiple programs among several agencies may be benchmarked to the same indicator.

(2) Efficiency. – The verifiable total direct and indirect cost per output and per outcome.

(3) Evidence-based. – Having had multiple-site random controlled trials across heterogeneous populations that demonstrate that a program or practice is effective for the populations.

(4) Non-State entity. – Any of the following that is not a State agency and that must be discretely presented as a component unit in the State Comprehensive Annual Financial Report by the Governmental Accounting Standards Board: an individual, a firm, a partnership, an association, a corporation, or any other organization or group acting as a unit. The term does not include a local government unit or any other non-State entity that is subject to the audit and other requirements of the Local Government Commission.

(5) OSBM. – The Office of State Budget and Management.

(6) Outcome. – The verifiable quantitative effects or results attributable to a program compared to a performance standard.

(7) Output. – The verifiable number of units of services or activities provided by a program.

(8) Performance standards. – The metrics based upon best practices, generally recognized standards, or comparisons with relevant peer entities in other states or regions for gauging achievement of efficiency, output, and outcomes.

(9) Program. – An activity or set of activities intended to achieve an outcome that benefits the public.

(10) Promising practices. – Practices that present, based upon preliminary information, potential for becoming research-based.

(11) Principal executive officer. – Executive head of a State agency or non-State entity.

(12) Research-based. – Having some research demonstrating effectiveness that does not yet meet the standard for being evidence-based.

(13) State agency. – Any department, institution, board, commission, committee, division, bureau, board, council, or other entity for which the State has oversight responsibility, including The University of North Carolina, the Community College System, and any mental or specialty hospital.

"**§ 143-47.31. Purpose; scope.**

(a) The purpose of this Article is to require uniform, program-level accountability information in State government that is readily accessible to the citizens of North Carolina.

(b) This Article applies to any State agency in the executive branch of State government. This Article also applies to any non-State entity that receives State funds.

"**§ 143-47.32. Information framework.**

(a) OSBM shall design and establish a framework for providing the citizens of North Carolina uniform, program-level accountability information in State government. As part of the framework, OSBM shall adopt comprehensive standards, policies, and procedures, including recurring oversight procedures, to implement the framework's use. OSBM shall consult and coordinate with the Fiscal Research Division of the General Assembly, the State Auditor, the State Controller, the State Chief Information Officer, and the Office of State Human Resources in designing and establishing the framework.

(b) The framework shall provide a way for each State agency and each non-State entity to provide the following information in a uniform manner on a Web site:

(1) The mission, responsibilities, and activities of the State agency or non-State entity.

(2) An inventory of programs administered by the State agency or non-State entity, consisting of a title and a summary description of each program.

(3) For each program, a clear description of the problem the program is seeking to remedy or the public service the program is seeking to provide.

(4) For each program, a statement identifying the program as evidence-based, research-based, based on promising practices, or lacking evidence of effectiveness. If the statement indicates that the program is lacking evidence of effectiveness, it shall include a further statement describing the basis for the program and the reasons why the program is expected or perceived to be successful.

(5) Revenues by source and expenditures by purchasing category aligned with each program individually.

(6) Organization charts in the format specified by the Office of State Human Resources under G.S. 143-47.36. In addition to a comprehensive chart, OSBM shall require each State agency and non-State entity to have separate charts for each organizational division and in turn for each subordinate division or work unit in sufficient detail that a citizen may determine the organizational location of every employee position.

(7) At least one telephone number that complies with the requirements of G.S. 143-162.1 that members of the public may use to contact the State agency or non-State entity for service or information.

(8) A list of the reports required by law to be prepared and submitted by the State agency or non-State entity, organized by recipient and by due date.

(9) Any additional information deemed necessary or appropriate by OSBM.

(c) The standards, policies, and procedures adopted by OSBM shall include all of the following:

(1) Policies and standards to determine when a non-State entity may limit the information required under this Article to those programs and activities for which the non-State entity received State funds.

(2) A policy allowing State agencies and non-State entities to withhold or redact information about individual employees, including telephone listings, when the disclosure of the information would foreseeably result in harm to the employee, when required by law or a court order, or for other good cause described in the policy.

(d) OSBM shall design the framework to ensure that the information required in subsection (b) of this section is accessible through the main State government Web site. The framework shall require each State agency and non-State entity to include in its information

system a Web-based dashboard that uses a uniform format and reports all required performance information in a graphical format. The format shall be sufficient to inform a citizen how the State is investing money consistent with purposes described in subsection (b) of this section.

(e) OSBM shall provide an explanation in clear, simple language of key terms to be used by State agencies.

"**§ 143-47.33. Opportunity for State agency and non-State entity comments on proposed framework.**

After OSBM completes its initial framework design and draft of implementing standards, policies, and procedures, OSBM shall cause the framework design and draft standards, policies, and procedures to be posted on its Web site. OSBM shall then notify each State agency and each non-State entity subject to this Article of the posting. The notification may be sent to (i) the principal executive officer of a State agency or the principal executive officer of a non-State entity, (ii) the State agency's rule-making coordinator, or (iii) another individual designated by the State agency or non-State entity. OSBM shall allow a period of at least 30 days after the notice required in this section is sent for a State agency or non-State entity to comment, and OSBM shall review and consider all comments received before finalizing the framework and the standards, policies, and procedures. OSBM in its discretion may allow other opportunities for comment.

"**§ 143-47.34. Report.**

OSBM shall publish an annual report by January 1 of each year setting out the standards, policies, and procedures to be used by agencies in providing and maintaining the information required by this Article within the framework established by OSBM. OSBM shall provide a copy of the report to each State agency and each non-State entity subject to this Article and to the Program Evaluation and Fiscal Research Divisions of the General Assembly.

"**§ 143-47.35. Required State agency and non-State entity information.**

(a) Each State agency shall establish, implement, and maintain within that State agency a system that provides the information required under G.S. 143-47.32 within the framework established by OSBM. Each non-State entity, as a condition of receiving State funds, shall establish, implement, and maintain within that non-State entity a system that provides the information required pursuant to G.S. 143-47.32 within the framework established by OSBM. The system shall comply with the framework design and the standards, policies, and procedures established by OSBM.

The information shall be updated on a timely basis. Each information system shall be readily and easily accessible to the citizens of North Carolina.

(b) The principal executive officer of each State agency and the principal executive officer of each non-State entity are responsible for ensuring that the State agency or non-State entity, as appropriate, complies with the requirements of this Article.

(c) Except as permitted under a policy adopted by OSBM under G.S. 143-47.32(c)(2), each State agency and non-State entity subject to this Article shall also list its employees in the directory available through the main State government Web site.

"**§ 143-47.36. Availability of technical assistance from OSBM, the Office of State Human Resources, and the Office of Information Technology.**

(a) The Office of State Human Resources shall adopt rules setting the standards and format for the organization charts required by G.S. 143-47.32. The Office of State Human Resources also shall provide templates and technical assistance to State agencies and non-State entities as needed to assure the uniformity required by this Article.

(b) OSBM, the Office of State Human Resources, and the Office of Information Technology shall also provide technical assistance and software to State agencies and non-State entities as needed to assure the uniformity required by this Article."

SECTION 2.2. G.S. 150B-1(c) is amended by adding a new subdivision to read:

"(9) The Office of State Budget and Management with respect to acts pursuant to the Article 2E of Chapter 143 of the General Statutes."

SECTION 2.3. Each State agency or non-State entity subject to this act shall, if necessary, revise its information system to comply with this act. Each State agency, whether implementing a new information system or revising an existing system to bring it into compliance with the provisions of this act, shall use the State agency's existing resources allocated for computers and computer maintenance to comply with this act.

SECTION 2.4.(a) The Office of State Budget and Management shall finalize the framework and associated standards, policies, and procedures required under G.S. 143-47.32, as enacted in Section 2.1 of this act, no later than April 8, 2016, and shall file the initial report required by G.S. 143-47.34, as enacted in Section 2.1 of this act, by January 1, 2017.

SECTION 2.4.(b) G.S. 143-47.35, as enacted in Section 2.1 of this act, becomes effective with respect to all State agencies and non-State entities subject to this act on January 1, 2017.

PART III. EFFECTIVE DATE

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 371
Health Care Committee Substitute Adopted 4/21/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S371-PCS45415-SH-59

Short Title: LME/MCO Claims Reporting/Mental Health Amends. (Public)

Sponsors:

Referred to:

March 24, 2015

A BILL TO BE ENTITLED

AN ACT TO MODERNIZE DATA COLLECTION BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES RELATED TO LME/MCO MANAGED CARE CLAIMS; REITERATE THE APPROVAL PROCESS FOR COUNTY DISENGAGEMENT; REFINE THE APPOINTMENT PROCESS FOR THE AREA BOARD; AMEND THE APPOINTMENT AND TERMINATION NOTICE FOR THE AREA DIRECTOR; CLARIFY THE SALARY APPROVAL PROCESS FOR EMPLOYEE SALARIES ABOVE THE ALLOWABLE AMOUNT; REMOVE THE SUNSET FOR THE PILOT PROGRAM TO STUDY THE USE OF ELECTRONIC SUPERVISION DEVICES IN CERTAIN FACILITIES; PROVIDE DIRECTION TO THE DEPARTMENT ON SINGLE-STREAM ALLOCATION AND THE PROCESSING OF SINGLE-STREAM ENCOUNTER CLAIMS OR OTHER NON-MEDICAID CLAIMS THROUGH NC TRACKS; AND DEVELOP A PLAN TO EXTEND COMMUNITY GUIDE SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. The encounter data submission requirements for local management entities/managed care organizations (LME/MCOs) shall be as follows:

(1) LME/MCOs shall submit to the Department of Health and Human Services (DHHS) encounter data, consisting of records of claims payments made to providers, for Medicaid and State-funded mental health, intellectual and developmental disabilities, and substance abuse disorder services using a single nationally recognized, standardized electronic format for encounter submissions, which shall be specified to the LME/MCOs in advance to assure compliance with the format of encounter data submitted to the DHHS.

(2) DHHS may use encounter data for purposes including, but not limited to, setting LME/MCO capitation rates, measuring the quality of services managed by LME/MCOs, assuring compliance with State and federal regulations, and for oversight and audit functions.

(3) DHHS, pursuant to G.S. 143B-426.38A, shall share encounter data with the Government Data Analytics Center in order to leverage existing public-private partnerships and subject matter expertise that can assist in providing outcome-based analysis of services and programs as well as population health analytics of the LME/MCO patient population.

(4) DHHS shall work with LME/MCOs to ensure that the process for submitting encounter claims through NCTracks is successful.

(5) DHHS shall report to the Joint Legislative Oversight Committee on Health and Human Services regarding the status of this section on or before February 1, 2016.

SECTION 2.(a) G.S. 122C-115.3 reads as rewritten:

"**§ 122C-115.3. Dissolution of area ~~authority.~~authority; county disengagement from area authority.**

...

(b) No county shall withdraw from an area authority nor shall an area authority be dissolved without prior approval of the Secretary. The Secretary shall not approve any county's request to withdraw from a multicounty area authority until rules establishing a procedure for single-county disengagement from an area authority operating under a 1915(b)/(c) Medicaid Waiver are adopted as required by G.S. 122C-112.1. Following the adoption of rules and a process for county disengagement, the Secretary must review and approve each request for a single county to withdraw from an area authority operating under the 1915 (b)/(c) Medicaid Waiver.

...."

SECTION 2.(b) The Secretary of the Department of Health and Human Services must adopt rules as required by G.S. 122C-112.1(38) and pursuant to the requirements contained in S.L. 2012-151, Section 7(a). The Secretary may develop temporary rules to comply with this section.

SECTION 3. G.S. 122C-118.1 reads as rewritten:

"**§ 122C-118.1. Structure of area board.**

(a) An area board shall have no fewer than 11 and no more than 21 voting members. The board of county commissioners, or the boards of county commissioners within the area, shall appoint members consistent with the requirements provided in subsection (b) of this section. If the board or boards fail to comply with the requirements of subsection (b) of this section, the Secretary shall appoint the unrepresented category.

(a1) The process for appointing members shall ensure participation from each of the constituent counties of a multicounty area authority. ~~If the board or boards fail to comply with the requirements of subsection (b) of this section, the Secretary shall appoint the unrepresented category.~~ The boards of county commissioners within a multicounty area with a catchment population of at least 1,250,000 shall have the option to appoint members of the area board ~~in a manner or with a composition~~ through a process other than as required by this section by at least two-thirds of the constituent counties each ~~county~~ adopting a resolution to that effect and receiving written approval from the Secretary. The Secretary may approve an appointment process that includes the constituent counties delegating appointment authority to intermediary bodies created by counties to represent regions of a multicounty area authority. A member of the board may be removed with or without cause by the ~~initial~~ appointing authority.

(a2) The area board may declare vacant the office of an appointed member who does not attend three consecutive scheduled meetings without justifiable excuse. The chair of the area board shall notify the appropriate appointing authority of any vacancy. Vacancies on the board shall be filled by the ~~initial~~ appointing authority before the end of the term of the vacated seat or within 90 days of the vacancy, whichever occurs first, and the appointments shall be for the remainder of the unexpired term.

(b) Within the maximum membership provided in subsection (a) of this section, the membership of the area board shall reside within the catchment area and be composed as follows:

(1) At least one member who is a current county commissioner.

(2) The chair of the local Consumer and Family Advisory Committee (CFAC) or the chair's designee.

(3) At least one family member of the local CFAC, as recommended by the local CFAC, representing the interests of the following:
a. Individuals with mental illness.
b. Individuals in recovery from addiction.
c. Individuals with intellectual or other developmental disabilities.

(4) At least one openly declared consumer member of the local CFAC, as recommended by the local CFAC, representing the interests of the following:
a. Individuals with mental illness.
b. Individuals with intellectual or other developmental disabilities.
c. Individuals in recovery from addiction.

(5) An individual with health care expertise and experience in the fields of mental health, intellectual or other developmental disabilities, or substance abuse services.

(6) An individual with health care administration expertise consistent with the scale and nature of the managed care organization.

(7) An individual with financial expertise consistent with the scale and nature of the managed care organization.

(8) An individual with insurance expertise consistent with the scale and nature of the managed care organization.

(9) An individual with social services expertise and experience in the fields of mental health, intellectual or other developmental disabilities, or substance abuse services.

(10) An attorney with health care expertise.

(11) A member who represents the general public and who is not employed by or affiliated with the Department of Health and Human Services, as appointed by the Secretary.

(12) The President of the LME/MCO Provider Council or the President's designee to serve as a nonvoting member who shall participate only in Board activities that are open to the public.

(13) An administrator of a hospital providing mental health, developmental disabilities, and substance abuse emergency ~~services to~~ services. If the hospital receives reimbursement from the LME/MCO, this individual shall serve as a nonvoting member ~~who~~ and shall participate only in Board activities that are open to the public.

Except as provided in subdivisions (12) and (13) of this subsection, an individual that contracts with a local management entity (LME) for the delivery of mental health, developmental disabilities, and substance abuse services may not serve on the board of the LME for the period during which the contract for services is in effect. No person registered as a lobbyist under Chapter 120C of the General Statutes shall be appointed to or serve on an area authority board. Of the members described in subdivisions (2) through (4) of this subsection, the boards of county commissioners shall ensure there is at least one member representing the interest of each of the following: (i) individuals with mental illness, (ii) individuals with intellectual or other developmental disabilities, and (iii) individuals in recovery from addiction.

...."

SECTION 4. G.S. 122C-121 reads as rewritten:

"**§ 122C-121. Area director.**

(a) The area director is an employee of the area board, shall serve at the pleasure of the board, and shall be appointed in accordance with G.S. 122C-117(7). As used in this subsection, "employee" means an individual and does not include a corporation, a partnership, a limited liability corporation, or any other business association.

(a1) The area board shall establish the area director's salary under Article 3 of Chapter 126 of the General Statutes. Notwithstanding G.S. 126-9(b), an area director may be paid a salary that is in excess of the salary ranges established by the State Human Resources Commission. Any salary that is higher than the maximum of the applicable salary range shall be supported by documentation of comparable salaries in comparable operations within the region and shall also include the specific amount the board proposes to pay the director. The area board shall not authorize any salary adjustment that is above the normal allowable salary range without obtaining prior approval from the Director of the Office of State Human ~~Resources.~~Resources and the Secretary of the Department of Health and Human Services.

(a2) The area board shall not provide the director with any benefits that are not also provided by the area board to all permanent employees of the area program, except that the area board may, in its discretion, offer severance benefits, relocation expenses, or both, to an applicant for the position of director as an incentive for the applicant to accept an offer of employment. The director shall be reimbursed only for allowable employment-related expenses at the same rate and in the same manner as other employees of the area program.

(b) The area board shall evaluate annually the area director for performance based on criteria established by the Secretary and the area board. In conducting the evaluation, the area board shall consider comments from the board of county commissioners.

(c) The area director is the administrative head of the area program. In addition to the duties under G.S. 122C-111, the area director shall:

(1) Appoint, supervise, and terminate area program staff.
(2) Administer area authority services.
(3) Develop the budget of the area authority for review by the area board.
(4) Provide information and advice to the board of county commissioners through the county manager.
(5) Act as liaison between the area authority and the Department.

(d) Except when specifically waived by the Secretary, the area director shall meet all the following minimum qualifications:

(1) Masters degree.
(2) Related experience.
(3) Management experience.
(4) Any other qualifications required under G.S. 122C-120.1.

(e) The appointment of the area director shall be based on the recommendation of at least two candidates by a search committee of the area authority board. The search committee shall include a consumer board member, a county commissioner, and an appointee of the Secretary.

(f) The area director may not be terminated by the area authority board without 30 days prior written notice to the Secretary of the Department of Health and Human Services."

SECTION 5. G.S. 122C-154 reads as rewritten:

"**§ 122C-154. Personnel.**

Employees under the direct supervision of the area director are employees of the area authority. For the purpose of personnel administration, Chapter 126 of the General Statutes applies unless otherwise provided in this Article. Employees appointed by the county program director are employees of the county. In a multicounty program, employment of county program staff shall be as agreed upon in the interlocal agreement adopted pursuant to G.S. 122C-115.1. Notwithstanding G.S. 126-9(b), an employee of an area authority may be paid a salary that is in excess of the salary ranges established by the State Human Resources Commission. Any salary that is higher than the maximum of the applicable salary range shall be supported by documentation of comparable salaries in comparable operations within the region and shall also include the specific amount the board proposes to pay the employee. The area board shall not authorize any salary adjustment ~~that is above the normal allowable salary~~

~~range without obtaining prior approval~~ for any employee that is above the normal allowable salary without submitting the documentation of comparable salaries in comparable operations within the region used as justification for the request to the Director of the Office of State Human Resources and obtaining prior written approval for the salary adjustment from the Director of the Office of State Human ~~Resources.~~Resources and the Secretary of the Department of Health and Human Services."

SECTION 6. Notwithstanding any other provision of law, the pilot program established by the Department of Health and Human Services, Division of Health Service Regulation, to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance shall remain in effect and shall extend to facilities that are authorized to provide services in accordance with Section .1700 of the North Carolina Administrative Code, Residential Treatment Staff Secure for Children or Adolescents, currently owned or operated with the facility currently authorized to waive the requirement set forth in 10A NCAC 27G .1704(c) or any related or subsequent rule or regulation by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services setting minimum overnight staffing requirements. The waiver for these facilities shall remain in effect; however, the Division reserves the right to rescind the waiver if, at the time of the facility's license renewal, there are outstanding deficiencies that have remained uncorrected upon follow-up surveys that are related to electronic supervision.

SECTION 7. The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall distribute one-twelfth of each LME/MCO's single-stream allocation on or before the last working day of each month beginning with the first month of the fiscal year and continuing monthly thereafter.

SECTION 8. In order to promote self-determination, increase independence, and to enhance the ability of individuals with intellectual and other related developmental disabilities to interact with and to contribute to the local community, the Department of Health and Human Services shall develop a plan for extending Community Guide services to all individuals on the Medicaid Innovations Waiver waiting list. The Department of Health and Human Services shall engage the local management entities and other relevant stakeholders in the process of developing this plan. The plan shall include the following:

(1) Any necessary revisions to current service definitions or proposed new service definitions.

(2) The potential cost of extending Community Guide services to all individuals on the Innovations Waiver waiting list.

(3) The delineation of any changes that would require the approval of the Centers for Medicare & Medicaid Services.

(4) Detailed information on comprehensive strategies to be used that will assure that the Community Guide services provide information to the LME/MCOs regarding the critical needs of the individual.

On or before March 15, 2016, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services on the plan to extend Community Guide services.

SECTION 9. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 698
PROPOSED HOUSE COMMITTEE SUBSTITUTE S698-PCS35313-TJ-60

Short Title: Legacy Medical Care Facility/CON Exempt. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR CERTAIN EXEMPTIONS UNDER THE CERTIFICATE OF NEED LAW.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 131E-176 is amended by adding a new subdivision to read:

"(14f) "Legacy Medical Care Facility" means an institution that meets all of the following requirements:

a. Is not presently operating.

b. Has not continuously operated for at least the past six months.

c. Within the last 24 months:

1. Was operated by a person holding a license under G.S. 131E-77; and

2. Was primarily engaged in providing to inpatients, by or under supervision of physicians, (i) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons or (ii) rehabilitation services for the rehabilitation of injured, disabled, or sick persons."

SECTION 2. G.S. 131E-184 is amended by adding a new subsection to read:

"(h) The Department shall exempt from certificate of need review the acquisition or reopening of a Legacy Medical Care Facility. The person seeking to operate a Legacy Medical Care Facility must give the Department written notice (i) of its intention to acquire or reopen a Legacy Medical Care Facility and (ii) that the hospital will be operational within 36 months of the notice."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 391
Judiciary I Committee Substitute Adopted 4/21/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S391-PCS15278-ST-96

Short Title: County Omnibus Legislation. (Public)

Sponsors:

Referred to:

March 25, 2015

A BILL TO BE ENTITLED

AN ACT REESTABLISHING THE STATE PAYMENT IN LIEU OF TAXES STUDY COMMISSION; DIRECTING THE ENVIRONMENTAL REVIEW COMMISSION TO STUDY ISSUES RELATING TO STATEWIDE APPROACHES TO CONTROL INVASIVE AQUATIC NOXIOUS WEEDS IN THE STATE'S WATERS; DIRECTING THE REVENUE LAWS COMMITTEE TO STUDY ISSUES RELATING TO THE FINANCIAL IMPACTS ON LOCAL GOVERNMENTS OF EXEMPTING PREVIOUSLY TAXABLE PROPERTIES FROM THE PROPERTY TAX BASE WHEN ACQUIRED BY NONPROFITS; AND CLARIFYING REQUIREMENTS ON LOCAL GOVERNMENTS FOR DEPOSIT OF PUBLIC MONEY AND TO ELIMINATE UNINTENTIONAL NONCOMPLIANCE OR WASTE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The State Payment in Lieu of Taxes Study Commission is established. The Commission shall consist of 13 members appointed as follows:

(1) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) Three members of the Senate appointed by the President Pro Tempore of the Senate.

(3) The Secretary of Revenue or the Secretary's designee.

(4) Three members of the public appointed by the Speaker of the House of Representatives, two based on the recommendation of the North Carolina Association of County Commissioners and one based on the recommendation of the North Carolina League of Municipalities.

(5) Three members of the public appointed by the President Pro Tempore of the Senate, two based on the recommendation of the North Carolina Association of County Commissioners and one based on the recommendation of the North Carolina League of Municipalities.

SECTION 1.(b) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each designate a cochair. The Commission may meet at any time upon the joint call of the cochairs. A quorum of the Commission shall be a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

SECTION 1.(c) Vacancies on the Commission shall be filled by the same appointing authority that made the initial appointment.

SECTION 1.(d) Subject to the approval of the Legislative Services Commission, the Commission may meet in the Legislative Building or the Legislative Office Building.

SECTION 1.(e) The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Director of Legislative Assistants shall assign clerical support staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission.

SECTION 1.(f) The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

SECTION 1.(g) Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 1.(h) The Commission shall study issues relating to the development of a State payment in lieu of taxes for State properties, including wildlife and game lands. The Commission may consider any other issues deemed relevant.

SECTION 1.(i) The Commission may submit an interim report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives at any time by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Commission shall submit a final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives, prior to the convening of the 2017 General Assembly, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Commission shall terminate upon the convening of the 2017 General Assembly or upon the filing of its final report, whichever occurs first.

SECTION 2. The Environmental Review Commission is directed to study issues relating to statewide approaches to control invasive aquatic noxious weeds in the State's waters, including funding needed to support statewide control. The Commission may consider any other issues deemed relevant.

The Commission shall report its findings and recommendations on statewide approaches to control invasive aquatic noxious weeds to the 2016 Regular Session of the 2015 General Assembly.

SECTION 3. The Revenue Laws Study Committee is directed to study issues relating to the financial impacts on local governments of exempting previously taxable properties from the property tax base when acquired by nonprofits. The Committee may consider any other issues deemed relevant, but it shall not consider the taxation of real or personal property used for religious purposes.

The Committee shall report its findings and recommendations on the financial impacts of exempting previously taxable properties to the 2016 Regular Session of the 2015 General Assembly.

SECTION 4.(a) G.S. 159-32 reads as rewritten:

"**§ 159-32. Daily deposits.**

Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys ~~shall~~ shall, on a daily basis, deposit ~~his~~ or submit to a properly licensed and recognized cash collection service all collections and ~~receipts daily. If~~ receipts. However, if the governing board gives its approval, deposits or submissions to a properly licensed and recognized cash collection service shall be

required only when the moneys on hand amount to ~~as much as~~ two hundred fifty dollars ~~($250.00), but in any event a deposit shall be made on the last business day of the month.~~ ($250.00) or greater. Until deposited or officially submitted to a properly licensed and recognized cash collection service, all moneys must be maintained in a secure location. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any officer or employee collecting or receiving taxes or other moneys, and may prescribe the form and detail of these accounts. The accounts of such an officer or employee shall be audited at least annually."

SECTION 4.(b) This section becomes effective January 1, 2016.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 2

SENATE BILL 258
State and Local Government Committee Substitute Adopted 3/31/15

Short Title: Party Exec. Comm./Fill Vacancy/Washington Cty. (Local)

Sponsors:

Referred to:

March 12, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT IN FILLING VACANCIES IN THE OFFICE OF SHERIFF OF WASHINGTON COUNTY THE PERSON RECOMMENDED BY THE PARTY EXECUTIVE COMMITTEE OF THE VACATING MEMBER SHALL BE APPOINTED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 162-5.1 reads as rewritten:

"**§ 162-5.1. Vacancy filled in certain counties; duties performed by coroner or chief deputy.**

If any vacancy occurs in the office of sheriff, the coroner of the county shall execute all process directed to the sheriff until the board shall elect a sheriff to supply the vacancy for the residue of the term, who shall possess the same qualifications, enter into the same bond, and be subject to removal, as the sheriff regularly elected. If the sheriff were elected as a nominee of a political party, the board of commissioners shall consult the county executive committee of that political party before filling the vacancy, and shall elect the person recommended by the county executive committee of that party, if the party makes a recommendation within 30 days of the occurrence of the vacancy. If the board should fail to fill such vacancy, the coroner shall continue to discharge the duties of sheriff until it shall be filled.

In those counties where the office of coroner has been abolished, the chief deputy sheriff, or if there is no chief deputy, then the senior deputy in years of service, shall perform all the duties of the sheriff until the county commissioners appoint some person to fill the unexpired term. In all counties the regular deputy sheriffs shall, during the interim of the vacancy, continue to perform their duties with full authority.

This section shall apply only in the following counties: Alamance, Alexander, Alleghany, Avery, Beaufort, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Carteret, Cherokee, Clay, Cleveland, Davidson, Davie, Edgecombe, Forsyth, Gaston, Graham, Guilford, Haywood, Henderson, Hyde, Jackson, Lee, Lincoln, Madison, McDowell, Mecklenburg, Moore, New Hanover, Onslow, Pender, Polk, Randolph, Richmond, Rockingham, Rutherford, Sampson, Stokes, Surry, Transylvania, Wake, Washington, Wayne, and Yancey."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 159

State and Local Government Committee Substitute Adopted 3/24/15
Finance Committee Substitute Adopted 4/21/15
Fourth Edition Engrossed 4/23/15
House Committee Substitute Favorable 8/10/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S159-PCS15277-TD-47

Short Title: Corrected Reval./Minimal Refunds/Prop. Taxes. (Public)

Sponsors:

Referred to:

March 4, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE PAYMENT OF ADDITIONAL TAXES BY THE APPROPRIATE OWNERS OF RECORD FOR CORRECTED REVALUATIONS AND TO PROVIDE OPTIONS FOR THE DISPOSITION OF MINIMAL PROPERTY TAX REFUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of S.L. 2013-362 reads as rewritten:

"**SECTION 3.** Interest on taxes paid on parcels with errors that resulted in the parcels having an overstated value shall be calculated at a rate of five percent (5%) per annum. Additional taxes levied on parcels as a result of errors causing the parcels to have an understated value (i) shall be treated as taxes on discovered property pursuant to G.S. 105-312, except that the discovery penalties set forth in subsection (h) of G.S. 105-312 shall not ~~apply.~~apply, (ii) are due and payable on September 1 of the fiscal year for which the taxes are levied, but not earlier than four years from the last general reappraisal date, and (iii) shall be payable, at the taxpayer's option, by means of an agreement over a period of not more than 36 months, in equal monthly installments, if the total of the additional taxes levied is greater than one thousand dollars ($1,000). Interest shall not accrue for the period a taxpayer is making timely payments under a payment plan. The tax collector is authorized to issue forms and develop procedures to implement a payment plan authorized under this section. Notwithstanding G.S. 105-365.1(b), for parcels that have been transferred in a tax year for which errors requiring reappraisals under this act resulted in an underpayment of taxes, the following apply:

(1) The taxes for each tax year prior to and in the fiscal year in which the transfer occurred shall be collected from the owner of record as of January 1 of each tax year for which unpaid taxes exist. Only the remedies available in G.S. 105-367 and G.S. 105-368 may be used to collect against the owner of record as of January 1 of each tax year for which unpaid taxes exist.

(2) Notwithstanding G.S. 105-355(a), there shall be no lien on the real property for underpaid taxes that arose in a year in which the property is owned by a person other than the current owner as of January 1 of that year. The current owner shall not be held personally responsible for such underpaid taxes.

(3) If an owner not responsible for underpaid taxes pursuant to this section paid the underpaid taxes, the owner may assert a valid defense for a refund

pursuant to G.S. 105-381, as a tax imposed through clerical error. Interest on the refund shall be calculated at a rate of five percent (5%) per annum from the date the owner asserting the defense paid the underpaid taxes until the date the refund is issued."

SECTION 2. G.S. 105-321 is amended by adding a new subsection to read:

"(g) Minimal Refunds. – The governing body of a taxing unit that collects its own taxes may, by resolution, direct the taxing unit not to mail a refund for an overpayment of tax if the refund is less than fifteen dollars ($15.00). Upon adoption of a resolution pursuant to this subsection, the taxing unit shall keep a record of all minimal refunds by receipt number and amount and shall make a report of the amount of these refunds to the governing body at the time of the settlement and shall implement a system by which payment of the refund may be made to a taxpayer who comes into the office of the taxing unit seeking the refund. Unless the taxpayer requests the minimal refund in person at the office of the taxing unit before the end of the fiscal year in which the refund is due, the taxing unit must implement a system to apply the minimal refund as a credit against the tax liability of the taxpayer for taxes due to the taxing unit for the next succeeding year. An overpayment of tax bears interest at the rate set under G.S. 105-241.21 from the date the interest begins to accrue until a refund is paid or applied in accordance with this section. Interest accrues from the later of the date the tax was paid and the date the tax would have been considered delinquent under G.S. 105-360. A resolution adopted pursuant to this subsection must be adopted on or before June 15 preceding the first taxable year to which it applies and remains in effect until amended or repealed by resolution of the taxing unit."

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

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 159

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

S159-ATD-118 [v.1]

Amends Title [NO]
Fifth Edition

Date _____,2015

Representative COTHAM

moves to amend the bill on page 1, line 17, by rewriting the line to read:
"timely payments under a payment plan. The tax collector is authorized to issue forms and develop procedures to implement a payment plan authorized under this section. Notwithstanding G.S. 105-365.1(b), for parcels that".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 513

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/12/15
Finance Committee Substitute Adopted 5/14/15
Fourth Edition Engrossed 5/19/15
House Committee Substitute Favorable 6/10/15
House Committee Substitute #2 Favorable 9/23/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S513-PCS45416-TQxf-32

Short Title: North Carolina Farm Act of 2015. (Public)

Sponsors:

Referred to:

March 26, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE REGULATORY RELIEF TO THE AGRICULTURAL COMMUNITY OF NORTH CAROLINA BY PROVIDING FOR VARIOUS TRANSPORTATION AND ENVIRONMENTAL REFORMS AND BY MAKING VARIOUS OTHER STATUTORY CHANGES.

The General Assembly of North Carolina enacts:

REVISE HORSE INDUSTRY PROMOTION ACT TO INCREASE CAPS ON DURATION AND AMOUNT OF AN ASSESSMENT

SECTION 1. G.S. 106-823 reads as rewritten:

"**§ 106-823. Referendum.**

(a) The Council may conduct a referendum among horse owners upon the question of whether an assessment shall be levied consistent with this Article.

(b) The Council shall determine all of the following:

(1) The amount of the proposed assessment, not to exceed ~~two dollars ($2.00)~~four dollars ($4.00) per ton of commercial horse feed.

(2) The period for which the assessment shall be levied, not to exceed ~~three~~10 years.

(3) The time and place of the referendum.

(4) Procedures for conducting the referendum and counting votes.

(5) Any other matters pertaining to the referendum.

...."

CONFORM COMPENSATION PAID TO AN H-2A AGRICULTURAL WORKER TO FEDERAL WAGE WITHHOLDING STANDARDS

SECTION 2.(a) G.S. 105-163.3(b) reads as rewritten:

"(b) Exemptions. – The withholding requirement does not apply to the following:

(1) Compensation that is subject to the withholding requirement of G.S. 105-163.2.

(2) Compensation paid to an ordained or licensed member of the clergy.

(3) Compensation paid to an entity exempt from tax under G.S. 105-130.11.

(4) Compensation paid to an alien, as described by 8 U.S.C. § 1101(a)(15)(H)(ii)(a), that is not subject to federal income tax withholding under section 1441 of the Code."

SECTION 2.(b) This section is effective for taxable years beginning on or after January 1, 2015.

MODIFY OVERSIZE VEHICLE PERMIT TIME RESTRICTIONS

SECTION 4.(a) 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations). – Until the effective date of the revised permanent rule that the Department of Transportation is required to adopt pursuant to Section 4(d) of this act, the Department shall implement 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) as provided in subsections (b) and (c) of this section.

SECTION 4.(b) Implementation. – Notwithstanding subdivision (h)(1) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of Transportation shall allow movement of a permitted oversize vehicle between sunrise and sunset Monday through Sunday. However, a 16-foot-wide mobile or modular home unit with a maximum three-inch gutter edge is restricted to travel from 9:00 A.M. to 2:30 P.M. Monday through Sunday. A 16-foot-wide unit is authorized to continue operation after 2:30 P.M., but not beyond sunset, when traveling on an approved route as determined by an engineering study and the unit is being exported out-of-state.

SECTION 4.(c) Implementation. – Notwithstanding subdivision (h)(2) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of Transportation shall only prohibit movement of a permitted oversize vehicle and vehicle combination after noon on the weekday preceding the three holidays of Independence Day, Thanksgiving Day, and Christmas Day until noon on the weekday following a holiday. If the observed holiday falls on the weekend, travel is restricted from noon on the preceding Friday until noon on the following Monday.

SECTION 4.(d) Additional Rule-Making Authority. – The Department of Transportation shall adopt rules to amend 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) consistent with subsections (b) and (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department pursuant to this section shall be substantively identical to the provisions of subsections (b) and (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 4.(e) Effective Date. – Subsections (b) and (c) of this section expire on the date that rules adopted pursuant to subsection (d) of this act become effective.

ALLOW OVERSIZE TRANSPORTATION OF HAY BALES

SECTION 5. G.S. 20-116 is amended by adding a new subsection to read:

"**§ 20-116. Size of vehicles and loads.**

...

(o) Any vehicle carrying baled hay from place to place on the same farm, from one farm to another, from farm to market, or from market to farm that does not exceed 12 feet in width may be operated on the highways of this State. Vehicles carrying baled hay that exceed 10 feet in width may only be operated under the following conditions:

(1) The vehicle may only be operated during daylight hours.

(2) The vehicle shall display a red flag or a flashing warning light on both the rear and front ends. The flags or lights shall be attached to the equipment as

to be visible from both directions at all times while being operated on the public highway for not less than 300 feet."

AMEND RIGHT-OF-CENTER REQUIREMENTS FOR CERTAIN AGRICULTURAL VEHICLES

SECTION 6.(a) G.S. 20-116(j) reads as rewritten:

"(j) Nothing in this section shall be construed to prevent the operation of self-propelled grain combines or other self-propelled farm equipment with or without implements, not exceeding 25 feet in width on any highway, unless the operation violates a provision of this subsection. Farm equipment includes a vehicle that is designed exclusively to transport compressed seed cotton from a farm to a gin and has a self-loading bed. Combines or equipment which exceed 10 feet in width may be operated only if they meet all of the conditions listed in this subsection. A violation of one or more of these conditions does not constitute negligence per se.

(1) The equipment may only be operated during daylight hours.

(2) The equipment must display a red flag on front and rear ends or a flashing warning light. The flags or lights shall be attached to the equipment as to be visible from both directions at all times while being operated on the public highway for not less than 300 feet.

(3) Equipment covered by this section, which by necessity must travel more than 10 miles or where by nature of the terrain or obstacles the flags or lights referred to in subdivision (2) of this subsection are not visible from both directions for 300 feet at any point along the proposed route, must be preceded at a distance of 300 feet and followed at a distance of 300 feet by a flagman in a vehicle having mounted thereon an appropriate warning light or flag. No flagman in a vehicle shall be required pursuant to this subdivision if the equipment is being moved under its own power or on a trailer from any field to another field, or from the normal place of storage of the vehicle to any field, for no more than ten miles and if visible from both directions for 300 feet at any point along the proposed route.

(4) Every piece of equipment so operated shall operate to the right of the center line ~~when meeting traffic coming from the opposite direction and at all other times when possible and practical.~~unless the combined width of the traveling lane and the accessible shoulder is less than the width of the equipment.

...."

SECTION 6.(b) G.S. 20-146 is amended by adding a new subsection to read:

"**§ 20-146. Drive on right side of highway; exceptions.**

(a) Upon all highways of sufficient width a vehicle shall be driven upon the right half of the highway except as follows:

(1) When overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

(2) When an obstruction exists making it necessary to drive to the left of the center of the highway; provided, any person so doing shall yield the right-of-way to all vehicles traveling in the proper direction upon the unobstructed portion of the highway within such distance as to constitute an immediate hazard;

(3) Upon a highway divided into three marked lanes for traffic under the rules applicable thereon; or

(4) Upon a highway designated and signposted for one-way traffic.

(a1) Self-propelled grain combines or other self-propelled farm equipment shall be operated to the right of the centerline except as provided in G.S. 20-116(j)(4).

(b) Upon all highways any vehicle proceeding at less than the legal maximum speed limit shall be driven in the right-hand lane then available for thru traffic, or as close as practicable to the right-hand curb or edge of the highway, except when overtaking and passing another vehicle proceeding in the same direction or when preparing for a left turn.

...."

AMEND DEFINITION OF "AGRICULTURAL SPREADER VEHICLE," INCREASE SPEED LIMIT FOR AGRICULTURAL SPREADER VEHICLES

SECTION 7. G.S. 20-51 reads as rewritten:

"**§ 20-51. Exempt from registration.**

The following shall be exempt from the requirement of registration and certificate of title:

...

(16) A vehicle that meets all of the following conditions is exempt from the requirement of registration and certificate of title. The provisions of G.S. 105-449.117 continue to apply to the vehicle and to the person in whose name the vehicle would be registered.

a. Is an agricultural spreader vehicle. An "agricultural spreader vehicle" is a vehicle that is designed for off-highway use on a farm to spread feed, fertilizer, seed, lime, or other agricultural ~~products on a field.~~products.

b. Is driven on the highway only for the purpose of going from the location of its supply source for fertilizer or other products to and from a farm.

c. Does not exceed a speed of ~~35~~45 miles per hour.

d. Does not drive outside a radius of 50 miles from the location of its supply source for fertilizer and other products.

e. Is driven by a person who has a license appropriate for the class of the vehicle.

f. Is insured under a motor vehicle liability policy in the amount required under G.S. 20-309.

g. Displays a valid federal safety inspection decal if the vehicle has a gross vehicle weight rating of at least 10,001 pounds.

...."

ALLOW ALL-TERRAIN VEHICLES AND UTILITY VEHICLES USED FOR AGRICULTURAL PURPOSES TO OPERATE ON PUBLIC ROADS

SECTION 8. G.S. 20-171.22 reads as rewritten:

"**§ 20-171.22. Exceptions.**

(a) The provisions of this Part do not apply to any owner, operator, lessor, or renter of a farm or ranch, or that person's employees or immediate family or household members, when operating an all-terrain vehicle while engaged in farming operations.

(a1) Any person may operate an all-terrain vehicle or utility vehicle on a public street or highway while engaged in farming operations.

(b) The provisions of this Part do not apply to any person using an all-terrain vehicle for hunting or trapping purposes if the person is otherwise lawfully engaged in those activities.

(c) The provisions of G.S. 20-171.19(a1) do not apply to any person 16 years of age or older if the person is otherwise lawfully using the all-terrain vehicle on any ocean beach area where such vehicles are allowed by law. As used in this subsection, "ocean beach area" means the area adjacent to the ocean and ocean inlets that is subject to public trust rights. Natural indicators of the landward extent of the ocean beaches include, but are not limited to, the first line of stable, natural vegetation; the toe of the frontal dune; and the storm trash line."

CLARIFY THE ROAD WEIGHT LIMITATION EXCEPTIONS FOR TRANSPORTATION OF AGRICULTURAL PRODUCTS AND SUPPLIES

SECTION 9.(a) G.S. 20-118(c)(12) reads as rewritten:

"(12) Subsections (b) and (e) of this section do not apply to a vehicle or vehicle combination that meets all of the conditions set out below:

a. Is transporting any of the following items within 150 miles of the point of origination:

1. ~~Agriculture~~ Agriculture, dairy, and crop products transported from a farm or holding facility to a processing ~~plant~~ plant, feed mill, or market.
2. Water, fertilizer, pesticides, seeds, fuel, or animal waste transported to or from a ~~farm by a farm vehicle as defined in G.S. 20-37.16(e)(3).~~ farm.
3. Meats, livestock, or live poultry transported from the farm where they were raised to a processing plant or market.

3a. Feed or feed ingredients that ~~is~~ are used in the feeding of poultry or livestock and transported from a storage facility, holding facility, or mill to a farm.

4. Forest products originating and transported from a farm or woodlands to market with delay interruption or delay for further packaging or processing after initiating transport.
5. Wood residuals, including wood chips, sawdust, mulch, or tree bark from any site.
6. Raw logs to market.
7. Trees grown as Christmas trees from field, farm, stand, or grove to a processing point.

...."

SECTION 9.(b) This section becomes effective October 1, 2015.

ESTABLISH MARKING AND NOTICE REQUIREMENTS FOR METEOROLOGICAL TOWERS

SECTION 10.(a) Chapter 63 of the General Statutes is amended by adding a new Article to read:

"Article 11.

"Marking and Notice of Meteorological Towers.

"**§ 63-110. Marking of meteorological towers.**

(a) As used in this Article, the term:

(1) "Height" means the distance from the base of a tower to the highest point of the tower.

(2) "Meteorological tower" means a structure that is either self-standing or supported by guy wires and ground anchors and has guy wires and accessory facilities on which equipment used to measure wind speed and direction is mounted. "Meteorological tower" does not include a structure that is affixed or located adjacent to a building, house, or barn.

(b) Except as required by federal law, rule, or regulation, any meteorological tower over 50 feet in height shall be marked and painted or otherwise constructed to be visible in clear air during daylight hours from a distance of not less than 2,000 feet. Meteorological towers shall also comply with the following additional requirements:

(1) A meteorological tower shall be painted in equal alternating bands of aviation orange and white, beginning with orange at the top of the tower.

(2) One marker ball shall be attached to the top third of each outside guy wire.
(3) Guy wires shall have a seven-foot-long safety sleeve at each anchor point that extends from the anchor point along each guy wire attached to the anchor point.

"**§ 63-111. Registration; notification; tower database; penalty.**

(a) The Department of Transportation shall adopt rules requiring any person proposing to construct a meteorological tower to register with the Department. The person proposing to construct the tower shall notify the Department of the proposal, the location and height of the proposed tower, and any other information the Department may require to ensure aviation safety and shall pay a registration fee of three hundred fifty dollars ($350.00). The rules shall require the owner of a meteorological tower to notify the Department upon removal or destruction of a tower.

(b) The Department of Transportation shall establish and maintain an electronic database that contains the location of all meteorological towers in the State by January 1, 2017. The Department may contract with a governmental entity or private entity to create and maintain the database. The Department shall make the contents of the database available on its Web site.

"**§ 63-112. Penalties.**

The Secretary of Transportation may assess a civil penalty of not more than ten thousand dollars ($10,000) per violation against any person who violates any provision of this Article."

SECTION 10.(b) This section becomes effective January 1, 2017, and applies to meteorological towers erected on or after that date.

ALLOW SHELLFISH CULTIVATION LEASES IN AREAS CONTAINING SUBMERGED AQUATIC VEGETATION

SECTION 11.(a) G.S. 113-202(b) reads as rewritten:

"(b) The Secretary may delete any part of an area proposed for lease or may condition a lease to protect the public interest with respect to the factors enumerated in subsection (a) of this section. The Secretary may not grant a new lease in an area heavily used for recreational purposes. Except as prohibited by federal law, the Secretary shall not exclude any area from leasing solely on the basis that the area contains submerged aquatic vegetation and shall make specific findings based on the standards set forth in subsection (a) of this section prior to reaching a decision not to grant or renew a lease for shellfish cultivation for any area containing submerged aquatic vegetation."

SECTION 11.(b) This section becomes effective October 1, 2015, and applies to any new shellfish cultivation leases or renewals of existing shellfish cultivation leases issued on or after that date.

PRESENT-USE VALUE MODIFICATIONS

SECTION 12.(a) G.S. 105-277.2 reads as rewritten:

"**§ 105-277.2. Agricultural, horticultural, and forestland – Definitions.**

The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

(1) Agricultural land. – Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program. For purposes of this definition, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit must be appraised under the use-value schedules as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the requirements in

G.S. 105-277.3(a)(1), and each tract must be under a sound management program. If the agricultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent agricultural land, protect water quality of adjacent agricultural land, or serve as buffers for adjacent livestock or poultry operations.

...

(4) Individually owned. – Owned by one of the following:

a. An individual.

b. A business entity that meets all of the following conditions:

1. Its principal business is farming agricultural land, horticultural land, or forestland. When determining whether an applicant under G.S. 105-277.4 has as its principal business farming agricultural land, horticultural land, or forestland, the assessor shall presume the applicant's principal business to be farming agricultural land, horticultural land, or forestland if the applicant has been approved by another county for present-use value taxation for a qualifying property located within the other county; provided, however, the presumption afforded the applicant may be rebutted by the assessor and shall have no bearing on the determination of whether the individual parcel of land meets one or more of the classes defined in G.S. 105-277.3(a). If the assessor is able to rebut the presumption, this shall not invalidate the determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.

2. All of its members are, directly or indirectly, individuals who are actively engaged in farming agricultural land, horticultural land, or forestland or a relative of one of the individuals who is actively engaged. An individual is indirectly a member of a business entity that owns the land if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity that owns the land.

3. It is not a corporation whose shares are publicly traded, and none of its members are corporations whose shares are publicly traded.

4. If it leases the land, all of its members are individuals and are relatives. Under this condition, "principal business" and "actively engaged" include leasing.

c. A trust that meets all of the following conditions:

1. It was created by an individual who owned the land and transferred the land to the trust.

2. All of its beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust that owns the land if the individual is a beneficiary of another trust or a

member of a business entity that has a beneficial interest in the trust that owns the land.

d. A testamentary trust that meets all of the following conditions:
   1. It was created by an individual who transferred to the trust land that qualified in that individual's hands for classification under G.S. 105-277.3.
   2. At the date of the creator's death, the creator had no relatives.
   3. The trust income, less reasonable administrative expenses, is used exclusively for educational, scientific, literary, cultural, charitable, or religious purposes as defined in G.S. 105-278.3(d).

e. Tenants in common, if each tenant would qualify as an owner if the tenant were the sole owner. Tenants in common may elect to treat their individual shares as owned by them individually in accordance with G.S. 105-302(c)(9). The ownership requirements of G.S. 105-277.3(b) apply to each tenant in common who is an individual, and the ownership requirements of G.S. 105-277.3(b1) apply to each tenant in common who is a business entity or a trust.

...."

SECTION 12.(b) G.S. 105-277.4 is amended by adding a new subsection to read:

"**§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use value; appeal; deferred taxes.**

...

(f) The Department shall publish a present-use value program guide annually and make the guide available electronically on its Web site. When making decisions regarding the qualifications or appraisal of property under this section, the assessor shall adhere to the Department's present-use value program guide."

SECTION 12.(c) Subsection (a) of this section becomes effective July 1, 2015, and applies to taxes imposed for taxable years beginning on or after that date. The remainder of this section is effective when this act becomes law.

PROCEDURE FOR TERMINATION OR MODIFICATION OF CONSERVATION AGREEMENTS

SECTION 13.(a) Article 4 of Chapter 121 of the General Statutes is amended by adding a new section to read:

"**§ 121-39A. Termination or modification of agreements.**

(a) Easements secured by the Agricultural Development and Farmland Preservation Trust Fund, including perpetual agricultural conservation easements and forest land easements, military base protection and flyway easements regardless of funding source, or any other agricultural conservation easement that has been secured, in whole or in part, with federal funds and where at least one party to the agreement is a public body of this State, shall not be terminated or modified for the purpose of economic development.

(b) Prior to any modification or termination of a conservation agreement where at least one party to the agreement is a public body of this State, the agency requesting the conservation agreement modification or termination shall conduct a conservation benefit analysis. The criteria for the conservation benefit analysis shall be established by the agency requesting the conservation agreement modification or termination. Conservation agreements may only be modified or terminated if the conservation benefit analysis concludes that the modification or termination results in a greater benefit to conservation purposes consistent with this Article.

(c) The conservation benefit analysis conducted by the requesting agency shall be reported to the Council of State prior to the vote of the Council of State on the final decision to modify the agreement.

(d) Notwithstanding any authority given to a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, municipal or public corporation, or any instrumentality of any of the foregoing, to release or terminate conservation easements under other law, this section shall apply to conservation agreements that are intended to be effective perpetually or that are terminated or modified prior to the period of time stipulated in the agreement, and where at least one party to the agreement is a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, municipal or public corporation, or any instrumentality of any of the foregoing.

(e) Parties to a conservation agreement may include a provision at the time an agreement is executed requiring the consent of the grantor or the grantor's successors in interest to terminate or modify the agreement for any purpose.

(f) Any agency managing a conservation agreement program may adopt rules governing its procedure for termination or modification of a conservation agreement, provided that any such rules may be no less stringent than the requirements of this section.

(g) This section shall not apply to a condemnation action initiated by a condemnor governed by Article 6 of Chapter 40A of the General Statutes."

SECTION 13.(b) G.S. 106-744(c1) reads as rewritten:

"(c1) The Commissioner shall distribute Trust Fund monies for only the purposes under subsection (c) of this section, including transaction costs, as follows:

(1) To a private nonprofit conservation organization that matches thirty percent (30%) of the Trust Fund monies it receives with funds from sources other than the Trust Fund.

(2) To counties according to the match requirements under subsection (c2) of this section.

(3) To the Department of Agriculture and Consumer Services for the purchase of agricultural conservation easements or agreements to be held by the Department."

SECTION 13.(c) Subsection (a) of this section is effective when it becomes law and applies to conservation agreements executed on or after that date. The remainder of this section is effective when it becomes law and applies to easements or agreements in effect on that date and executed on or after that date.

PROHIBIT IMPORTATION OF CERVIDS

SECTION 14.(a) G.S. 113-272.6 reads as rewritten:

"**§ 113-272.6. Transportation of cervids and licensing of captive cervid facilities.**

(a) The Wildlife Resources Commission shall regulate the transportation, including ~~importation and exportation,~~ exportation and possession of cervids, including game carcasses and parts of game carcasses extracted by hunters. The Commission ~~shall~~may allow the sale of antlers, antler velvet, or hides from captive populations of cervids. The Commission shall adopt rules to implement this section, including requirements for captivity licenses, captivity permits, and transportation permits. The rules adopted pursuant to this section shall establish standards of care for the transportation and possession of cervids, including requirements for fencing, tagging, record keeping, and inspection of captive cervid facilities. Notwithstanding any other provision of law, the Commission may charge a fee of up to fifty dollars ($50.00) for the processing of applications for captivity licenses, captivity permits, and transportation permits, and the renewal or modification of those licenses and permits. The fees collected shall be applied to the costs of administering this section.

(b) The Wildlife Resources Commission shall notify every applicant for a transportation permit that any permit issued is subject to the applicant's compliance with the Department of Agriculture and Consumer Services' requirements for transportation pursuant to Article 34 of Chapter 106 of the General Statutes.

(c) The Department of Agriculture and Consumer Services shall regulate the production and sale of farmed cervids for commercial purposes pursuant to G.S. 106-549.97.

(d) Notwithstanding any other provision of law, the North Carolina Wildlife Resources Commission shall issue captivity licenses, captivity permits, or transportation permits to any person possessing cervids that were held in captivity by that person prior to May 17, 2002, if the Executive Director finds that the applicant has come into compliance with all applicable rules related to the holding of cervids in captivity by January 1, 2004, and that issuance of such license or permit does not pose unreasonable risk to the conservation of wildlife resources.

(e) Any captivity license, captivity permit, or cervids held contrary to the provisions of this section may be subject to forfeiture and disposition in accordance with the provisions of G.S. 113-137 or G.S. 113-276.2.

(f) No animal of the family Cervidae shall be imported into North Carolina."

SECTION 14.(b) Section 14.26 of S.L. 2014-100 is repealed.

ALLOW ALTERNATE DISPOSAL OF BIODEGRADABLE AGRICULTURAL PLASTICS

SECTION 15.(a) G.S. 106-950 reads as rewritten:

"**§ 106-950. Exempt fires; no permit fees.**

(a) This Article shall not apply to any fires started, or caused to be started, within 100 feet of an occupied dwelling house if such fire shall be confined (i) within an enclosure from which burning material may not escape or (ii) within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment.

(a1) Except in cases where the Commissioner has prohibited all open burning during periods of hazardous forest fire conditions or during air pollution episodes declared pursuant to Article 21B of Chapter 143 of the General Statutes, this Article shall not apply to, and no air quality permit shall be required for, the burning of polyethylene agricultural plastic used in connection with agricultural operations related to the growing, harvesting, or maintenance of crops, when all of the following conditions apply:

(1) The burning does not violate any State or federal ambient air quality standards.

(2) The burning is conducted between an hour after sunrise and an hour before sunset.

(3) The fire is set back at least 250 feet from any paved public roadway and at least 500 feet from any dwelling, group of dwellings, commercial or institutional establishment, or other occupied structure not located on the property on which the burning is conducted.

(4) The burning is conducted in a manner such that it does not constitute a public nuisance.

(5) The burning is conducted by any of the following means:

a. By professionally manufactured equipment solely for the purpose of plastic mulch burning or incineration and approved by the Commissioner.

b. By a fire that is enclosed in a noncombustible container.

c. By a fire that is restricted to a pile no greater than eight feet in diameter built upon ground cleared of all combustible material.

(b) No charge shall be made for the granting of any permit required by this Article."

SECTION 15.(b) The Department of Agriculture and Consumer Services may adopt rules to implement the provisions of this section.

SECTION 15.(c) This section becomes effective January 1, 2015.

AMEND THE DEFINITION OF "NEW ANIMAL WASTE MANAGEMENT SYSTEM" AND THE APPLICATION OF SWINE WASTE MANAGEMENT SYSTEM PERFORMANCE STANDARDS

SECTION 16. Section 21 of S.L. 2013-413 reads as rewritten:

"**SECTION 21.(a)** 15A NCAC 02T .1302 ~~(Definitions).~~(Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards). – Until the effective date of the revised permanent ~~rule~~ rules that the Environmental Management Commission is required to adopt pursuant to Section 21(c) of this act, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 02T .1302 (Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) as provided in Section 21(b) of this act.

"**SECTION 21.(b)** Implementation. – Notwithstanding 15A NCAC 02T .1302 (Definitions), "new animal waste management system" means animal waste management systems which are constructed and operated at a site where no feedlot existed ~~previously, where a system serving a feedlot has been abandoned or unused for a period of four years or more and is then put back into service,~~previously or where a permit for a system has been rescinded, and is then reissued when the permittee confines animals in excess of the thresholds established in G.S. 143-215.10B. Notwithstanding subsection (a) of 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards), the Swine Waste Management System Performance Standards shall:

(1) Apply to any farm facility that receives a permit for its animal waste management system that allows a level of production at the farm, as measured by steady state live weight, greater than the largest production for which the farm has received a permit in the past, and so that they also apply to any other animal waste management system otherwise subject to regulation under G.S. 143-215.10I.

(2) Not apply to any facility that meets all of the following conditions:

a. Has had no animals on site for five continuous years or more.

b. Notifies the Division of Water Resources in writing at least 60 days prior to bringing any animals back on to the site.

c. The system depopulated after January 1, 2005, and the system ceased operation no longer than 10 years prior to the current date.

d. At the time the system ceased operation, the system was in compliance with an individual permit or a general permit issued pursuant to G.S. 143-215.10C.

e. The Division of Water Resources issues an individual permit or certificate of coverage under a general permit issued pursuant to G.S. 143-215.10C for operation of the system before any animals are brought on the facility.

f. The permit for the animal waste management system does not allow production, measured by steady state live weight, to exceed the greatest steady state live weight previously permitted for the system under G.S. 143-215.10C.

g. No component of the animal waste management system and swine farm, other than an existing swine house or land application site, shall be constructed on land that is located within the 100-year floodplain.

h. The inactive animal waste management system was not closed using the expenditure of public funds and was not closed pursuant to a settlement agreement, court order, cost share agreement, or grant condition.

"**SECTION 21.(c)** Additional Rule-Making Authority. – The Environmental Management Commission shall adopt ~~a rule~~rules as promptly as practicable to amend 15A NCAC 02T .1302 (Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) consistent with Section 21(b) of this act. Notwithstanding G.S. 150B-19(4), the ~~rule~~ rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 21(b) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

"**SECTION 21.(d)** Sunset. – Section 21(b) of this act expires on the date that rules adopted pursuant to Section 21(c) of this act become effective."

MODIFY IMPLEMENTATION OF THE ODOR CONTROL OF FEED INGREDIENT MANUFACTURING PLANTS RULE

SECTION 18.(a) Definitions. – "Odor Control of Feed Ingredient Manufacturing Plants Rule" means 15A NCAC 02D .0539 (Odor Control of Feed Ingredient Manufacturing Plants) for purposes of this section and its implementation.

SECTION 18.(b) Odor Control of Feed Ingredient Manufacturing Plants Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environment and Natural Resources shall implement the Odor Control of Feed Ingredient Manufacturing Plants Rule as provided in subsection (c) of this section.

SECTION 18.(c) Implementation. – Notwithstanding the Odor Control of Feed Ingredient Manufacturing Plants Rule, the Commission shall implement the rule as follows:

(1) Raw material shall be considered in "storage" after it has been unloaded at a facility or after it has been located at the facility for at least 36 hours.

(2) A vehicle or container holding raw material, which has not been unloaded inside or parked inside an odor controlled area within the facility, shall be unloaded for processing of the raw material prior to the expiration of the following time limits:

a. For feathers with only trace amounts of blood, such as those obtained from slaughtering houses that separate blood from offal and feathers, no later than 48 hours after being weighed upon arrival at the facility.

b. For used cooking oil in sealed tankers, no later than 96 hours after being weighed upon arrival at the facility.

SECTION 18.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to replace the Odor Control of Feed Ingredient Manufacturing Plants Rule. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 18.(e) Effective Date. – Subsection (c) of this section expires when permanent rules to replace subsection (c) of this section have become effective, as provided by subsection (d) of this section.

EXEMPT CERTAIN WETLANDS MITIGATION ACTIVITIES FROM REQUIREMENTS UNDER THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 19. G.S. 113A-52.01 reads as rewritten:

"**§ 113A-52.01. Applicability of this Article.**

This Article shall not apply to the following land-disturbing activities:

(1) Activities, including the breeding and grazing of livestock, undertaken on agricultural land for the production of plants and animals useful to man, including, but not limited to:
   a. Forages and sod crops, grains and feed crops, tobacco, cotton, and peanuts.
   b. Dairy animals and dairy products.
   c. Poultry and poultry products.
   d. Livestock, including beef cattle, llamas, sheep, swine, horses, ponies, mules, and goats.
   e. Bees and apiary products.
   f. Fur producing animals.

(2) Activities undertaken on forestland for the production and harvesting of timber and timber products and conducted in accordance with best management practices set out in Forest Practice Guidelines Related to Water Quality, as adopted by the Department.

(3) Activities for which a permit is required under the Mining Act of 1971, Article 7 of Chapter 74 of the General Statutes.

(4) For the duration of an emergency, activities essential to protect human life, including activities specified in an executive order issued under G.S. 166A-19.30(a)(5).

(5) Activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the Clean Water Act.

(6) Activities undertaken pursuant to Natural Resources Conservation Service standards to restore the wetlands functions of converted wetlands as defined in Title 7 Code of Federal Regulations § 12.2 (January 1, 2014 Edition)."

CLARIFY REIMBURSEMENT OF THIRD-PARTY CLAIMS FROM THE COMMERCIAL AND NONCOMMERCIAL LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP FUNDS

SECTION 20.(a) G.S. 143-215.94V(e) reads as rewritten:

"(e) If the Commission concludes under subsection (d) of this section that no cleanup, no further cleanup, or no further action will be required, the Department shall not pay or reimburse any costs otherwise payable or reimbursable under this Article from either the Commercial or Noncommercial Fund, other than reasonable and necessary to conduct the risk assessment required by this section, unless:

(1) Cleanup is ordered or damages are awarded in a finally adjudicated judgment in an action against the owner or landowner. To be eligible for reimbursement of damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment, however, an owner or operator shall (i) notify the Department of any such claim; (ii) provide the Department with all pleadings and other related documents if a lawsuit has been filed; and (iii) provide the Department copies of any medical reports, statements, investigative reports, or certifications from licensed professionals necessary to determine that a claim for bodily injury or property damage is reasonable and necessary. Reimbursement of claims

for damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment shall be subject to the limitations set forth in G.S. 143-215.94B(b)(5) and G.S. 143-215.94D(b1)(2), as applicable, and any other provision governing third-party claims set forth in this Article.

...."

SECTION 20.(b) G.S. 143-215.94A is amended by adding three new subdivisions to read:

"**§ 143-215.94A. Definitions.**

Unless a different meaning is required by the context, the following definitions shall apply throughout this Part and Part 2B of this Article:

...

(12) "Third party" means a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator. A property owner shall not be considered a third party if the property was transferred by the owner or operator of an underground storage tank in anticipation of damage due to a release.

(13) "Third-party bodily injury" or "bodily injury" when used in connection with "third-party" means specific physical bodily injury proximately resulting from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred by a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator.

(14) "Third-party property damage" or "property damage" when used in connection with "third-party" means actual physical damage or damage due to specific loss of normal use that proximately resulted from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred to property owned by a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator."

SECTION 20.(c) G.S. 143-215.94B, as amended by Section 14.16A(a) of S.L. 2015-241, reads as rewritten:

"**§ 143-215.94B. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.**

(a) There is established under the control and direction of the Department the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This Commercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, other monies paid to it or recovered on behalf of the Commercial Fund, and fees paid pursuant to this Part.

(b) The Commercial Fund shall be used for the payment of the following costs up to an aggregate maximum of one million dollars ($1,000,000) per occurrence resulting from a discharge or release of a petroleum product from a commercial underground storage tank:

...

(5) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

...

(12) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence caused by releases from noncommercial underground storage tanks reported to the Department prior to October 1, 2015, if the claim for compensation is made prior to July 1, 2016. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

...."

SECTION 20.(d) This section is effective when it becomes law and applies to claims for reimbursement pending or submitted on or after that date.

DIRECT DIVISION OF MARINE FISHERIES AND WILDLIFE RESOURCES COMMISSION TO DEVELOP A PILOT AMERICAN EEL AQUACULTURE PLAN

SECTION 22.(a) The Division of Marine Fisheries of the Department of Environment and Natural Resources and the Wildlife Resources Commission shall jointly develop a pilot American Eel Aquaculture Plan for the harvest and aquaculture of American eels (Anguilla rostrata). The pilot American Eel Aquaculture Plan shall include all of the following conditions:

(1) The pilot project shall allow for a minimum harvest of 200 pounds of the glass eel stage of the American eel annually for use in domestic aquaculture facilities.

(2) The harvest may only occur in watersheds that minimally contribute to the spawning stock of the American eel.

(3) The Division shall submit the pilot American Eel Aquaculture Plan to the Atlantic States Marine Fisheries Commission for its approval. The requested pilot Plan shall include the pounds requested; the location, method, and dates of harvest; the duration of requested harvest; prior approval of any applicable permits; descriptions of each facility, including the capacity of each facility in which the glass eels will be held, and husbandry methods; descriptions of the markets the eels will be distributed to; a monitoring program to ensure harvest is not exceeded; and adequate enforcement capabilities.

(4) American eels harvested under the pilot American Eel Aquaculture Plan may not be sold until they reach the legal size in the jurisdiction of operations, unless otherwise specified in the Plan.

SECTION 22.(b) The Division and the Wildlife Resources Commission shall make every effort to have the pilot American Eel Aquaculture Plan approved by the Atlantic States Marine Fisheries Commission to be implemented during 2016. Persons interested in participating in the pilot American Eel Aquaculture Plan shall submit all information required by the Division and the Wildlife Resources Commission, in a form acceptable to the Division and the Wildlife Resources Commission, no later than November 1, 2015. The Division and the Marine Fisheries Commission shall issue no permits for the harvest and aquaculture of the glass eel stage of American eels in the State until the pilot American Eel Aquaculture Plan has been approved by the Atlantic States Marine Fisheries Commission.

AMEND DEFINITION OF MINING RELATIVE TO AGRICULTURAL ACTIVITIES

SECTION 23. G.S. 74-49(7) reads as rewritten:

"**§ 74-49. Definitions.**

Wherever used or referred to in this Article, unless a different meaning clearly appears from the context:

...

(7) "Mining" ~~means:~~means any of the following:

~~a.~~ ~~The~~ (i) the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid ~~matter.~~

~~b.~~ ~~Any~~ matter; (ii) any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, soils, and other solid matter from their original ~~location.~~

~~c.~~ ~~The~~ location; or (iii) the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use.

"Mining" does not include:

a. Those aspects of deep mining not having significant effect on the surface, where the affected land does not exceed one acre in area.

b. Mining operations where the affected land does not exceed one acre in area.

c. Plants engaged in processing minerals produced elsewhere and whose refuse does not affect more than one acre of land.

d. Excavation or grading when conducted solely ~~in aid of on-site farming or of~~for on-site construction for purposes other than mining.

e. Removal of overburden and mining of limited amounts of any ores or mineral solids when done only for the purpose and to the extent necessary to determine the location, quantity, or quality of any natural deposit, provided that no ores or mineral solids removed during exploratory excavation or mining are sold, processed for sale, or consumed in the regular operation of a business, and provided further that the affected land resulting from any exploratory excavation does not exceed one acre in area.

f. Excavation or grading where all of the following apply:

1. The excavation or grading is conducted to provide soil or other unconsolidated material to be used without further processing for a single off-site construction project for which an erosion and sedimentation control plan has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.
2. The affected land, including nonpublic access roads, does not exceed five acres.
3. The excavation or grading is completed within one year.
4. The excavation or grading does not involve blasting, the removal of material from rivers or streams, the disposal of off-site waste on the affected land, or the surface disposal of groundwater beyond the affected land.
5. The excavation or grading is not in violation of any local ordinance.
6. An erosion and sedimentation control plan for the excavation or grading has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.

g. Excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt, pursuant to

G.S. 113A-52.01(1), from the requirements of Article 4 of Chapter 113A of the General Statutes."

AMEND THE HOLDING AND ADVERTISING PERIOD FOR UNCLAIMED LIVESTOCK

SECTION 24.(a) G.S. 68-20 reads as rewritten:

"**§ 68-20. Notice of sale and sale where owner fails to redeem or is unknown; application of proceeds.**

If the owner fails to redeem his livestock within three days after the notice and demand as provided in G.S. 68-18 is received or within three days after the determination of the costs and damages as provided in G.S. 68-19, ~~then, upon written notice fully describing the livestock, stating the place, date, and hour of sale posted at the courthouse door and three or more public places in the township where the owner resides, and after~~ the impounder shall notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After 10 days from such posting, the impounder shall sell the livestock at public auction. If the owner of the livestock remains unknown to the impounder, then, ~~30~~ three days after publication of the notice required by G.S. 68-18.1, the impounder shall ~~post at the courthouse door and three public places in the township where the livestock is impounded a written notice fully describing the livestock, and stating the place, date, and hour of sale.~~ notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After ~~20~~ 10 days from such posting, the impounder shall sell the livestock at public auction. The proceeds of any such public sale shall be applied to pay the reasonable costs of impounding and maintaining the livestock and the damages to the impounder caused by the livestock. Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in an attempt to locate the owner of the livestock. The balance, if any, shall be paid to the owner of the livestock, if known, or, if the owner is not known, then to the school fund of the county where the livestock was impounded."

SECTION 24.(b) This section is effective when this act becomes law and applies to livestock impounded on or after that date.

MODIFY DEPARTMENT OF AGRICULTURE REPORTING REQUIREMENTS

SECTION 25.(a) G.S. 106-815 is repealed.

SECTION 25.(b) G.S. 19A-62(c) reads as rewritten:

"(c) Report. – In ~~February~~ March of each year, the Department must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The report must contain information regarding all revenues and expenditures of the Spay/Neuter Account."

PRESCRIBED BURNING ACT MODIFICATIONS

SECTION 26. G.S. 106-968 reads as rewritten:

"**§ 106-968. Prescribed burning.**

(a) Prior to conducting a prescribed burning, the landowner shall obtain a prescription for the prescribed burning prepared by a certified prescribed burner and filed with the North Carolina Forest Service of the Department of Agriculture and Consumer Services. A copy of the prescription shall be provided to the landowner. A copy of this prescription shall be in the possession of the responsible burner on site throughout the duration of the prescribed burning. The prescription shall include:

(1) The landowner's name and address.

(2) A description of the area to be burned.

(3) A map of the area to be burned.

(4) An estimate ~~in~~ of tons of the fuel located on the area.
(5) The objectives of the prescribed burning.
(6) A list of the acceptable weather conditions and parameters for the prescribed burning sufficient to minimize the likelihood of smoke damage and fire escaping onto adjacent areas.
(7) The name of the certified prescribed burner responsible for conducting the prescribed burning.
(8) A summary of the methods that are adequate for the particular circumstances involved to be used to start, control, and extinguish the prescribed burning.
(9) Provision for reasonable notice of the prescribed burning to be provided to nearby homes and businesses to avoid effects on health and property.

(b) The prescribed burning shall be conducted by a certified prescribed burner in accordance with a prescription that satisfies subsection (a) of this section. The certified prescribed burner shall be present on the site and shall be in charge of the burning throughout the period of the burning. A landowner may conduct a prescribed burning and be in compliance with this Article without being a certified prescribed burner if the landowner is burning a tract of forestland of 50 acres or less owned by that landowner and is following all conditions established in a prescription prepared by a certified prescribed burner.

(c) Prior to conducting a prescribed burning, the landowner or the landowner's agent shall obtain an open-burning permit under Article 78 of this Chapter from the North Carolina Forest Service of the Department of Agriculture and Consumer Services. This open-burning permit must remain in effect throughout the period of the prescribed burning. The prescribed burning shall be conducted in compliance with all the following:

(1) The terms and conditions of the open-burning permit under Article 78 of this Chapter.
(2) The State's air pollution control statutes under Article 21 and Article 21B of Chapter 143 of the General Statutes and any rules adopted pursuant to these statutes.
(3) Any applicable local ordinances relating to open burning.
(4) The ~~voluntary~~ smoke management guidelines adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services.
(5) Any rules adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services, to implement this Article.

(d) The North Carolina Forest Service may accept prescribed burner certification from another State or other entity for the purpose of prescribed burning under this Article."

MODIFY PENALTY FOR FAILURE TO GUARD A FIRE BY WATCHMAN

SECTION 27. G.S. 14-140.1 reads as rewritten:

"**§ 14-140.1. Certain fire to be guarded by watchman.**

Any person, firm, corporation, or other legal entity who shall burn any brush, grass, or other material whereby any property may be endangered or destroyed, without keeping and maintaining a careful watchman in charge of the burning, shall be guilty of ~~a Class 3 misdemeanor~~ an infraction which may include a fine of not ~~less than ten dollars ($10.00) or~~ more than fifty dollars ($50.00). Fire escaping from the brush, grass, or other material while burning shall be prima facie evidence of violation of this provision."

ESTABLISH FARM WINERY PERMIT

SECTION 28.(a) G.S. 18B-902(d), as amended by S.L. 2015-98, reads as rewritten:

"(d) Fees. – An application for an ABC permit shall be accompanied by payment of the following application fee:

(1) On-premises malt beverage permit – $400.00.
(2) Off-premises malt beverage permit – $400.00.
(3) On-premises unfortified wine permit – ~~$400.00.~~$400.00, unless the application is for a farm winery, in which case the fee shall be $100.00.
(4) Off-premises unfortified wine permit – $400.00.
(5) On-premises fortified wine permit – $400.00.
(6) Off-premises fortified wine permit – $400.00.
(7) Brown-bagging permit – $400.00, unless the application is for a restaurant seating less than 50, in which case the fee shall be $200.00.
(8) Special occasion permit – $400.00.
(9) Limited special occasion permit – $50.00.
(10) Mixed beverages permit – $1,000.
(11) Culinary permit – $200.00.
(12) Unfortified winery permit – $300.00.
(13) Fortified winery permit – $300.00.
(14) Limited winery permit – $300.00.
(15) Brewery permit – $300.00.
(16) Distillery permit – $300.00.
(17) Fuel alcohol permit – $100.00.
(18) Wine importer permit – $300.00.
(19) Wine wholesaler permit – $300.00.
(20) Malt beverage importer permit – $300.00.
(21) Malt beverage wholesaler permit – $300.00.
(22) Bottler permit – $300.00.
(23) Salesman permit – $100.00.
(24) Vendor representative permit – $50.00.
(25) Nonresident malt beverage vendor permit – $100.00.
(26) Nonresident wine vendor permit – $100.00.
(27) Any special one-time permit under G.S. 18B-1002 – $50.00.
(28) Winery special event permit – $200.00.
(29) Mixed beverages catering permit – $200.00.
(30) Guest room cabinet permit – $1,000.
(31) Liquor importer/bottler permit – $500.00.
(32) Cider and vinegar manufacturer permit – $200.00.
(33) Brew on premises permit – $400.00.
(34) Wine producer permit – $300.00.
(35) Wine tasting permit – $100.00.
(36) Repealed by Session Laws 2005-380, s. 1, effective September 8, 2005, and applicable to wine shipper permit applications submitted on or after that date.
(37) Wine shop permit – $100.00.
(38) Winemaking on premises permit – $400.00.
(39) Wine shipper packager permit – $100.00.
(40) Malt beverage special event permit – $200.00.
(41) Malt beverage tasting permit – $100.00.
(42) Spirituous liquor tasting permit – $100.00.
(43) Antique spirituous liquor permit – $100.00.
(44) Farm winery permit – $150.00."

SECTION 28.(b) G.S. 18B-1001(3) reads as rewritten:

"**§ 18B-1001. Kinds of ABC permits; places eligible.**

...

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;
d. Private clubs;
e. Convention centers;
f. Cooking schools;
g. Community theatres;
h. Wineries;
i. Wine producers.
j. Farm wineries."

SECTION 28.(c) G.S. 18B-1100 is amended by adding a new subdivision to read:

"**§ 18B-1100. Commercial permits.**

...

(21) Farm winery."

SECTION 28.(d) Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-1103A. Authorization of farm winery permit.**

(a) Special Qualifications. – Except as provided in subsection (c) of this section, any winery that produces at least seventy-five percent (75%) of its wine from honey, grapes, or other fruit or grain grown in this State may obtain a farm winery permit.

(b) Special Qualifications for Large Wineries. – Except as provided in subsection (c) of this section, any winery that produces at least 10,000 gallons of wine per year from honey,

grapes, or other fruit or grain grown in this State may obtain a farm winery permit. A winery obtaining a farm winery permit under these conditions may only affix the label in subdivision (10) of subsection (d) of this section to bottles of wine bearing a North Carolina State appellation of origin or a North Carolina American Viticultural Area appellation of origin.

(c) Exceptions to Special Qualifications. – In the event that the Commissioner of Agriculture determines that a natural disaster, act of God, or continued adverse weather condition has destroyed no less than forty percent (40%) of a certain grape varietal grown or produced in this State and used for winemaking, the Commissioner, in consultation with the Chairman of the Alcoholic Beverage Control Commission, may give authorization to a duly licensed farm winery to manufacture or sell wine produced from grapes grown outside the State. No such authorization shall be granted to a farm winery permittee unless such permittee certifies to the Commissioner the quantity of North Carolina grown grapes unavailable to the licensee due to the natural disaster, act of God, or continuing adverse weather condition and satisfies the Commissioner that reasonable efforts were made to obtain grapes from a North Carolina source for the purpose of making wine. A farm winery that has produced at least 10,000 gallons of wine from honey, grapes, or other fruit or grain grown in this State for at least three of the previous five years shall not lose its qualification as a farm winery if it is unable to produce 10,000 gallons of wine from honey, grapes, or other fruit or grain grown in this State in a year due to a natural disaster, act of God, or continued adverse weather condition. No farm winery shall exceed the amount of out-of-state grown grapes or juice authorized by the Commissioner.

(d) Authorized Acts. – The holder of a farm winery permit may:

(1) Manufacture unfortified wine.

(2) Sell, deliver, and ship unfortified wine in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that wine may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State.

(3) Ship its wine in closed containers to individual purchasers inside and outside this State in accordance with the provisions of G.S. 18B-1001, 18B-1001.1, and 18B-1001.2 and other applicable provisions of this Chapter.

(4) Furnish or sell "short-filled" packages, on which State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State. A sale under this subdivision shall not be considered a retail or wholesale sale under the ABC laws.

(5) Regardless of the results of any local wine election, sell the wine owned by the winery at the winery for on- or off-premise consumption, upon obtaining the appropriate permit under G.S. 18B-1001.

(6) Sell the wine manufactured by the winery for on- or off-premise consumption at no more than three other locations in the State, upon obtaining the appropriate permit under G.S. 18B-1001. This subdivision shall not authorize a winery that holds both a farm winery permit and an unfortified winery permit to sell wine manufactured by the winery for on- or off-premise consumption at more than three other locations in total.

(7) Receive, in closed containers, and sell at the winery, unfortified wine produced inside North Carolina under contract with the winery. Such contract wine must have the winery's name clearly displayed on each bottle. The contract wine may be sold also at affiliated retail outlets of the winery physically located on or adjacent to the winery. Any wine received by a winery under this provision must be made available for sale by the winery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the wine were being imported by the winery.

(8) Allow winemaking on premises as allowed by a permit issued pursuant to G.S. 18B-1001(17).

(9) Give visitors free tasting samples of the wine manufactured at the farm winery. The Commission may issue rules regulating these tastings.

(10) Affix to the bottle a label certifying that the wine originates from a permitted farm winery. The North Carolina Department of Agriculture and Consumer Services may issue rules regulating the certification label. Nothing in this subdivision shall be construed as altering or superseding any other State or federal wine labeling laws."

SECTION 28.(e) G.S. 18B-1112 reads as rewritten:

"**§ 18B-1112. Authorization of vendor representative permit.**

(a) Authorized Acts. – The holder of a vendor representative permit may represent an unfortified winery, fortified winery, limited winery, farm winery, brewery, bottler, importer, nonresident malt beverage vendor, or nonresident wine vendor, either as an employee or an agent, to solicit orders for that commercial permittee's product. The vendor representative may sell, deliver, and ship alcoholic beverages in this State only to permittees to whom the commercial permittee he represents may sell, deliver, or ship.

(b) Number of Permits. – A vendor representative shall secure a separate permit for each commercial permittee he represents. A permit may not be issued without the approval of the commercial permittee."

SECTION 28.(f) G.S. 18B-1114.1 reads as rewritten:

"**§ 18B-1114.1. Authorization of winery special event permit.**

(a) Authorization. – The holder of an unfortified winery permit, a limited winery permit, a farm winery permit, a viticulture/enology course authorization, or a wine producer permit may obtain a winery special permit allowing the winery or wine producer to give free tastings of its wine, and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping malls, wine festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission.

(b) Limitation. – A winery special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of unfortified wine."

SECTION 28.(g) G.S. 18B-1201 reads as rewritten:

"**§ 18B-1201. Definitions.**

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

(1) "Agreement" means a commercial relationship between a wine wholesaler and a winery. The agreement may be of a definite or indefinite duration and is not required to be in writing. Any of the following constitutes prima facie evidence of an "agreement" within the meaning of this definition:

a. A relationship whereby the wine wholesaler is granted the right to offer and sell a brand offered by a winery;

b. A relationship whereby the wine wholesaler, as an independent business, constitutes a component of a winery's distribution system;

c. A relationship whereby the wine wholesaler's business is substantially associated with a brand offered by a winery;

d. A relationship whereby the wine wholesaler's business is substantially reliant on a winery for the continued supply of wine;

e. The shipment, preparation for shipment, or acceptance of any order by any winery or its agent for any wine or beverages to a wine wholesaler within this State;

f. The payment by a wine wholesaler and the acceptance of payment by any winery or its agent for the shipment of any order of wine or beverages intended for sale within this State.

(2) "Territory" or "sales territory" means the area of primary sales responsibility expressly or implicitly designated by any agreement between any wine wholesaler and winery for a brand offered by any winery.

(3) "Wine wholesaler" means any holder of a wine wholesaler permit, wine importer permit, or bottler permit issued under the authority of this Chapter.

(4) "Winery" means any holder of an unfortified winery permit, fortified winery permit, limited winery permit, farm winery permit, or nonresident wine vendor permit issued under the authority of this Chapter who sells at least 1,250 cases of wine in North Carolina per year."

SECTION 28.(h) The North Carolina Department of Agriculture and Consumer Services shall study ways to promote farm wineries within the State, including the development of a "passport" program where customers visiting a given number of farm wineries may receive a form of special recognition, such as a special sticker for their car. The Department shall report its findings and recommendations, including any legislative proposals, to the Agriculture and Forestry Awareness Study Commission no later than February 1, 2016.

SECTION 28.(i) Subsection (h) of this section is effective when this act becomes law. The remainder of this section becomes effective July 1, 2016, and applies to permits issued on or after that date.

CLARIFY THE PESTICIDE BOARD'S AUTHORITY TO RELICENSE AND RECERTIFY LICENSEES FOR PESTICIDE DEALERS, APPLICATORS, AND PEST CONTROL CONSULTANTS

SECTION 29.(a) G.S. 143-449 reads as rewritten:

"**§ 143-449. Qualifications for pesticide dealer license; examinations.**

(a) An applicant for a license must present evidence satisfactory to the Board concerning his qualifications for such license.

(b) Each applicant shall satisfy the Board as to his responsibility in carrying on the business of a pesticide dealer. Each applicant for an original license must demonstrate upon written, or written and oral, examination to be prescribed by the Board his knowledge of pesticides, their usefulness and their hazards; his competence as a pesticide dealer; and his knowledge of the laws and regulations governing the use and sale of pesticides. A nonrefundable fee of fifty dollars ($50.00) shall be charged for each examination required by this section. This examination fee is in addition to any fee authorized pursuant to any other provision of Article 4C of Chapter 106 of the General Statutes.

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of a pesticide dealer operating more than one location, and in the case of an applicant that is a corporation, governmental unit or agency, or other organized group;

(2) Provide for license renewal ~~license examinations~~ by completion of continuing certification credit requirements as prescribed by the Board or reexaminations at intervals not more frequent than four years."

SECTION 29.(b) G.S. 143-453 reads as rewritten:

"**§ 143-453. Qualifications for pesticide applicator's license; examinations.**

...

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of an applicant that is a corporation or governmental unit or agency;

(2) Provide for license renewal ~~examinations~~ by completion of continuing certification credit requirements as prescribed by the Board or reexaminations at intervals not more frequent than four years, or more frequently if found by the Board to be required to be necessary in order to qualify North Carolina's State pesticide control plan for federal approval."

SECTION 29.(c) G.S. 143-455 reads as rewritten:

"**§ 143-455. Pest control consultant license.**

...

(d) Pest control consultants shall be subject to the same provisions as pesticide applicators concerning penalties for late applications for license, changes of address, transferability of licenses, continuing certification credit requirements, periodic reexamination, and examinations for corporate applicants."

CLARIFY THAT PROJECTS FOR THE PURPOSE OF COMMERCIAL RESALE OF NATURAL GAS OR PROPANE GAS ARE NOT ELIGIBLE FOR THE EXPANDED GAS PRODUCTS SERVICE TO AGRICULTURE FUND

SECTION 30. G.S. 143B-437.020(a)(3) reads as rewritten:

"**§ 143B-437.020. Natural gas and propane gas for agricultural projects.**

(a) Definitions. –

...

(3) Eligible project. – A discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas or propane gas service. A project intended for the purpose of commercial resale of natural gas or propane gas shall not be an eligible project."

LIMIT THE PERSONALLY IDENTIFYING INFORMATION THAT THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES MAY DISCLOSE ABOUT ITS ANIMAL HEALTH PROGRAMS

SECTION 31. G.S. 106-24.1 reads as rewritten:

"**§ 106-24.1. Confidentiality of information collected and published.**

All information published by the Department of Agriculture and Consumer Services pursuant to this Part shall be classified so as to prevent the identification of information received from individual farm operators. All information generated by any federal agency received pursuant to this Part ~~from individual farm operators~~ that is confidential under federal law shall be held confidential by the Department and its employees. All information collected by the Department from ~~individual farm operators for the purposes of its animal health programs,~~ farm owners or animal owners, including, but not limited to, certificates of veterinary inspection, animal medical records, laboratory ~~reports,~~ reports received or generated from samples submitted for analysis, or other records that may be used to identify a person or private business entity subject to regulation by the Department shall not be disclosed without the permission of the owner unless the State Veterinarian determines that disclosure is necessary to prevent the spread of an animal disease or to protect the public health, or the disclosure is necessary in the implementation of these animal health programs."

ALLOW DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO REGISTER OUTSOURCING FACILITIES ENGAGED IN THE COMPOUNDING OF STERILE DRUGS

SECTION 32. G.S. 106-140.1, as amended by S.L. 2015-241, reads as rewritten:

"**§ 106-140.1. Registration of producers of prescription drugs and devices.**

(a) On or before December 31 of each year, every person doing business in North Carolina and operating as a wholesaler, manufacturer, outsourcing facility, or repackager, as those terms are defined in subsection (j) of this section, shall register with the Commissioner his name and business location(s) in North Carolina. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(b) Every person, upon first operating as a wholesaler, ~~manufacturer~~ manufacturer, outsourcing facility, or repackager in North Carolina shall immediately register with the Commissioner his name, place of business, and such establishment. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(c) Every person duly registered in accordance with subsections (a) and (b) of this section shall register with the Commissioner any additional establishment that he owns or operates in the State of North Carolina prior to doing business as a manufacturer, ~~wholesaler~~wholesaler, outsourcing facility, or repackager.

(d) The Commissioner may assign a registration number to any person or any establishment registered in accordance with this section.

(e) The Commissioner shall make available for inspection to any person so requesting any registration filed pursuant to this section.

(f) The following classes of people are exempt from the registration requirements of this section:

(1) Pharmacists as defined in G.S. 90-85.3(q) holding a valid permit as defined in G.S. 90-85.3(m);

(2) Practitioners licensed or registered by law to prescribe or administer drugs and who manufacture, prepare, compound, or process drugs or devices solely for use in the course of their professional practice.

(3) Persons who manufacture, prepare, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale.

(4) Other classes of persons the Commissioner may by rule exempt from the application of this section upon a finding that registration by these classes of persons in accordance with this section is not necessary for the protection of the public health.

(5) Wholesale distributors of prescription drugs licensed under G.S. 106-145.3.

(g) Every establishment in the State of North Carolina registered with the Commissioner pursuant to this section shall be subject to inspection pursuant to G.S. 106-140.

(h) The Commissioner shall adopt rules to implement the registration requirements of this section. These rules shall provide for an annual registration fee of one thousand dollars ($1,000) for companies operating as ~~manufacturers~~manufacturers, outsourcing facilities, or repackagers and seven hundred dollars ($700.00) for companies operating as wholesalers. The Department of Agriculture and Consumer Services shall use these funds for the implementation of the North Carolina Food, Drug and Cosmetic Act.

(i) For the purposes of this act, name means the name of the partnership if a partnership and the name of the corporation if a corporation.

(j) As used in this section:

(1) The term "manufacturer" means a person who prepares, derives, or produces a prescription drug. Pharmacists are specifically excluded from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(2) The term "prescription drug" means a drug that under federal law is required, prior to being dispensed or delivered, to be labeled with the following

statement: "Caution: Federal law prohibits dispensing without a prescription."

(3) The term "repackager" means a person who repacks, relabels, or manipulates a prescription drug which was in a unit packaged and sealed by a manufacturer. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(4) The term "wholesaler" means a person acting as a jobber, wholesale merchant, salvager, or broker, or agent thereof, who sells or distributes for resale a prescription drug. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(5) The term "outsourcing facility" means a manufacturer at a single geographic location or address that is engaged in the compounding of sterile drugs, has elected to register as an outsourcing facility with the Food and Drug Administration, and complies with the requirements as provided in 21 U.S.C. § 353b. Exemptions provided by 21 U.S.C. § 353b(a) with respect to labeling, new drug registration, and distribution supply chain requirements shall also apply to compounded drugs distributed in North Carolina by an outsourcing facility."

EXEMPTIONS FROM CERTAIN DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES PERMITS AND WASTE ANALYSIS DURING IMMINENT THREAT OF CONTAGIOUS ANIMAL DISEASE

SECTION 33.(a) G.S. 106-399.4(a) reads as rewritten:

"(a) When determined by the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, that there is an imminent threat within the State of a contagious animal disease that has the potential for very serious and rapid spread, is of serious socioeconomic and public health consequence, or is of major importance in the international trade of animals and animal products, the State Veterinarian or an authorized representative may develop and implement any emergency measures and procedures that the State Veterinarian determines necessary to prevent and control the animal disease. Any emergency measure or procedure relating to composting of dead domesticated animals pursuant to this Part shall be deemed to be permitted pursuant to G.S. 143-215.1(b) and it shall not be necessary for the Department of Environment and Natural Resources to issue individual permits."

SECTION 33.(b) G.S. 143-215.10C is amended by adding a new subsection to read:

"(f2) Periodic testing of waste products as required in subdivision (6) of subsection (e) of this section, subsection (f) of this section and subsection (f1) of this section may be temporarily suspended in compliance with G.S. 106-399.4 when the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, determines that there is an imminent threat within the State of a contagious animal disease. The suspension of testing only applies to the animal operation types designated by the State Veterinarian, and shall be in effect for a period of time that the State Veterinarian deems necessary to prevent and control the animal disease. During the suspension of waste analysis, waste product nutrient content to be used for application of waste at no greater than agronomic rates shall be established by the 1217 Interagency Committee as created by Session Law 1995-626."

CLARIFY CONSTRUCTION OF FARM BUILDINGS ON STATE PROPERTY

SECTION 34. G.S. 143-138(b4) reads as rewritten:

"(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are greenhouses, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) A "farm building" shall ~~include any~~ include:

a. Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of spectator-seating structures in effect at the time of the construction of the spectator-seating.

b. Any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.

c. Any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. The term "agriculture" has the same meaning as in G.S. 106-581.1. The term "unoccupied" does not exclude the keeping of livestock.

(1a) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more glass or plastic walls, has an area over ninety-five percent (95%) of which is used to grow or cultivate plants, is built in accordance with the National Greenhouse Manufacturers Association Structural Design manual, and is not used for retail sales. Additional provisions addressing distinct life safety hazards shall be approved by the local building-rules jurisdiction.

~~(3) A "farm building" shall include any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no~~

~~more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.~~

(4) A "primitive camp" shall include any structure primarily used or associated with outdoor camping activities, including structures used for educational, instructional, or recreational purposes for campers and for management training, that are (i) not greater than 4,000 square feet in size and (ii) are not intended to be occupied for more than 24 hours consecutively. "Structures primarily used or associated with outdoor camping activities" include, but are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins, campfire shelters, picnic shelters, tents, tepees or other indigenous huts, support buildings used only for administrative functions and not for activities involving campers or program participants, and any other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with outdoor camping activities such as hiking, fishing, hunting, or nature appreciation, regardless of material used for construction. The specific types of primitive camping activities, structures, and uses set forth in this subdivision are for illustrative purposes and should not be construed to limit, in any manner, the types of activities, structures, or uses that are exempted from building rules.

(5) A "primitive farm building" shall include any structure used for activities, instruction, training, or reenactment of traditional or heritage farming practices. "Primitive farm buildings" include, but are not limited to, sheds, barns, outhouses, doghouses, or other structures that are utilized to store any equipment, tools, commodities, livestock, or other items supporting farm management. These specific types of farming activities, structures, and uses set forth by this subdivision are for illustrative purposes and should not be construed to limit in any manner the types of activities, structures, or uses that are exempted from building rules.

~~(6) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.~~"

WILDLIFE SEARCH AND SEIZURE MODIFICATIONS

SECTION 35.(a) G.S. 113-136(k) reads as rewritten:

"(k) It is unlawful to refuse to exhibit upon request by any inspector, protector, or other law enforcement officer any item required to be carried by any law or rule as to which inspectors or protectors have enforcement jurisdiction. The items that must be exhibited include boating safety or other equipment or any license, permit, tax receipt, certificate, or identification. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect ~~weapons, equipment, fish, or wildlife that~~weapons or equipment if the officer reasonably believes them to be possessed incident to an activity regulated by any law or rule as to which inspectors and protectors have enforcement ~~jurisdiction.~~jurisdiction and the officer has a reasonable suspicion that a violation has been committed, except that an officer may inspect a shotgun to confirm whether it is plugged or unplugged without a reasonable suspicion that a violation has been committed. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect fish or wildlife for the purpose of ensuring compliance with bag limits and size limits. Except as authorized by G.S. 113-137, nothing in this section gives an inspector, protector, or other law enforcement officer the authority to inspect, in the absence of a person in apparent control of the item to be inspected, any of the following:

(1) Weapons.

(2) Equipment, except for equipment left unattended in the normal operation of the equipment, including, but not limited to, traps, trot lines, crab pots, and fox pens.
(3) Fish.
(4) Wildlife."

SECTION 35.(b) The Wildlife Resources Commission shall report to the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2016, and annually thereafter, on the number of complaints received against Commission law enforcement officers, the subject matter of the complaints, and the geographic areas in which the complaints were filed.

SECTION 35.(c) Subsection (a) of this section becomes effective December 1, 2015, and applies to offenses committed on or after that date. The remainder of this section is effective when it becomes law.

TECHNICAL CORRECTIONS

SECTION 36.(a) G.S. 14-137, as amended by S.L. 2015-241, reads as rewritten:

"**§ 14-137. Willfully or negligently setting fire to woods and fields.**

If any person, firm or corporation shall willfully or negligently set on fire, or cause to be set on fire, any woods, lands or fields, whatsoever, every such offender shall be guilty of a Class 2 misdemeanor. This section shall apply only in those counties under the protection of the Department of ~~Environmental Quality~~Agriculture and Consumer Services in its work of forest fire control. It shall not apply in the case of a landowner firing, or causing to be fired, his own open, nonwooded lands, or fields in connection with farming or building operations at the time and in the manner now provided by law: Provided, he shall have confined the fire at his own expense to said open lands or fields."

SECTION 36.(c) G.S. 69-25.5 reads as rewritten:

"**§ 69-25.5. Methods of providing fire protection.**

Upon the levy of such tax, the board of county commissioners shall, to the extent of the taxes collected hereunder, provide fire protection for the district –

(1) By contracting with any incorporated city or town, with any incorporated nonprofit volunteer or community fire department, or with the Department of ~~Environment and Natural Resources~~Agriculture and Consumer Services to furnish fire protection, or
(2) By furnishing fire protection itself if the county maintains an organized fire department, or
(3) By establishing a fire department within the district, or
(4) By utilizing any two or more of the above listed methods of furnishing fire protection."

SECTION 36.(d) G.S. 143-166.13 reads as rewritten:

"**§ 143-166.13. Persons entitled to benefits under Article.**

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

(1) State Government Security Officers, Department of Administration;
(2) State Correctional Officers, Division of Adult Correction of the Department of Public Safety;
(3) State Probation and Parole Officers, Division of Adult Correction of the Department of Public Safety;
(4) Sworn State Law-Enforcement Officers with the power of arrest, Division of Adult Correction of the Department of Public Safety;
(5) Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice;

(6) State Highway Patrol Officers, Department of Public Safety;
(7) General Assembly Special Police, General Assembly;
(8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;
(9) Juvenile Justice Officers, Division of Juvenile Justice of the Department of Public Safety;
(10) Insurance Investigators, Department of Insurance;
(11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Public Safety;
(12) Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;
(13) Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;
(14) Utilities Commission Transportation Inspectors and Special Investigators;
(15) North Carolina Ports Authority Police, Department of Transportation;
(16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment and Natural Resources;
(17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Public Safety.
(18) Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue.
(19) Sworn State Law-Enforcement Officers with the power of arrest, University System.
(20) Sworn State Law-Enforcement Officers with the power of arrest, Department of Agriculture and Consumer Services.

(b) The following persons are entitled to benefits under this Article regardless of whether they are subject to the Criminal Justice Training and Standards Act:
(1) Driver License Examiners injured by accident arising out of and in the course of giving a road test, Division of Motor Vehicles, Department of Transportation;
(2) Employees of the Division of Adult Correction of the Department of Public Safety injured by a direct and deliberate act of an offender supervised by the Division or while performing supervisory duties over offenders which place the employees at risk of such injury.

(c) As used in this Article, the term "eligible person" or "person" shall mean any individual listed under subsection (a) or (b) of this section."

ALLOW ALTERNATE FORMS OF DOCUMENTATION FOR PARTICIPATION IN CERTAIN AGRICULTURAL COST-SHARE PROGRAMS

SECTION 37.(a) G.S. 106-850(b)(10) reads as rewritten:

"(10) To be eligible for cost share funds under this program, each applicant must establish that ~~he or she is engaged in farming by providing any of the following to the Soil and Water Conservation Commission with his or her application:~~the applicant meets the definition of a bona fide farm as described by G.S. 153A-340(b)(2).

~~a. A copy of the farm owner's or operator's federal tax Schedule F (Form 1040) or an equivalent form for the most recent tax year showing the owner's or operator's profit or loss from farming.~~

~~b. A copy of the farm's agricultural exemption certificate issued to the farm owner or operator by the Department of Revenue.~~

~~c. For forestland actively engaged in the commercial growing of trees under a sound management program as defined in G.S. 105-277.2(6), a copy of the sound forest management plan described in G.S. 105-277.3(g).~~"

SECTION 37.(b) G.S. 139-60(c1) reads as rewritten:

"(c1) To be eligible for assistance under this program, each applicant must establish that ~~he or she is engaged in farming by providing to the Soil and Water Conservation Commission with his or her application:~~the applicant meets the definition of a bona fide farm as described by G.S. 153A-340(b)(2).

~~(1) A copy of the farm owner's or operator's federal tax Schedule F (Form 1040) or an equivalent form for the most recent tax year showing the owner's or operator's profit or loss from farming.~~

~~(2) A copy of the farm's agricultural exemption certificate issued to the farm owner or operator by the Department of Revenue.~~

~~(3) For forestland actively engaged in the commercial growing of trees under a sound management program as defined in G.S. 105-277.2(6), a copy of the sound forest management plan described in G.S. 105-277.3(g).~~"

SECTION 37.(c) This section is effective when it becomes law and applies to applications submitted or pending on or after that date.

EFFECTIVE DATE AND SEVERABILITY CLAUSE

SECTION 38.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 38.(b) Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **813** **(CS#1)** Results First Framework.

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

SB **258** **(CS#1)** Party Exec. Comm./Fill Vacancy/Washington Cty.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB **698** State IT/Utility-Based Cloud Computing.

Draft Number:	S698-PCS35313-TJ-60
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Tine

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **371** **(CS#1)** LME/MCO Claims Reporting.

Draft Number:	S371-PCS45415-SH-59
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Dollar

SB **391** **(CS#1)** Enjoin Street Gang/Expires in Three Years.

Draft Number:	S391-PCS15278-ST-96
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	McElraft

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **159** **(HCS#1)** Corrected Reval./Minimal Refunds/Prop. Taxes.

Draft Number:	S159-PCS15277-TD-47
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Brawley

TOTAL REPORTED: 6

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB NO. 3, UNFAVORABLE HOUSE COM SUB NO. 2

SB **513** **(HCS#2)** North Carolina Farm Act of 2015.

Draft Number:	S513-PCS45416-TQxf-32
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Dixon

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE RULES, CAL, OPER. OF HOUSE

DATE: 09/24/15 Room: 1228

House Sgt-At Arms:

1. Name: YOUNG BAE
2. Name: BILL MORRIS
3. Name: JIM MORAN
4. Name: MARK CONE
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Knorr	NCDOL
Carr McLamb	TSS
Madeline Keeter	CaroMont Health
Nathan Batts	NCBA
Dan Lantz	NCSTA
Tom Bean	EDE, NCSEA, NCAFT
Julie Robinson	NCSEA
Bruce Parker	UNCDG
Dan [illegible]	SA
Kim Lamb	NCBIA
Chris Agnew	DOJ
David Ferrell	VB
	MWC

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Bales	Bradley Assoc.
Tracy Weeks	DPI
Dale Peak	
Skyle David	DPI
Nancy Barbour	DPI
Cady Thomas	Follow Forward
Chris Emanuel	Emanuel Group
Mark Emmy	Gibbons
Daniel VanLierre	Vibrant Health
Laurie Amore	LALC
Chris McClure	BP

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jonathan Kappler	UNC GA
Mary Shuping	NCCCS
Pam Cashwell	NCSEC
Alex Miller	AMGA
Elizabeth Bis	BP

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	NWC
	Kaylor Law
	Duke
	Duke
	PENC; CASNC
Adam Pridemore	NCASA
Leanne Winner	NCSBA
Katherine Joyce	NCASA
Butch Gunnells	NC BON
	NCAEL
	NCAEL

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CASANDRA HOEKSTRA	NCACC
Johanna Reese	NCACC
Josh Ehrich	JDA
Amanda [illegible]	"
Jak [illegible]	NCAOA
[illegible]	[illegible]
Amy [illegible]	NCDA
[illegible]	NCDOC
Martha Jenkins	DNCR
JARRET BURR	NC DPS
Brian Mcwald	WM
Rick Zechini	WM

VISITOR REGISTRATION SHEET

RULES, CAL, AND OPER. OF HOUSE — 09/24/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jackson Accent	NSS
Chuck Greene	AT+T
Trey Raben	AT&T
Jillian Tolman	MWC LLC
Jon Carr	Jordan Price
Paul Sherron	NCFB
Jay Hicks	NCDA&CS
Lisa Martin	Cap. Ad
Michelle Frazier	MF+S
Julie Wall	NCMMC
Drew Moretz	UNCGA

House Committee on Rules, Calendar, and Operations of the House
Monday, September 28, 2015 at 11:00 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 11:00 AM on September 28, 2015 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, L. Hall, Jackson, L. Johnson, Lewis, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 313 Industrial Hemp. (Senator Bingham)
Rep. Collins spoke on the bill. Jake Parker, NC Farm Bureau; Johanna Reese, NCACC; Amanda Styron, Industrial Hemp Association all spoke on the bill. Stam moves favorable report to the proposed committee substitute, unfavorable to the original. The motion carries.

SB 363 Expand Outdoor Food Service at Public Events. (Senator Hartsell)
No motion was made on this bill.

SB 119 GSC Technical Corrections 2015. (Senator Hartsell)
No motion was made on this bill. Delayed until calendar next day.

SB 95 Performance-Based RIF/School Policy. (Senators Barefoot, Soucek)
No motion was made on this bill.

SB 524 Grad Requirements/Sports Pilot. (Senators Curtis, Soucek, Tillman)
Rep. Stam presented the bill. Amendment ATB-40 was adopted. Amendment ATB-39 was adopted. Stam Amendment was adopted. Public comment included Faye Gore from DPI. The Jackson Amendment was adopted. Stam moves for a favorable report to the PCS as amended, unfavorable to the original. Motion carries.

SB 670 Term Limits for BOG Members. (Senator Apodaca)
Rep. Daughtry moves for a favorable report. The motion carries.

HB 805 Measurability Assessments. (Representatives Blackwell, Avila)
Rep. John Bell moves for a favorable report. The motion carries.

The meeting adjourned at 12:04 PM.

David R Lewis

Representative David R. Lewis, Chair
Presiding

Mark Coggins

Mark Coggins, Committee Clerk

Corrected #2: The committee will reconvene at 6:55pm.

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Monday, September 28, 2015
TIME: **11:00 AM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 313	Industrial Hemp.	Senator Bingham
SB 363	Expand Outdoor Food Service at Public Events.	Senator Hartsell
SB 119	GSC Technical Corrections 2015.	Senator Hartsell
SB 95	Performance-Based RIF/School Policy.	Senator Barefoot Senator Soucek
SB 524	Grad Requirements/Sports Pilot.	Senator Curtis Senator Soucek Senator Tillman
SB 670	Term Limits for BOG Members.	Senator Apodaca
HB 805	Measurability Assessments.	Representative Blackwell Representative Avila

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:36 PM on Wednesday, October 07, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE BILL 670:
Term Limits for BOG Members

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 28, 2015
Introduced by:	Sen. Apodaca	**Prepared by:**	Drupti Chauhan
Analysis of:	Third Edition		Committee Counsel

SUMMARY: Senate Bill 670 would limit individuals to three terms on the Board of Governors of The University of North Carolina (BOG and would clarify that an election for a partial term to fill a vacancy would not count against the three term limitation.

CURRENT LAW: An individual cannot be elected to more than three four-year terms in succession to the BOG.

BILL ANALYSIS: Senate Bill 670 would limit individual to three terms on the BOG and would clarify that an election for a partial term to fill a vacancy would not count against the three term limitation.

EFFECTIVE DATE: The bill would become effective when it becomes law and begins with elections held on or after January 1, 2015.

O. Walker Reagan
Director

S670-SMRQ-56 E3 -V1

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 3

SENATE BILL 670
Education/Higher Education Committee Substitute Adopted 4/22/15
Third Edition Engrossed 4/23/15

Short Title: Term Limits for BOG Members. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO LIMIT MEMBERS OF THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO THREE TERMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-6(e) reads as rewritten:

"(e) ~~No~~ Beginning with elections held on or after January 1, 2015, no person may be elected ~~to:~~

~~(1)~~ ~~More~~ to more than three full four-year ~~terms in succession;~~terms. Election for a partial term to fill a vacancy as provided in G.S. 116-7 shall not count toward the three-term limitation.

~~(2) A four-year term if preceded immediately by election to two full eight-year terms in succession; or~~

~~(3) A four-year term if preceded immediately by election to an eight-year term and a four-year term in succession.~~

~~Resignation from a term of office does not constitute a break in service for the purpose of this subsection. Service prior to the beginning of those terms in 1989 shall be included in the limitations.~~"

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

SENATE BILL 95

Short Title:	Performance-Based RIF/School Policy.	(Public)
Sponsors:	Senators Barefoot, Soucek (Primary Sponsors); Krawiec, Rabin, Sanderson, and Smith-Ingram.	
Referred to:	Rules and Operations of the Senate.	

February 23, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT LOCAL BOARDS OF EDUCATION ADOPT PERFORMANCE-BASED REDUCTION IN FORCE POLICIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-325.4 is amended by adding a new subsection to read:

"(c) Local boards of education shall adopt a policy for implementing a reduction in force pursuant to subdivision (a)(15) of this section that includes the following criteria:

(1) In determining which positions shall be subject to a reduction, a local school administrative unit shall consider the following:

a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.

b. Organizational considerations, such as anticipated organizational needs of the school system and program or school enrollment.

(2) In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations."

SECTION 2. G.S. 115C-325(e)(2) reads as rewritten:

"(2) Reduction in Force. –

a. A local board of education shall adopt a policy for implementing a reduction in force pursuant to sub-subdivision (e)(1)l. of this section that includes the following criteria:

1. In determining which positions shall be subject to a reduction, a local school administrative unit shall consider the following:

I. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student

or other demands for curriculum, programs, operations, or other services.

II. Organizational considerations, such as anticipated organizational needs of the school system and program or school enrollment.

2. In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations.

b. Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his or her recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he or she shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a hearing officer shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)l., above, his or her name shall be placed on a list of available career employees to be maintained by the board."

SECTION 3. Effective June 30, 2018, G.S. 115C-325(e)(2), as amended by this act, is repealed.

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

SENATE BILL 95:
Achievement School District Pilot

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 24, 2015
Introduced by:	Sens. Barefoot, Soucek	**Prepared by:**	Kara McCraw and Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S95-CSTC-41		

SUMMARY: ***Senate Bill 95 would direct local boards of education (local boards) to adopt performance based reduction in force policies.***

The Proposed Committee Substitute for SB 95 would remove all of the provisions of the original bill and would create the Achievement School District (ASD), a State-level and statewide school administrative unit for low-performing schools from across the State.

CURRENT LAW: Administration of public schools in the State is primarily at the local level, with the exception of certain schools that serve specialized populations administered at the State level. There are 115 local school administrative units (LEAs) in North Carolina which largely correspond to counties or, in some cases, cities.

G.S. 115C-105.37B allows LEAs with continually low-performing schools to request approval from the State Board of Education to adopt certain reform models for those schools, including the "restart model" which authorizes the local board to operate a school with the same flexibility of a charter school (expect for certain employment requirements) or under the management of an educational management organization selected through a rigorous review process. These schools remain under the control of the local board of education.

SECTION 1

BILL ANALYSIS:

Definitions – G.S. 115C-75.5 sets forth the definitions related to the ASD.

Achievement School District – G.S. 115C-75.6 establishes the ASD under the control of the State Board of Education (SBE), and that it is headed by the ASD Superintendent. Recommendations for selection of the ASD Superintendent would be made by a Selection Advisory Committee, headed by the Lt. Governor with final appointment by the SBE.

Selection of Achievement Schools – G.S. 115C-75.7 provides that the SBE, upon the recommendation of the ASD Superintendent, would select 5 qualifying elementary schools to transfer to the ASD as achievement schools. No more than 1 school could be selected from each LEA, and the selected schools should reflect geographic diversity.

Selection Process: To qualify for consideration, the elementary school must meet one of the following:

- Received a school performance score in the lowest 5% in the prior school year of all schools that include all or part of grades K-5 unless 1 of the following apply:
  - That school both exceeded growth in at least one of the prior 3 school years and met growth in at least one of the prior 3 school years.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- One of the reform models in G.S. 115C-105.37B for continually low-performing schools has been adopted for the school.

- Received a school performance score in the lowest 10% of all schools that include all or part of grades K-5 in the prior school year and designated by the local board of education for consideration as an achievement school by the SBE.

The ASD Superintendent must consider the school's performance over the past 3 years, conduct an evaluation of the school, confer with local officials, hold a public hearing, and make recommendations to the SBE by November 15. The SBE must select the prospective schools by January 15.

Local Board of Education Determination: Once notified that an elementary school in the LEA has been selected, the local board must adopt a resolution no later than March 1 to: (i) close the school at the end of the school year; (ii) consent to the transfer of the school to the ASD, or (iii) request adoption of the principal turnaround reform model under G.S. 115C-105.37B. Prior to the determination, the local board must hold a public hearing on the proposed transfer, closure, or adoption of the principal turnaround reform model.

Public Notification: A list of the qualifying and selected achievement schools would be made publically available on the ASD website.

Waivers for AS Schools: The ASD Superintendent may waive SBE rules, regulations, policies, and procedures, or the provisions of this Chapter for achievement schools but they must comply with, at a minimum, the statutory requirements for charter schools as provided in Article 14A of this Chapter.

Selection of AS Operators – G.S. 115C-75.8 requires the SBE to select operators for the achievement schools (AS operators) by February 15.

Selection Criteria: The AS operators would be selected based on recommendations of the ASD Superintendent. To qualify for selection, an AS operator must show (i) a record of results in improving persistently low-performing schools or (ii) a credible and specific plan for improving student achievement in a low-performing school.

Community outreach opportunities: The selected AS operators would have to be given opportunity to hold public information sessions and other outreach to the community, school, and local board prior to the local board's adoption of the transfer/closure resolution by March 1.

Management of Achievement Schools – G.S. 115C-75.9 requires the direct management of an achievement school by an AS operator for a 5 year contract. The AS operator would have a direct role in making decisions on school finance, human capital, and curriculum and instruction.

Assignment to Achievement Schools: Achievement schools must remain open to enrollment in the same manner with the same attendance zone as prior to becoming an achievement school. If the local board's student reassignments due to populations changes or openings or closures of other schools impacts the achievement school, the AS operator can appeal to the ASD Superintendent and request a hearing before the SBE on the reassignment and the SBE would determine if the local board's reassignment plan may proceed.

Facility and Capital Expenditures: The LEA in which the achievement school is located would remain responsible for facility and capital expenditures for the achievement school. An occupancy agreement must be agreed up and differences can be petitioned to the SBE for resolution. The AS operator would have the first priority in facility use for any purpose related to the operation of the school.

Transportation: The local board of education must provide transportation of all students assigned to the achievement school in the same manner as transportation is provided for schools within the LEA.

Alternate Arrangements for Memorandums of Understanding: If the AS operator chooses to do so, facilities, capital, transportation, and services for children with disabilities may be addressed in a different manner through a memorandum of understanding (MOU) which must finalized within 30 days of the request of the AS operator. The SBE would resolve any disputes.

Student Records: The local board of education must make student records available to the achievement school at no cost.

Achievement School Employees: The AS operator must select and hire the school principal for the school and select staff members as guided by the ASD Superintendent. The AS operator and the ASD Superintendent must interview existing staff members at the school and review student data for those staff members. They may also review personnel files for the existing staff members and have the authority to decide whether existing staff members shall continue as employees of the achievement school. Those hired to work in an achievement school would be employees of the ASD and under its exclusive control and would continue to be State employees on the terms of the employment established by the AS operator.

Local Boards of Education Employees: The transfer of a school to the ASD would be reorganization of the LEA resulting in a reduction of force. If an employee is not hired by the ASD, then the local board of education may: (i) continue the employee's employment with the local board of education; (ii) dismiss the employee due to a reduction in force; and (iii) dismiss the employee on other grounds.

Liability Insurance: The AS operator must maintain liability insurance as established by the SBE with no civil liability attaching to the local boards of education for any acts or omissions of the AS operators.

School Nutrition Program: The achievement school shall participate in the National School Lunch Program.

Achievement School Funds – G.S. 115C-75.10 provides for the funding allocation to achievement schools. The AS Operator may choose between Designated Funding or a Funding Memorandum of Understanding.

Designated Funding:

The SBE would allocate to the ASD for each achievement school:

- An amount equal to the average per pupil allocation for average daily membership from the LEA allotments in which the achievement school was located for each child at the achievement school except for the allocations for children with disabilities, children with limited English proficiency, and transportation.
- An additional amount for each child that is a child with a disability.
- An additional amount for each child with limited English proficiency.
- The transportation allocation would be given to the LEA in which the achievement school is located.

The LEA must transfer an amount equal to the per pupil share of the local current expense fund with any dispute resolved by the method provided for charter schools. Revenue derived from supplemental taxes can only be transferred to an achievement school in the tax district for which these taxes are levied and in which the student resides.

Funding Memorandum of Understanding: The AS operator may enter into a funding memorandum of understanding with the local board of education for all student support and operational and instructional services to be provided by the local board of education in the same manner and degree as the prior school years or funding in an amount equal to what the local board of education would have spent on those services. These services include cafeteria services, custodial services, broadband and utilities etc. Disputes would be resolved by the SBE.

The ASD may seek federal, State, and other funds in the same manner as an LEA, including decisions related to allocation of State funds among achievement schools.

Accountability and Governance for Achievement Schools – G.S. 115C-75.11 provides that the AS operator would select and hire the school principal, and would have authority to remove the principal. The AS operator must have an agreement with the principal on specific goals for the school related to higher academic outcomes for students with that agreement posted on the ASD website.

Terms of Supervision for an Acheivement School – G.S. 115C-75.12 states that the achievement school must remain under the supervision of the ASD for at least 5 consecutive years through a contract with an AS operator. An achievement school can remain under the supervision of the ASD for no more than 8 years.

Early Termination of Contract Based on Performance: If the achievement school's annual percentage growth does not exceed the average annual percentage growth of other qualifying schools for 3 consecutive years during the 5 year contract, the SBE may terminate the contract at the end of that academic year and select another AS operator to assume the remainder of the contract.

Closure of Achievement School Based on Performance: If at the end of the 5 year contract, the achievement school's average annual percentage growth during the term of the contract does not exceed the average annual percentage growth of other qualifying schools for the same term, the SBE must close the achievement school and develop a transition plan to return the school to the LEA.

State Board Optional Extension of Contract for 3 years: If by the end of the 5 year contract, the achievement school remains a qualifying school but has exceeded the average annual percentage growth of other qualifying schools, the SBE, upon the recommendation of the ASD Superintendent can continue the contract with the AS operator for another 3 years.

If the SBE does not elect to continue the contract, it may: (i) select another AS operator for a 3 year contract; (ii) close the school; or (iii) develop a transition plan to return the school to the LEA.

AS Operator Option to Extend Contract for 3 years: If by the end of the 5 year contract, the achievement school receives a grade of C or higher under the performance grades issued to schools, the AS operator has the option to extend the contract for 3 years. Stakeholders shall develop a transition plan for the school to leave the ASD at the end of the 3 year extension with the options at the end of the contract being as follows: (i) conversion to a charter school if the local board of education does not wish to receive the school back into the LEA (if no charter is received, the SBE may close the school) or (ii) the SBE may select another AS operator for a 3 year contract or develop a transition plan to return the school to the LEA for the next school year.

Termination of Contract on Other Grounds: The SBE may terminate a contract with an AS operator at any time during the contract for financial mismanagement, noncompliance with federal or State laws, failure to comply with the contract, or evidence of criminal activity.

SECTION 2

BILL ANALYSIS:

This section directs the SBE to report annually to the ASD Superintendent on schools identified as qualifying schools for consideration to be selected as achievement schools.

SECTION 3

BILL ANALYSIS: This section adds the principal turnaround model for a local board of education to utilize in reforming a school in its LEA that has been identified as a continually low-performing school or as a qualifying school that was not selected as an achievement school.

The principal turnaround model requires the following:

- The local board replacing the current principal with a turnaround principal who has a proven record of success. The local board of education's selection must be approved by the SBE.
- The local board hiring a turnaround principal on a 5 year contract that includes significant compensation and other incentives with the principal providing a written plan for improving student achievement.
- The local board considering recommendations of the turnaround principal on personnel and implementing them to the extent possible.
- Annually reporting by the turnaround principal on the principal's methods and the school's progress and performance to the local board of education.
- Sharing of information with other turnaround principals on a regular basis. The ASD shall also serve as a resource for turnaround principals.
- Authority for the turnaround principal to select staff assigned to the school.
- Provision of additional discretionary funds by the local board of education to the turnaround principal to address specific issues in the school, including but not limited to professional development, extended school days, or parent academies.
- Authorization by the SBE to operate the school with the same exemptions from statutes and rules as charter schools.

SECTION 4 – Conforming Change

BILL ANALYSIS: Makes conforming changes to personnel file statute.

SECTION 5 – School Improvement Grants Priority

BILL ANALYSIS: The Department of Public Instruction (DPI) must give first priority in awarding Title I federal funds to applications from LEAs that meet all eligibility requirements for School Improvement Grants and have consented to the transfer of a selected qualifying school to the ASD. DPI must submit the principal turnaround model as a State-determined whole school reform model to the United States Department of Education for School Improvement Grant funds.

SECTION 6 – ESEA Waiver Amendment

BILL ANALYSIS: Within 60 days of the effective date of the law, DPI must submit for approval to the US Department of Education an amendment to its Elementary and Secondary Education Act (ESEA) reflecting the ASD as a State initiative to turnaround low-achieving schools.

SECTION 7 – Independent Evaluation

BILL ANALYSIS: The SBE must contract with an independent research organization (IRO) to evaluate the implementation and effectiveness of the ASD at the conclusion of the initial 5 year

contracts in 2021. The IRO must include analysis on the impact of public versus private funding in evaluation the effectiveness of the ASD. The IRO must report its findings to the SBE by February 15, 2022, and the SBE must provide the report to the JLEOC by March 1, 2022, along with recommended legislative changes.

SECTION 8 – Appropriation

BILL ANALYSIS: It is the intent of the General Assembly to appropriate to DPI $200,000 for the 2015-2016 fiscal year for the salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD. It is the intent of the General Assembly to appropriate to DPI $375,000 for the 2016-2017 fiscal year for the salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD.

SECTION 9 – Appropriation

BILL ANALYSIS: It is the intent of the General Assembly to appropriate to DPI $375,000 for the 2016-2017 fiscal year and annually thereafter for principal turnaround reform model grants. The SBE must award principal turnaround reform model grants of up to $75,000 per fiscal year for five years to local boards of education who (i) have been authorized to adopt the principal turnaround reform model by the SBE for a school, and (ii) provide a dollar for dollar match with non-State funding for the requested grant amount. Principal turnaround reform model grants must be used by local boards of education to provide substantial incentives for turnaround principals and to provide additional discretionary funds for use by the turnaround principal to address specific issues in the school.

SECTION 10 – Effective Only if Funds are Appropriated

BILL ANALYSIS: This act becomes effective only if funds are appropriated by the Current Operations Appropriations Act of 2015 for the Achievement School District.

EFFECTIVE DATE:

This act is effective when it becomes law, and applies beginning with the 2016-2017 school year. In the discretion of the SBE (i) the ASD Superintendent may not be required during the 2015-2016 school year to recommend qualifying schools for inclusion in the ASD for the 2016-2017 school year and (ii) the timeline for selection of achievement schools for the 2016-2017 school year provided in G.S. 115C 75.7 may be varied, but in no event may the local board of education's decision occur later than April 1, 2016. The SBE may select up to five qualifying schools to transfer to the ASD beginning with the 2016-2017 school year, but must select at least two qualifying schools to transfer to the ASD no later than the 2017-2018 school year and shall have selected five qualifying schools for transfer to the ASD no later than the 2018-2019 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 95
PROPOSED HOUSE COMMITTEE SUBSTITUTE S95-CSTC-41 [v.40]

9/17/2015 5:40:26 PM

Short Title: Achievement School District Pilot. (Public)

Sponsors:

Referred to:

February 23, 2015

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE ACHIEVEMENT SCHOOL DISTRICT.

The General Assembly of North Carolina enacts:

SECTION 1. Subchapter III of Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 7A.
Achievement School District.

"**§ 115C-75.5. Definitions.**

The following definitions apply in this Article:

(1) Achievement school. – An elementary school under the supervision of the Achievement School District.

(2) Achievement School District or ASD. – The statewide school unit established pursuant to this Article.

(3) Achievement school operator or AS operator. – An entity selected by the State Board of Education upon the recommendation of the ASD Superintendent to operate an achievement school. The State Board of Education shall only select an entity currently operating a school or schools in the State or a contractual affiliate of such an entity as an AS operator.

(4) ASD Superintendent. – The superintendent of the ASD appointed by the State Board of Education in accordance with G.S. 115C-75.6(b).

(5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37, that meets one of the following criteria:

a. Received a school performance score in the lowest five percent (5%) of all schools that include all or part of grades kindergarten through fifth in the prior school year, unless one of the following apply:

1. That school both exceeded growth in at least one of the prior three school years and met growth in at least one of the prior three school years.

2. One of the models established in G.S. 115C-105.37B for continually low-performing schools has been adopted for that school.

b. Received a school performance score in the lowest ten percent (10%) of all schools that include all or part of grades kindergarten through fifth in the prior school year and has been designated by the local board of education for consideration by the State Board of Education as an achievement school.

"**§ 115C-75.6. Achievement School District.**

(a) There is established the Achievement School District (ASD) under the administration of the State Board of Education. The ASD shall assume the supervision, management, and operation of elementary schools that have been selected as achievement schools pursuant to this Article.

(b) An ASD Superintendent Selection Advisory Committee shall be established to make a recommendation to the State Board of Education on appointment of a superintendent to serve as an executive officer of the ASD. The Committee shall ensure that the individual recommended has qualifications consistent with G.S. 115C-271(a). The Lieutenant Governor shall serve as chair of the Committee, and shall appoint the following additional members:

(1) Three members of the State Board of Education.

(2) One teacher or retired teacher.

(3) One principal or retired principal.

(4) One superintendent or retired superintendent.

(c) The State Board of Education or its designee shall consider the recommendation of the ASD Superintendent Selection Advisory Committee and shall appoint a superintendent to serve as the executive officer of the ASD. The ASD Superintendent shall serve at the pleasure of the State Board of Education at a salary established by the State Board within the funds appropriated for this purpose. The Superintendent of the ASD shall have qualifications consistent with G.S. 115C-271(a) and report directly to the State Board.

(d) By January 15 annually, the State Board and the ASD Superintendent shall report to the Joint Legislative Education Oversight Committee on all aspects of operation of ASD, including the selection of achievement schools and their progress.

"**§ 115C-75.7. Selection of achievement schools.**

(a) State Board Selection. – The State Board of Education is authorized to select, upon the recommendation of the Superintendent of the ASD, no more than five qualifying schools to transfer to the ASD as achievement schools. The five qualifying schools selected for inclusion in the ASD should represent geographic diversity, including urban and rural schools. The State Board of Education shall select no more than one qualifying school per local school administrative unit.

(b) Selection Process. – The selection of qualifying schools shall be based on an analysis of performance over the most recent three-year period. Prior to recommendation of selection of a qualifying school, the ASD Superintendent shall conduct an evaluation of the school to determine the factors contributing to the school's performance and shall confer with the school principal, local board of education members, the local school superintendent, and the local board of county commissioners to share the findings of the evaluation. The school selection process shall also include a public hearing to allow for parent and community input. The ASD Superintendent shall evaluate and identify the qualifying schools to recommend for selection as prospective achievement schools no later than November 15 prior to the initial school year in which the school may operate as an achievement school, and shall notify the local boards of education where prospective achievement schools are located by that date. The State Board of Education shall select the prospective achievement schools no later than January 15.

(c) Local Board Response. – Upon notification by the ASD Superintendent of selection by the State Board of Education of the qualifying school as a prospective achievement school, the local board of education shall determine whether to (i) close the selected qualifying school, (ii) transfer the school into the ASD, or (iii) request adoption of the principal turnaround reform model for the qualifying school, as provided in and subject to G.S. 115C-105.37B. The local board shall not be required to undertake the study required by G.S. 115C-72 before closing the school. Before the adoption of a resolution, the local board of education shall provide for a public hearing in regard to the proposed transfer, closure, or adoption of the principal

turnaround reform model, at which hearing the public shall be afforded an opportunity to express their views. No later than March 1, the local board of education shall adopt a resolution either (i) consenting to transfer of the selected qualifying school to the ASD as an achievement school, (ii) closing that school at the conclusion of that school year or (iii) requesting adoption of the principal turnaround reform model for the qualifying school. The State Board of Education may delay the transfer of a selected school to the ASD for one year upon the recommendation of the ASD Superintendent.

(d) Public Notification. – The list of qualifying schools and selected achievement schools shall be made publically available on a Web site maintained by the ASD.

(e) Waivers for AS Schools. – The ASD Superintendent may waive State Board of Education rules, regulations, policies, and procedures, or the provisions of this Chapter for achievement schools; however achievement schools shall be required to comply with, at a minimum, the statutory requirements for charter schools as provided in Article 14A of this Chapter. The goal for each waiver shall be improvement of student performance. All achievement schools shall comply with all applicable constitutional and statutory nondiscrimination requirements.

"**§ 115C-75.8. Selection of AS operators.**

(a) The State Board of Education may select an AS operator for a prospective achievement school by January 15, and shall select an AS operator for a prospective schools no later than February 15.

(b) The State Board of Education, upon the recommendation of the ASD Superintendent, shall only select an entity to contract as an AS operator if that entity demonstrates one of the following:

(1) A record of results in improving performance of persistently low-performing schools.

(2) A credible and specific plan for dramatically improving student achievement in a low-performing school.

(c) The selected AS operator shall be provided opportunities to hold public informational sessions and other outreach to the community, prospective achievement school, and local board of education of a prospective achievement school prior to a local board's adoption of the resolution required by G.S. 115C-75.7(c).

"**§ 115C-75.9. Management of achievement schools.**

(a) Direct Management by AS Operator. – An achievement school shall be subject to direct management by an AS operator selected by the State Board of Education, upon the recommendation of the ASD Superintendent, for a five-year contract.

(b) Role of AS Operator. – The AS operator shall be authorized to have a direct role in making decisions about school finance, human capital, and curriculum and instruction for the achievement school while developing the leadership capacity in such schools.

(c) Assignment to Achievement Schools. – All achievement schools shall remain open to enrollment in the same manner with the same attendance zone as prior to becoming an achievement school. If a local board of education's reassignment of students within the local school administrative unit due to student population changes or openings or closures of other schools impacts the achievement school, the AS operator may appeal to the ASD Superintendent and request a hearing before the State Board of Education regarding the reassignment. Notwithstanding G.S. 115C-366, the State Board of Education shall, after hearing from both the local board of education and AS operator, determine whether the reassignment of students impacting the achievement school may proceed.

(d) Facility and Capital Expenditures. – Facility and capital expenditures shall be provided as follows:

(1) In addition to the transfer of funds as provided in G.S. 115C-75.10, the local board of education shall be responsible for facility and capital expenditures at the qualifying school.

(2) All AS operators and local boards of education shall enter into an occupancy agreement establishing the terms of occupancy for the AS operator not otherwise addressed in statute. If the parties are unable to reach agreement, either party may petition the State Board of Education to resolve any issues in dispute.

(3) The AS operator shall have first priority in use of the facility for any purpose related to the operation of the achievement school. The local board of education, with the consent of the AS operator, may allow use of the facility by governmental, charitable, civic, or other organizations for activities within the community, and may retain any funds received for such use.

For the purposes of this subsection, facility and capital expenditures includes routine maintenance and repair and capital expenditures includes building repair and maintenance, furniture, furnishings, and equipment.

(e) Transportation. – The local board of education shall provide transportation of all students assigned to the achievement school in the same manner as provided for other schools in the local school administrative unit in that school year.

(f) Memorandums of Understanding for Alternate Arrangements. – Notwithstanding this section, the AS operator, in consultation with the ASD Superintendent, may elect to enter into a memorandum of understanding for alternate arrangements with the local board of education to address any of the following:

(1) Facility and capital expenditures.

(2) Transportation services.

(3) Services for Children with Disabilities.

If a AS operator elects to use a memorandum of understanding for alternate arrangements, the AS operator and local board of education shall finalize the memorandum of understanding within 30 days of the initial request by the AS operator. If the parties have not completed the memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

(g) Student Records. – The local board of education shall make available in a timely fashion all student records to the achievement school at no cost for all students of that school.

(h) Achievement School Employees. – The AS operator shall select and hire the school principal for an achievement school. Within the limits of the school budget, the AS operator or its designee shall select staff members in accordance with guidance from the ASD Superintendent. Before finalizing staffing recommendations, the AS operator and the ASD Superintendent shall interview all existing staff members at the qualifying school and review student growth and performance data for those staff members for whom it is available. Notwithstanding Article 21A of this Chapter, the AS operator and the ASD Superintendent shall be permitted to examine personnel files of existing staff members for the qualifying school. The AS operator shall have the authority to decide whether any administrator, teacher, or staff member previously assigned to a qualifying school selected to become an achievement school shall continue as an employee of the achievement school. Any such employees retained shall become employees of the ASD. An employee hired to work in an achievement school shall be an employee of the ASD, and the employees shall be under the exclusive control of the ASD. All employees of the ASD shall be eligible for enrollment in the Teachers' and State Employees' Retirement System of North Carolina, State Health Plan, and other benefits available to State employees. The AS operator shall provide funds to the ASD in an amount sufficient to provide salary and benefits for employees of the ASD working in the achievement school based on the terms of employment established by the AS operator.

(i) Employees of Local Board of Education. – The transfer of a qualifying school shall be deemed a reorganization of the local school administration unit resulting in a reduction in force. If an employee is not given the option to continue as an employee for the achievement school, the local board of education may, in its discretion, do any of the following:

(1) Continue the employee's employment with the local board of education.

(2) Dismiss the employee due to a reduction in force as provided in Article 22 of this Chapter.

(3) Dismiss the employee as otherwise provided in Article 22 of this Chapter.

(j) Liability Insurance. – The AS operator shall maintain reasonable amounts and types of liability insurance as established by the State Board of Education. No civil liability shall attach to the local boars of education, or to any of its members or employees, individually or collectively, for any acts or omissions of the AS operator.

(k) School Nutrition Program. – The achievement school shall participate in the National School Lunch Program, as provided in G.S. 115C-264.

(l) Cooperation with ASD Superintendent. – The local board of education shall cooperate with the ASD Superintendent in carrying out his or her powers and duties as necessary in accordance with this Chapter."

"**§ 115C-75.10. Achievement schools funds.**

(a) Funding Allocation Selection. – State and local funding for an achievement school shall be allocated as provided in subsection (b) or subsection (c) of this section. The AS operator shall select one of the allocation methods as the method to be used for the achievement school.

(b) Designated Funding. – Funding shall be allocated to the ASD for the achievement school by the State Board of Education and local board of education as follows:

(1) The State Board of Education shall allocate to the ASD for each achievement school:

a. An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the achievement school was located for each child attending the achievement school except for the allocations for (i) children with disabilities, (ii) children with limited English proficiency, and (iii) transportation. The State Board shall provide the allocation for transportation to the local school administrative unit in which the achievement school is located.

b. An additional amount for each child attending the achievement school who is a child with disabilities.

c. An additional amount for children with limited English proficiency attending the achievement school, based on a formula adopted by the State Board.

(2) The local school administrative unit in which the achievement school is located shall transfer to the ASD for the achievement school an amount equal to the per pupil share of the local current expense fund of the local school administrative unit for the fiscal year. The per pupil share of the local current expense fund shall be transferred to the ASD for the achievement school within 30 days of the receipt of monies into the local current expense fund. The local school administrative unit and ASD may use the process for mediation of differences between the State Board and a charter school provided in G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share of the local current expense fund. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a achievement school

located in the tax district for which these taxes are levied and in which the student resides. The local school administrative unit shall also provide the ASD with all of the following information within the 30-day time period provided in this subsection:

a. The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

b. The student membership numbers used to calculate the per pupil share of the local current expense fund.

c. How the per pupil share of the local current expense fund was calculated.

d. Any additional records requested by the ASD from the local school administrative unit in order for the ASD to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

(c) Funding Memorandum of Understanding. – The AS operator, in consultation with the ASD Superintendent, may enter into a funding memorandum of understanding with the local board of education of the local school administrative unit where the achievement school is located for all student support and operational services and instructional services to be provided by the local board of education in the same manner and degree as in the prior school year or funding in an amount equivalent to the amount the local board of education would have expended on those services if provided. For the purposes of this subsection, student support and operational services include cafeteria services, custodial services, broadband and utilities, and student information services, and instructional services includes alternative education, special education services, test administration services, textbooks, technology, media resources, instructional equipment, and other resources. The AS operator and local board of education shall finalize the funding memorandum of understanding within 30 days of the initial request for the memorandum by the AS operator. If the parties have not completed the funding memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

(d) The ASD may seek, manage and expend federal money and grants, State funding, and other funding with the same authority as a local school administrative unit, including decisions related to allocation of State funds among achievement schools."

"**§ 115C-75.11. Accountability and governance for achievement schools.**

(a) The AS operator shall set clear goals, empower and equip teachers and school leaders to meet the goals, and hold such teachers and school leaders accountable to meet the goals. The AS operator shall apply to the ASD Superintendent for appropriate waivers for the achievement school pursuant to G.S. 115C-75.7(d).

(b) The AS operator shall select, approve, or remove the school principal of an achievement school that it is managing in accordance with this Article.

(c) The AS operator shall enter into an agreement with the school principal regarding specific goals for the achievement school related to higher academic outcomes for students, safe and positive learning environments for children, parent and community engagement, and the efficient and effective use of taxpayer dollars. The agreement shall be made publically available on the ASD website.

(d) An achievement school shall not be included in any State evaluation or performance models used for the local school administrative unit in which the school is located, but shall be considered a part of the ASD for all evaluation purposes.

"**§ 115C-75.12. Term of supervision for an achievement school.**

(a) An achievement school shall remain under the supervision of the ASD for a minimum of five consecutive years through a contract with an AS operator. The following shall apply to the term of a contract with an AS operator of an achievement school:

(1) Early Termination of Contract Based on Performance. – If during the five-year contract, the achievement school's annual percentage growth does not exceed the average annual percentage growth of other qualifying schools for three consecutive years, the State Board of Education, upon the recommendation of the ASD Superintendent, may terminate the contract at the conclusion of the academic year and select another AS operator in accordance with G.S. 115C-75.8 to assume the remainder of the five-year contract and any occupancy agreements or memorandums of understanding with the local board of education at the beginning of the next academic year.

(2) Closure of Achievement School Based on Performance. – If by the end of the five-year contract, the achievement school's average annual percentage growth during the term of the contract does not exceed the average annual percentage growth of other qualifying schools during the same term, the State Board of Education shall close the achievement school and develop a transition plan to return the school to the local school administrative unit.

(3) State Board Optional Extension of Contract for Three Years. – If by the end of the five-year contract, the achievement school remains a qualifying school, but has exceeded the average annual percentage growth of other qualifying schools, the State Board of Education, upon the recommendation of the ASD Superintendent in his or her discretion, may continue the contract with the AS operator for an additional three-year term. The ASD Superintendent and AS operator shall engage the school, the school community, and the school's local board of education in developing a transition plan for the school to leave the supervision of the ASD at the conclusion of the three-year extension of the contract. If the State Board does not elect to continue the contract, the State Board may do any of the following:

a. Select another AS operator for a three-year contract.

b. Close the school as provided in subdivision (2) of this subsection.

c. Develop a transition plan to return the school to the local school administrative unit for the next school year.

(4) AS Operator Option to Extend Contract for Three Years. – If by the end of the five-year contract, the achievement school receives a grade of C or higher under G.S. 115C-12(9)c1., the AS operator shall have the option to extend the contract for another three-year term. The ASD Superintendent and AS operator shall engage the school, the school community, and the school's local board of education in developing a transition plan for the school to leave the supervision of the ASD at the conclusion of the three-year extension of the contract. Options at the conclusion of the contract shall include the following:

a. Conversion to Charter. – If, in the development of the transition plan, a local board of education indicates by resolution to the State Board of Education that the local board elects to not receive the transfer of the achievement school back to the local school administrative unit, the AS operator may apply to convert the school to a charter school under Article 14A of this Chapter. If a charter is awarded, the charter board of directors may request to use the facility as provided in G.S. 115C-218.35. If the AS operator does not seek conversion to a charter school or fails to receive a charter, the State Board may close the school as provided in subdivision (2) of this subsection.

b. Alternate AS Operator or Return to Local School Administrative Unit. – If the AS operator does not elect to continue the contract, the State Board may select another AS operator for a three-year contract or may develop a transition plan to return the school to the local school administrative unit for the next school year.

(6) Termination of Contract on Other Grounds. – The State Board of Education, upon the recommendation of the ASD Superintendent, may terminate a contract with an AS operator at any time during the contract for financial mismanagement, noncompliance with federal or State laws, failure to comply with the terms of the contract, or evidence of criminal activity. The State Board of Education shall develop a transition plan to return the school to the local school administrative unit.

(b) An achievement school shall remain under the supervision of the ASD for no more than eight years.

(c) The State Board of Education shall make all decisions related to contracts for AS operators no later than May 1."

SECTION 2. G.S. 115C-105.37A is amended by adding a new subsection to read:

"(c) The State Board shall report annually to the Superintendent of the Achievement School District on any schools identified under this section as qualifying schools as defined in G.S. 115C-75.5 for consideration to be selected as achievement schools in accordance with Article 7A of this Chapter."

SECTION 3. G.S. 115C-105.37B(a) reads as rewritten:

"(a) Notwithstanding any other provision of this ~~Article,~~Article or Article 7A of this Chapter, the State Board of Education is authorized to approve a local board of education's request to reform any school in its administrative unit which the State Board of Education has identified as (i) one of the continually low-performing schools in North ~~Carolina.~~Carolina or (ii) as a qualifying school that is not selected as an achievement school under G.S. 115C-75.7.

If the State Board of Education approves a local board of education's request to reform a school, the State Board of Education may authorize the local board of education to adopt one of the following models in accordance with State Board of Education requirements:

(1) Transformation model, which would address the following four specific areas critical to transforming a continually low-performing school:
   a. Developing and increasing teacher and school leader effectiveness.
   b. Comprehensive instructional reform strategies.
   c. Increasing learning time and creating community-oriented schools.
   d. Providing operational flexibility and sustained support.

(2) Restart model, in which the State Board of Education would authorize the local board of education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Article 14A of this Chapter, or under the management of an educational management organization that has been selected through a rigorous review process. A school operated under this subdivision remains under the control of the local board of education, and employees assigned to the school are employees of the local school administrative unit with the protections provided by Part 3 of Article 22 of this Chapter.

(3) Turnaround model, which would involve, among other actions, replacing the principal, if the principal has been in that position for at least three years, and rehiring no more than fifty percent (50%) of the school's staff, adopting a new governance structure at the school consistent with this Article, and implementing an instructional program aligned with the Standard Course of Study.

(4) School closure model, in which a local school administrative unit would close the school consistent with G.S. 115C-72 and enroll the students who attended the school in other, higher-achieving schools in the local school administrative unit consistent with Article 25 of this Chapter.

(5) Principal Turnaround model, which would require the following:

a. Replacing the current principal with a turnaround principal. The local board of education, after consultation with the Superintendent of the Achievement School District, shall select an individual with a proven record of success as a principal or superintendent as a turnaround principal. The local board of education's selection shall be approved by the State Board of Education to serve as a turnaround principal.

b. Notwithstanding G.S. 115C-287.1, hiring the turnaround principal on a five year contract that shall include significant compensation and other incentives, as determined by the local board of education. The turnaround principal shall be required as a term of the contract to develop a written plan with clear goals for dramatically improving student achievement at the school, including empowering and equipping teachers and school leaders to meet the goals, and holding such teachers and school leaders accountable to meet the goals.

c. The local board of education shall consider all recommendations of the turnaround principal with regard to personnel assigned to the school, and shall, to the extent possible, implement those recommendations.

d. Annually reporting by the turnaround principal on the principal's methods and the school's progress and performance to the local board of education. The turnaround principal's report shall be provided to the State Board of Education.

e. Sharing of information with other turnaround principals on a regular basis. The Achievement School District shall also serve as a resource for turnaround principals.

f. Authority for the turnaround principal to select staff assigned to the school.

g. Provision of additional discretionary funds by the local board of education to the turnaround principal to address specific issues in the school, including but not limited to professional development, extended school days, or parent academies.

h. Authorization by the State Board of Education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Article 14A of this Chapter.

(a1) The State Board of Education shall authorize the adoption of the principal turnaround model in no more than 10 schools statewide."

SECTION 4. G.S. 115C-321(a) reads as rewritten:

(a) All information contained in a personnel file, except as otherwise provided in this Chapter, is confidential and shall not be open for inspection and examination except to any of the following persons:

(1) The employee, applicant for employment, former employee, or his properly authorized agent, who may examine his own personnel file at all reasonable times in its entirety except for letters of reference solicited prior to employment.

(2) The superintendent and other supervisory personnel.

(3) Members of the local board of education and the board's attorney.

(4) A party by authority of a subpoena or proper court order may inspect and examine a particular confidential portion of an employee's personnel file.

(5) An achievement school operator and the Superintend of the Achievement School District if the school where the individual is employed has been selected as an achievement school as provided in Article 7A of this Chapter."

SECTION 5.(a) The Department of Public Instruction, in its award of federal School Improvement Grant funds as authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965, shall give first priority in award of those funds to applications from a local school administrative units that (i) meet all eligibility requirements required for a School Improvement Grant and (ii) have consented to the transfer of a selected qualifying school to the Achievement School District.

SECTION 5.(b) The Department of Public Instruction shall submit the principal turnaround model, as established in G.S. 115C-105.37B(a)(5), as amended by this act, as a State-determined whole school reform model to the United States Department of Education for School Improvement Grant funds as authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965.

SECTION 6. Within 60 days of the date this act becomes law, the Department of Public Instruction shall submit for approval by the U.S. Department of Education an amendment to its flexibility waiver under the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., to reflect the Achievement School District as a State initiative to turnaround the lowest-achieving schools and ensure educational opportunities for all students.

SECTION 7. Evaluation of the Achievement School District. – The State Board of Education shall contract with an independent research organization to evaluate the implementation and effectiveness of the Achievement School District in turning around low-achieving schools at the conclusion of the initial five-year contracts in 2021. The independent research organization shall include an analysis on the impact of public versus private funding in the effectiveness of the Achievement School District. The independent research organization shall report its findings to the State Board of Education no later than February 15, 2022. The State Board of Education shall provide the report of the independent research commission to the Joint Legislative Education Oversight Committee no later than March 1, 2022, along with any recommended legislative changes. It is the intent of the General Assembly to appropriate funding for the evaluation of the Achievement School District in 2021.

SECTION 8. It is the intent of the General Assembly to appropriate to the Department of Public Instruction two hundred thousand ($200,000) for the 2015-2016 fiscal year for salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD. It is the intent of the General Assembly to appropriate to the Department of Public Instruction three hundred seventy five thousand ($375,000) for the 2016-2017 fiscal year and annually thereafter for salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD.

SECTION 9. It is the intent of the General Assembly to appropriate to the Department of Public Instruction three hundred seventy five thousand ($375,000) for the 2016-2017 fiscal year and annually thereafter for principal turnaround reform model grants. Upon appropriation of funds, the State Board of Education shall award principal turnaround reform model grants of up to seventy five thousand ($75,000) per fiscal year for five years to local boards of education who (i) have been authorized to adopt the principal turnaround reform model by the State Board for a school, and (ii) provide a dollar-for-dollar match with non-State funding for the requested grant amount. Principal turnaround reform model grants shall be used by local boards of education to provide substantial incentives for turnaround principals and to

provide additional discretionary funds for use by the turnaround principal to address specific issues in the school.

SECTION 10. This act becomes effective only if funds are appropriated by the Current Operations Appropriations Act of 2015 for the Achievement School District.

SECTION 11. This act is effective when it becomes law, and applies beginning with the 2016-2017 school year. In the discretion of the State Board of Education (i) the ASD Superintendent may not be required during the 2015-2016 school year to recommend qualifying schools for inclusion in the ASD for the 2016-2017 school year and (ii) the timeline for selection of achievement schools for the 2016-2017 school year provided in G.S. 115C-75.7 may be varied, but in no event may the local board of education's decision occur later than April 1, 2016. The State Board of Education may select up to five qualifying schools to transfer to the ASD beginning with the 2016-2017 school year, but shall select at least two qualifying schools to transfer to the ASD no later than the 2017-2018 school year and shall have selected five qualifying schools for transfer to the ASD no later than the 2018-2019 school year.

SENATE BILL 313: Industrial Hemp

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 24, 2015
Introduced by:	Sen. Bingham	**Prepared by:**	Jeff Cherry Staff Attorney
Analysis of:	PCS to Second Edition S313-CSTU-25		

SUMMARY: ***The PCS to Senate Bill 313 would (i) create the North Carolina Industrial Hemp Commission to establish and oversee a program to license growers to cultivate industrial hemp for commercial purposes and to promote the use of industrial hemp products; (ii) require the Commission to obtain funding from non-State sources of $200,000 before meeting or undertaking any of its statutory powers or duties; and (iii) decriminalize the production and use of industrial hemp upon the completion of permanent rulemaking by the Board of Agriculture of rulemaking proposals made by the Commission pertaining to supervision of the planting, cultivation, harvesting, and use of industrial hemp under license issued by the Commission.***

CURRENT LAW: The NC Controlled Substances Act defines Marijuana as "all parts of the plant of the genus Cannabis", but excludes from that definition "the mature stalks of such plant, fiber produced from such stalks, oil, or cake made from the seeds of such plant" and other compounds, manufactures, salts, derivatives, mixtures, or preparations of the stalks, fiber, oil, or cakes. G.S. 90-87.16. Because industrial hemp, (defined in the bill as varieties of the plant Cannabis sativa L. with THC levels of not more than 0.3%) is within the genus Cannabis, it is currently illegal to manufacture, sell, grow, or possess industrial hemp in North Carolina, with the limited exception of certain products produced from the mature stalks of Cannabis sativa. Case law in North Carolina has established that the burden of proof of proving the Cannabis material falls within the statutory exception provided in G.S. 90-87.16 rests with the defendant, which limits the utility of that exception for potential growers of industrial hemp.

BILL ANALYSIS: **Section 1** of the bill enacts a new Article 50F in Chapter 106 pertaining to Industrial Hemp. That article:

- Sets out a finding by the General Assembly that the promotion and encouragement of an industrial hemp industry is in the best interest of the State. (proposed G.S. 106-568.50)
- Sets up a five-member North Carolina Industrial Hemp Commission (The Commissioner of Agriculture, a chief of police appointed by the President Pro Tem, a sheriff appointed by the Speaker, a university faculty member in the field of agriculture appointed by the Governor, and a farmer appointed by the Commissioner). (proposed G.S. 106-568.52)
- Charges the Commission with setting up a pilot program to cultivate industrial hemp under a license it would issue. The Commission is also tasked with seeking any necessary permit or waiver from the US Drug Enforcement Agency or any other federal agency necessary to set up an industrial hemp pilot program. Though the program is called a pilot program, there is no limit on the number of acres or the number of cultivation permits the Commission could issue. Presumably, these limits might be included in the federal permit or waiver allowing the program. (proposed G.S. 106-568.53(1) and (2))

Kory Goldsmith
Director

* S 3 1 3 - S M M H - 2 C S T U - 2 5 - V 2 *

Legislative Drafting
(919) 733-6660

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Authorizes the Commission to charge an initial license fee based on acreage of no more than $10,000, and an annual fee of $250 plus $2.00 per acre of industrial hemp cultivated. (proposed G.S. 106-568.53(3))
- Charges the Commission with various duties related to research of marketing and cultivation of industrial hemp in the State. (proposed G.S. 106-568.53(5), (6), and (7))
- Provides that the Commission may not meet or exercise any of its duties until it has obtained funding to support its activities from sources other than State funds (proposed G.S. 106-568.54)

The Commission is not empowered to issue its own rules governing industrial hemp cultivation. Under the bill, the Commission would recommend rules to the Board of Agriculture pertaining to testing of industrial hemp during cultivation to verify THC levels, verification of seeds and plants cultivated to ensure they are industrial hemp, and interface with local law enforcement to verify and enforce that only industrial hemp is being produced.

Section 2 of the bill excludes from the definition of "marijuana" in the NC Controlled Substances Act industrial hemp, when it is produced and used in compliance with the rules issued by the Board of Agriculture as recommended by the Industrial Hemp Commission.

Section 3 of the bill requires the Board of Agriculture to issue permanent rules implementing the act upon the recommendation of the Industrial Hemp Commission.

EFFECTIVE DATE: The portion of the act decriminalizing industrial hemp cultivation, sale and possession becomes effective only after permanent rules governing the cultivation, production, and sale are adopted by the Board of Agriculture. The remainder of the act is effective when it becomes law.

SUNSET: The act (and the Commission) sunsets on June 30 of the fiscal year in which the Commission adopts a resolution that a State pilot program is no longer necessary because industrial hemp has been decriminalized by an act of the U.S. Congress

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 313
House Committee Substitute Favorable 7/22/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S313-PCS15279-MH-15

Short Title: Industrial Hemp. (Public)

Sponsors:

Referred to:

March 18, 2015

A BILL TO BE ENTITLED

AN ACT TO RECOGNIZE THE IMPORTANCE AND LEGITIMACY OF INDUSTRIAL HEMP RESEARCH, TO PROVIDE FOR COMPLIANCE WITH PORTIONS OF THE FEDERAL AGRICULTURAL ACT OF 2014, AND TO PROMOTE INCREASED AGRICULTURAL EMPLOYMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 50E.
"Industrial Hemp.

"**§ 106-568.50. Legislative findings and purpose.**

The General Assembly finds and declares that it is in the best interest of the citizens of North Carolina to promote and encourage the development of an industrial hemp industry in the State in order to expand employment, promote economic activity, and provide opportunities to small farmers for an environmentally sustainable and profitable use of crop lands that might otherwise be lost to agricultural production. The purposes of this Article are to establish an agricultural pilot program for the cultivation of industrial hemp in the State, to provide for reporting on the program by growers and processors for agricultural or other research, and to pursue any federal permits or waivers necessary to allow industrial hemp to be grown in the State.

"**§ 106-568.51. Definitions.**

The following definitions apply in this Article:

(1) Certified seed. – Industrial hemp seed that has been certified as having a delta-9 tetrahydrocannabinol concentration less than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. §§ 801 et seq.

(2) Commercial use. – The use of industrial hemp as a raw ingredient in the production of hemp products.

(3) Commission. – The North Carolina Industrial Hemp Commission created by this Article.

(4) Department. – The North Carolina Department of Agriculture.

(5) Grower. – Any person licensed to grow industrial hemp by the Commission pursuant to this Article.

(6) Hemp products. – All products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard,

plastics, seed, seed meal and seed oil for consumption, and certified seed for cultivation if the seeds originate from industrial hemp varieties.

(7) Industrial hemp. – All parts and varieties of the plant Cannabis sativa (L.), cultivated or possessed by a grower licensed by the Commission, whether growing or not, that contain a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis.

(8) Tetrahydrocannabinol or THC. – The natural or synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, cannabis, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.

"**§ 106-568.52. North Carolina Industrial Hemp Commission.**

(a) Creation and Membership. – The North Carolina Industrial Hemp Commission is established and shall consist of five members as follows:

(1) The Commissioner of Agriculture or the Commissioner's designee, who shall serve as vice-chair.

(2) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who shall at the time of appointment be a municipal chief of police.

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who shall at the time of appointment be an elected sheriff or the sheriff's designee.

(4) One appointed by the Governor who shall at the time of appointment be a full-time faculty member of a State university who regularly teaches in the field of agricultural science.

(5) One appointed by the Commissioner of Agriculture, who shall be a full-time farmer with at least 10 years' of experience in agricultural production in the State.

(b) Terms of Members. – Members of the Commission shall serve terms of four years, beginning effective July 1 of the year of appointment, and may be reappointed to a second four-year term. The terms of members designated by subdivisions (a)(1), (a)(2), and (a)(4) of this section shall expire on June 30 of any year evenly divisible by four. The terms of the remaining members shall expire on June 30 of any year that follows by two years a year evenly divisible by four.

(c) Chair. – The members of the Commission shall elect a chair. The chair shall serve a two-year term and may be reelected.

(d) Vacancies. – Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be made by the original appointing authority and shall be for the balance of the unexpired term.

(e) Removal. – The appointing authority shall have the power to remove any member of the Commission appointed by that authority from office for misfeasance, malfeasance, or nonfeasance.

(f) Reimbursement. – The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(g) Quorum. – Three members of the Commission shall constitute a quorum for the transaction of business.

(h) Staff. – The Commission is authorized and empowered to employ no more than two persons as staff to assist the Commission in the proper discharge of its duties and responsibilities. The chair of the Commission shall organize and direct the work of the Commission staff. The salaries and compensation of all such personnel shall be determined by

the Commission; provided, however, that the aggregate cost for salaries and benefits of the staff may not exceed two hundred thousand dollars ($200,000).

"**§ 106-568.53. Powers and duties of the Commission.**

The Commission shall have the following powers and duties:

(1) To establish an agricultural program to grow or cultivate industrial hemp in the State. The Commission shall pursue any permits or waivers from the United States Drug Enforcement Agency or any other federal agency that are necessary for the establishment of the industrial hemp cultivation pilot program established by this Article.

(2) To issue licenses allowing a person, firm, or corporation to cultivate industrial hemp for commercial purposes to the extent allowed by federal law, upon proper application as the Commission may specify. Each licensee shall provide a complete and accurate legal description of the location of the industrial hemp farming operation, including GPS coordinates, and the license shall be issued for cultivation only in those locations identified in the application and shall include on its face the description of those areas. The Department shall provide administrative support to the Commission for the processing of applications and issuance of licenses.

(3) To support the Commission's activities, and to reimburse the Department for expenses associated with the issuance of cultivation licenses under subdivision (2) of this section, the Commission may charge the following fees:

a. An initial, graduated license fee, to be paid by each cultivator, based upon the number of acres proposed for cultivation of industrial hemp, not to exceed ten thousand dollars ($10,000), with incentive provisions to encourage the participation of small acreage farmers.

b. An annual fee that is the sum of two hundred fifty dollars ($250.00) and two dollars ($2.00) per acre of industrial hemp cultivated.

In setting fees under this subdivision, the Commission may create fair and reasonable licensing preferences for license applicants from North Carolina counties that have been recognized as economically depressed or disadvantaged.

(4) To receive gifts, grants, federal funds, and any other funds both public and private needed to support the Commission's duties and programs.

(5) To establish procedures for reporting to the Commission by the growers and processors for agricultural or academic research and to collaborate and coordinate research efforts with the appropriate departments or programs of North Carolina State University and North Carolina A & T State University.

(6) To study and investigate marketplace opportunities for hemp products to increase the job base in the State by means of employment related to the production of industrial hemp.

(7) To study and investigate methods of industrial hemp cultivation that are best suited to soil conservation and restoration.

(8) To propose to the Board of Agriculture for adoption reasonable rules and regulations necessary to carry out the purposes of this Article, which shall include, but are not limited to, rules for all of the following:

a. Testing of the industrial hemp during growth to determine tetrahydrocannabinol levels. Testing methods and protocols shall comply in all respects with any and all applicable federal requirements.

b. Supervision of the industrial hemp during its growth and harvest, including rules for verification of the type of seeds and plants used and grown by licensees.

c. The production and sale of industrial hemp, consistent with the rules of the United States Department of Justice and Drug Enforcement Administration for the production, distribution, and sale of industrial hemp.

d. Means and methods for assisting law enforcement agencies to efficiently ascertain information regarding the legitimate and lawful production of industrial hemp.

e. Strategies and programs for the promotion of industrial hemp products and markets, in conjunction with the North Carolina Department of Agriculture, the North Carolina Department of Commerce, the University of North Carolina system, and the community college system.

f. The fees authorized by subdivision (3) of this section.

The Commission shall include in its rulemaking proposals the adoption by reference or otherwise the federal regulations in effect regarding industrial hemp and any subsequent amendments to those regulations. No North Carolina rule, regulation, or statute shall be construed to authorize any person to violate any federal law or regulation.

(9) To undertake any additional studies relating to the production, distribution, or use of industrial hemp as requested by the General Assembly, the Governor, or the Commissioner of Agriculture.

"**§ 106-568.54. Limitations.**

The Commission shall not meet or undertake any of its powers and duties under this Article until it has obtained funding from sources other than State funds of at least two hundred thousand dollars ($200,000) to support operations of the Commission. Funding from non-State sources for the Commission's activities may be returned to the donor or funder if not spent or encumbered within 12 months, upon request of the donor or funder. Non-State funds donated and carried over at the end of the fiscal year in which they are donated shall be retained and remain eligible for expenditure in the following fiscal year."

SECTION 2. G.S. 90-87(16) reads as rewritten:

"(16) "Marijuana" means all parts of the plant of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber produced from such stalks, oil, or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination. The term does not include industrial hemp as defined in G.S. 106-568.51, when the industrial hemp is produced and used in compliance with rules issued by the Board of Agriculture upon the recommendation of the North Carolina Industrial Hemp Commission."

SECTION 3. The Board of Agriculture may adopt temporary rules to implement the provisions of this act and shall adopt permanent rules as recommended by the North Carolina Industrial Hemp Commission.

SECTION 4. Section 2 of this act becomes effective on the first day of the month following the adoption of permanent rules pursuant to Section 3 of this act and applies to acts involving the production, possession, or use of industrial hemp occurring on or after that date.

The remainder of this act is effective when it becomes law. This act shall expire on June 30 of the fiscal year in which the North Carolina Industrial Hemp Commission adopts and submits to the Governor and to the Revisor of Statutes a resolution that a State pilot program allowing farmers to lawfully grow industrial hemp is no longer necessary because (i) the United States Congress has enacted legislation that removes industrial hemp from the federal Controlled Substances Act and (ii) the legislation has taken effect.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 313

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

S313-AMH-64 [v.2]

Amends Title [NO]
S313-CSTU-25

Date _____,2015

Representative Lewis

moves to amend the bill on page 4, lines 45-46, by rewriting the line to read:
"in compliance with rules issued by the Board of Agriculture upon the recommendation of the North Carolina Industrial Hemp Commission.";

and on page 5, line 3, by rewriting the line to read:

"fiscal year in which the North Carolina Industrial Hemp Commission adopts and submits to the".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE BILL 805:
Measurability Assessments

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 23, 2015
Introduced by:	Reps. Blackwell, Avila	**Prepared by:**	Karen Cochrane-Brown
Analysis of:	Second Edition		Staff Attorney

SUMMARY: House Bill 805 would establish the North Carolina Measurability Assessment Act of 2015 to provide for assessments of State programs.

BILL ANALYSIS:

Section 1 would establish the North Carolina Measurability Act of 2015 to provide for assessments of State programs as follows:

- The General Assembly may require a measurability assessment of any proposed or existing State program to determine whether the program is or will be capable of reporting performance and return on investment.
- A measurability assessment is an independent evaluation that must include or determine among other things:
    - Whether and to what degree the program is unique and does not duplicate or negate results of another public or private program or enterprise.
    - The local, regional, or statewide problems or needs that the program is intended to address.
    - Whether there is a program design portrayed by a logic model as defined by the Logic Model Development Guide by the W.K. Kellogg Foundation.
    - Whether there is evidence that the program produces results attributable to the program to remedy the problem or need.
    - The capacity of the administering entity to expand the program based upon existing evidence or results.
    - How the program proposes to engage in strategic planning.
    - How the program proposes to measure performance.
    - How the program will continuously improve quality of program services and consistency with the strategic plan.
    - Whether the administering entity has conducted an assessment to identify financial and legal risks to the entity or the State and has plans for minimizing risk exposure.
    - Whether the program conducts five-year forecasts of annual recurring costs and sources of funding for each year.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

  - Whether the program proposes to share costs with primary beneficiaries through a fee-for-service, co-payment, or tuition basis and the extent to which any expected cost-sharing is or will be means tested and by what method.
  - How program staffing requirements are determined and an evaluation of those requirements.
  - Whether the program has or proposes to have a financial accounting system capable of accounting for all assets, liabilities, receipts, and disbursements.
  - Whether the program is or will be postaudited and if there are any potential impediments to audits or evaluations by the State Auditor, agency internal auditors, or the Program Evaluation Division of the General Assembly (PED).
- The assessor must submit a written report containing the results of the measurability assessment to the Office of State Budget and Management (OSBM) and PED.
- OSBM, in consultation with PED, would identify independent measurability assessors as follows:
  - OSBM must use a competitive process to prequalify independent measurability assessors.
  - OSBM, in consultation with PED, will establish standards for assessor qualifications, independence, and for conducting and reporting measurability assessments.
  - Whenever a measurability assessment is required, OSBM, in consultation with PED, will select the assessor and require the agency or institution to reimburse OSBM for the assessor's costs and for a share of OSBM costs for administering the measurability assessment program.

Section 2 would appropriate $75,000 to the Office of State Budget and Management for the 2015-2016 fiscal year for the implementation of the act.

EFFECTIVE DATE: This act would become effective October 1, 2015.

Jeff Hudson, counsel to the House Regulatory Reform committee, substantially contributed to this summary.

HOUSE BILL 805
Committee Substitute Favorable 8/13/15

Short Title: Measurability Assessments. (Public)

Sponsors:

Referred to:

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR MEASURABILITY ASSESSMENTS OF STATE PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. The North Carolina General Statutes are amended by adding a new Chapter to read:

"**Chapter 143E.**

"**The North Carolina Measurability Assessment Act of 2015.**

"**§ 143E-1. Title.**

This Chapter shall be known and may be cited as the "North Carolina Measurability Assessment Act of 2015."

"**§ 143E-2. Request for measurability assessment.**

The General Assembly may require a measurability assessment of any proposed or existing State program to determine whether the program is or will be capable of reporting performance and return on investment.

"**§ 143E-3. Definition of measurability assessment.**

(a) A measurability assessment is an independent evaluation conducted on a new or existing State program.

(b) A measurability assessment must include or determine all of the following:

(1) Whether and to what degree the program is unique and does not duplicate or negate results of another public or private program or enterprise.

(2) The local, regional, or statewide problems or needs that the program is intended to address.

(3) Whether there is a program design portrayed by a logic model as defined by the Logic Model Development Guide by the W.K. Kellogg Foundation, including an evaluation of that logic model.

(4) Whether there is evidence that the program produces results attributable to the program to remedy the problem or need. The information required by this subdivision shall include the following, as applicable:

a. For a proposed program, whether the evidence stems from a formative evaluation of proposed activities through a field trial using a valid and reliable instrument or method to measure changes in a randomized control group that was not subjected to the proposed activities to changes in a randomized group that did receive the proposed activities.

b. For an existing program asserting existence of evidence, whether the evidence stemmed from a post-program summative evaluation using an experimental or quasi-experimental research design.

c. For both proposed and existing programs, if the evidence had been subjected to alternative interpretations and peer review.

(5) The capacity of the administering entity to expand the program based upon existing evidence or results.

(6) How the program proposes to engage in strategic planning.

(7) How the program proposes to measure performance, including measurement of the following:

a. Total costs of program services with costs separately reported for each activity associated with each service.

b. Outputs or counts of units of services and for individual activities associated with each service.

c. Costs per unit of service and for individual activities associated with each service.

d. Outcomes or results attributable to each program service, including results upon completion of program service; results still evident one, two, and three years after completion; ultimate or permanent results; and when and how permanent results will be determined by the program.

e. Customer or client satisfaction with program services.

f. Statewide impacts of program outcomes as evidenced by census data or other statewide data.

g. Performance compared to standards and what standards the program intends to use.

(8) How the program will continuously improve quality of program services and consistency with the strategic plan.

(9) Whether the administering entity has conducted an assessment to identify financial and legal risks to the entity or the State and has plans for minimizing risk exposure.

(10) Whether the program conducts five-year forecasts of annual recurring costs and sources of funding for each year.

(11) Whether the program proposes to share costs with primary beneficiaries through a fee-for-service, co-payment, or tuition basis and the extent to which any expected cost-sharing is or will be means-tested and by what method.

(12) How program staffing requirements are determined and an evaluation of those requirements.

(13) Whether the program has or proposes to have a financial accounting system capable of accounting for all assets, liabilities, receipts, and disbursements.

(14) Whether the program is or will be post-audited and if there are any potential impediments to audits or evaluations by the State Auditor, agency internal auditors, or the Program Evaluation Division of the General Assembly.

(c) The assessor must submit a written report containing the results of the measurability assessment to the Office of State Budget and Management (OSBM) and the Program Evaluation Division of the General Assembly (Program Evaluation Division) at a time and in a format required by OSBM.

"**§ 143E-4. Administration of measurability assessment process.**

(a) OSBM must use a competitive process to prequalify independent measurability assessors. The assessors will be independent contractors compensated through a uniform fee

system established by OSBM, and there will be no guarantee that any prequalified assessor will receive assessment assignments. OSBM shall not assign an assessor to a measurability assessment if the assessor has been employed by or contracted with the entity within five years preceding the assessment.

(b) OSBM, in consultation with the Program Evaluation Division, shall establish standards for assessor qualifications, independence, and for conducting and reporting measurability assessments. Individuals who do not meet the qualifications may not be used to conduct measurability assessments.

(c) Whenever a measurability assessment is required, OSBM, in consultation with the Program Evaluation Division, shall select the assessor and require the agency or institution to reimburse OSBM for the assessor's costs and for a share of OSBM costs for administering the measurability assessment program."

SECTION 2. There is appropriated from the General Fund to the Office of State Budget and Management the sum of seventy-five thousand dollars ($75,000) for the 2015-2016 fiscal year for the implementation of this act.

SECTION 3. This act becomes effective October 1, 2015.

SENATE BILL 524:
Grad Req/Prescription Eyewear/Sports Pilot

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 23, 2015
Introduced by:	Sens. Curtis, Soucek, Tillman	**Prepared by:**	Denise Adams Legislative Analyst
Analysis of:	PCS to First Edition S524-CSTB-28		

SUMMARY: The PCS to Senate Bill 524 would (i) make changes to the Founding Principles Act, (ii) prohibit the issuance of prescriptions for corrective eyewear based on an examination of the eye by a kiosk, and (iii) authorize the Department of Public Instruction (DPI) to use funds to conduct a pilot program on integrated community-based adapted sports programs for students with disabilities.

Section 1 Current Law:

In 2011, the General Assembly passed House Bill 588 (S.L. 2011-273), The Founding Principles Act, which changed the previous statutory requirements of civic literacy under the Basic Education Program. Beginning with the 2014-2015 school year, the Founding Principles Act requires "during the high school years the teaching of a semester course 'American History I – The Founding Principles,'" and specifies the course must include instruction in the following Founding Principles:

a. The Creator-endowed inalienable rights of the people.
b. Structure of government, separation of powers with checks and balances.
c. Frequent and free elections in a representative government.
d. Rule of law.
e. Equal justice under the law.
f. Private property rights.
g. Federalism.
h. Due process.
i. Individual rights as set forth in the Bill of Rights.
j. Individual responsibility.

A passing grade in this course is required for graduation from high school.

The State Board of Education (SBE) is directed to require that any high school level curriculum-based tests for this course that are developed and administered statewide beginning with the 2014-2015 school year include questions related to the founding principles.

Section 1 Bill Analysis:

The PCS would make the following changes to the Founding Principles Act:

1. Directs the SBE, rather than local boards, to require a course on the founding principles is taught in high schools.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

2. Removes the name of the required course, "American History I – The Founding Principles," from statute.

3. Specifies additional instruction that must be taught in the required course, as follows:

k. Constitutional limitations on government power to tax and spend and prompt payment of public debt.
l. Money with intrinsic value.
m. Strong defense and supremacy of civil authority over military.
n. Peace, commerce, and honest friendship with all nations, entangling alliances with none.
o. Eternal vigilance by "We the People."

4. Makes a clarifying change to the statute on the curriculum-based statewide tests to clarify the statute is referring to tests associated with this required course.

5. Makes a conforming change to the school year in which the required curriculum-based statewide tests would start in order to align with the effective date of this section.

Section 1 would become effective when it becomes law, and would apply beginning with students entering the ninth grade in the 2016-2017 school year.

Section 2 Bill Analysis:

The PCS would prohibit physicians and optometrists from issuing prescriptions for ophthalmic lenses or contact lenses based solely on examinations of the eye by a kiosk without conducting an eye exam.

Section 2 would become effective October 1, 2015, and would apply to prescriptions issued on or after that date.

Section 3 Current Law and Background:

Section 504 of the Rehabilitation Act of 1973, as amended, is a federal law designed to protect the rights of individuals with disabilities in programs and activities that receive federal financial assistance from the U.S. Department of Education (Department). Section 504 provides: "No otherwise qualified individual with a disability in the United States....shall, solely, by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance...." The Department's Office of Civil Rights (OCR) has administrative authority for enforcing Section 504.

In 2010, the United States Government Accountability Office (GAO) published a report "that underscored that access to, and participation in, extracurricular athletic opportunities provide important health and social benefits to all students, particularly those with disabilities." On January 25, 2013, the Department's OCR released a "Dear Colleague" letter as part of the GAO's recommendation that the Department clarify and communicate the responsibility of schools under Section 504. The letter provides an overview of the Department's Section 504 regulations and the legal obligations of schools under Section 504, cautions against making decisions based on presumptions and stereotypes, and discusses the provision of separate or different athletic opportunities.

Section 3 Bill Analysis:

The PCS would authorize DPI, out of the funds appropriated for the 2015-2017 fiscal biennium, to use up to three hundred thousand dollars ($300,000) each fiscal year to develop and implement a pilot program for an

integrated community-based adapted sports program for students with disabilities in grades K-12. If DPI uses funds for this purpose, the pilot would have to meet the following criteria:

1. Be consistent with the "Dear Colleague" letter addressing equal access to extracurricular athletics for students with disabilities released by the U.S. Department of Education, Office for Civil Rights, on January 25, 2013.

2. Include specific strategies to overcome barriers to the participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students.

The pilot may be conducted in one or more local school administrative units and provide for collaboration with universities, community colleges, and other community organizations to achieve the purposes of the program.

Section 3 would become effective July 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 524
PROPOSED HOUSE COMMITTEE SUBSTITUTE S524-PCS15280-TB-28

Short Title: Grad Requirements/Sports Pilot. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO ENHANCE THE RIGOR OF INSTRUCTION OF THE FOUNDING PRINCIPLES AND TO AUTHORIZE THE DEPARTMENT OF PUBLIC INSTRUCTION TO USE FUNDS TO CONDUCT A PILOT PROGRAM ON INTEGRATED COMMUNITY-BASED ADAPTED SPORTS PROGRAMS FOR STUDENTS WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81(g) reads as rewritten:

"(g) Civic Literacy. –

(1) ~~Local boards of education~~ The State Board of Education shall require during the high school years the teaching of a semester course ~~"American History I – The Founding Principles," to include~~ ~~at least~~that includes instruction in the ~~following:~~following Founding Principles of the United States of America and the State of North Carolina:

a. The Creator-endowed inalienable rights of the people.
b. Structure of government, separation of powers with checks and balances.
c. Frequent and free elections in a representative government.
d. Rule of law.
e. Equal justice under the law.
f. Private property rights.
g. Federalism.
h. Due process.
i. Individual rights as set forth in the Bill of Rights.
j. Individual responsibility.
k. Constitutional limitations on government power to tax and spend and prompt payment of public debt.
l. Strong defense and supremacy of civil authority over military.
m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.

A passing grade in the course shall be required for graduation from high school.

(2), (3) Repealed by Session Laws 2011-273, s. 2, effective June 23, 2011, and applicable beginning with the 2014-2015 school year.

(3a) Local boards of education shall allow and may encourage any public school teacher or administrator to read or post in a public school building,

classroom, or event, excerpts or portions of writings, documents, and records that reflect the history of the United States, including, but not limited to, (i) the preamble to the North Carolina Constitution, (ii) the Declaration of Independence, (iii) the United States Constitution, (iv) the Mayflower Compact, (v) the national motto, (vi) the National Anthem, (vii) the Pledge of Allegiance, (viii) the writings, speeches, documents, and proclamations of the founding fathers and Presidents of the United States, (ix) decisions of the Supreme Court of the United States, and (x) acts of the Congress of the United States, including the published text of the Congressional Record. Local boards, superintendents, principals, and supervisors shall not allow content-based censorship of American history in the public schools of this State, including religious references in these writings, documents, and records. Local boards and professional school personnel may develop curricula and use materials that are limited to specified topics provided the curricula and materials are aligned with the standard course of study or are grade level appropriate.

(3b) A local school administrative unit may display on real property controlled by that local school administrative unit documents and objects of historical significance that have formed and influenced the United States legal or governmental system and that exemplify the development of the rule of law, such as the Magna Carta, the Mecklenburg Declaration, the Ten Commandments, the Justinian Code, and documents set out in subdivision (3a) of this subsection. This display may include, but shall not be limited to, documents that contain words associated with a religion; provided however, no display shall seek to establish or promote religion or to persuade any person to embrace a particular religion, denomination of a religion, or other philosophy. The display of a document containing words associated with a religion shall be in the same manner and appearance generally as other documents and objects displayed and shall not be presented or displayed in any fashion that results in calling attention to it apart from the other displayed documents and objects. The display also shall be accompanied by a prominent sign quoting the First Amendment of the United States Constitution as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

(4) The State Board of Education shall require that any high school level curriculum-based tests for the course required in subdivision (1) of this subsection developed and administered statewide beginning with the ~~2014-2015~~2016-2017 academic year include questions related to the philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.

(5) The Department of Public Instruction and the local boards of education, as appropriate, shall provide or cause to be provided curriculum content for the semester course required in subdivision (1) of this subsection and teacher training to ensure that the intent and provisions of this subsection are carried out. The curriculum content established shall include a review of the contributions made by Americans of all races.

(6) The Department of Public Instruction shall submit a biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee covering the implementation of this subsection."

SECTION 3. Of the funds appropriated to the Department of Public Instruction or State Aid for Public Schools for the 2015-2017 fiscal biennium, the Department may use up to three hundred thousand dollars ($300,000) each fiscal year to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades kindergarten through 12. If the Department uses funds for this purpose, the pilot program shall be consistent with the "Dear Colleague" letter addressing equal access to extracurricular athletics for students with disabilities released by the U.S. Department of Education, Office for Civil Rights, on January 25, 2013. The pilot program shall also include specific strategies to overcome barriers to the participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students. The pilot program may be conducted in one or more local school administrative units and provide for collaboration with universities and community colleges and other community organizations to achieve the purposes of the program.

SECTION 4. Section 1 of this act is effective when this act becomes law and applies beginning with students entering the ninth grade in the 2016-2017 school year. Section 3 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 524

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

S524-ATB-36 [v.1]

Amends Title [NO]
S524-CSTB-28

Date _____ ,2015

Representative Jackson

moves to amend the bill on page 1, lines 28-32, by rewriting the lines to read:

"l. Strong defense and supremacy of civil authority over military.
m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.
n. Eternal vigilance by "We the People."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. S524 - CSTB-28 [v.5] Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE ✓

Rep.)
) Stam
Sen.)

1 moves to amend the bill on page 1, line 18

2 ( ) WHICH CHANGES THE TITLE

3 by rewriting the line to read

4 "~~following~~ following Founding Principles of the United States of

5 America and ~~of~~ State of North Carolina".

6

7

8

9

10

11

12

13

14

15

16

17

18

19

SIGNED Stam

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 524

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

S524-ATB-39 [v.1]

Amends Title [NO]
S524-CSTB-28

Date _____,2015

Representative Stam

moves to amend the bill on page 1, line 32, by deleting the line.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 524

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

S524-ATB-40 [v.1]

Page 1 of 1

Amends Title [YES]
S524-CSTB-28

Date _____,2015

Representative Stam

moves to amend the bill on page 1, lines 2-7, by rewriting the lines to read:
"AN ACT TO ENHANCE THE RIGOR OF INSTRUCTION OF THE FOUNDING PRINCIPLES AND TO AUTHORIZE THE DEPARTMENT OF PUBLIC INSTRUCTION TO USE FUNDS TO CONDUCT A PILOT PROGRAM ON INTEGRATED COMMUNITY-BASED ADAPTED SPORTS PROGRAMS FOR STUDENTS WITH DISABILITIES.";

and on page 3, line 6, through page 4, line 2, by deleting the lines;

and on page 4, lines 17-18, by rewriting the lines to read:
"with students entering the ninth grade in the 2016-2017 school year. Section 3".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

S524-ATB-40-V-1

SENATE BILL 363:
Blue Ridge Parkwy Indus. Faciltities/LGC Bonds

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 24, 2015
Introduced by:	Sen. Hartsell	**Prepared by:**	Cindy Avrette Committee Counsel
Analysis of:	PCS to Second Edition S363-CSRB		

SUMMARY: ***The proposed House Committee Substitute replaces the original contents[1] of this bill with two entirely different provisions:***

- ***Prohibits DENR from issuing an air quality permit to an industrial facility located within two miles of the centerline of the Blue Ridge Parkway. The prohibition becomes effective upon the date this bill becomes law. Existing industrial facilities that have the necessary permits may continue to operate but may not expand their operation.***
- ***Places new restrictions in the Local Government Bond Act for the following bond issuances:***
    - ***Projects providing for facilities for exhibitions, athletic and cultural events, shows, and public gatherings, such as civic centers, convention centers, and arenas.***
    - ***Projects providing for parks and recreation facilities, such as athletic fields, recreation centers, and playgrounds.***

CURRENT LAW: Counties and cities may issue bonds for a variety of purposes. Before a bond may be issued, the issuing unit must apply to the Local Government Commission for approval. The Local Government Bond Act lists many factors the LGC may consider in determining whether to approve an application for a bond issuance, and it lists the the factors the LGC must find and determine before it can approve the bond issuance. The LGC may consider the nature of the project and the issuing unit's appraised and assessed value of property subject to taxation. However, these factors are not included in the determinations and findings the LGC must make to approve the bond issuance. The purpose of the LGC's approval is to ensure the unit has the financial capacity to service the debt.

BILL ANALYSIS: Sections 2 through 5 of the House PCS for Senate Bill 363 would place new restrictions on a county's or city's ability to finance certain facilities through bonds: (i) facilities for exhibitions, athletic and cultural events, shows, and public gatherings, such as civic centers, convention centers, and arenas and (ii) parks and recreation facilities, such as athletic fields, recreation centers, and playground.

It would prohibit the issuance of bonds for one of the stated purposes during a revaluation period. A revaluation period begins 18 months prior to the effective date of the revaluation and ends on the effective date of the revaluation. It would also prohibit the issuance of bonds for one of the stated purposes if the total assessed value of taxable property decreased by more than 15% in the last revaluation.

[1] The contents of the original bill, Expand Outdoor Food Service at Public Events, has been enacted in S.L. 2015-104.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

The bill would also modify the LGC application approval process as follows:

- Currently the LGC may consider the necessity or expediency of the project during the approval process, but it cannot base its approval of the bond issuance of the project to be financed. Its approval is must be based solely on the financial viability of the bond issuance. Under this bill, the LGC must make a finding and determination that the project to be financed is necessary or expedient before it may approve a bond application.
- Currently the LGC may consider the unit's appraised and assessed value of the property subject to taxation. Under this bill, the LGC must consider not only the appraised and assessed value of the property subject to taxation but also the unit's population and population trends relative to its projected tax revenue.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 363
Health Care Committee Substitute Adopted 4/27/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S363-PCS45417-TD-49

Short Title: Blue Ridge Pkwy Indust. Facilities/LGC Bonds. (Public)

Sponsors:

Referred to:

March 24, 2015

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT OPERATION OF INDUSTRIAL FACILITIES REQUIRING AIR QUALITY PERMITS NEAR THE BLUE RIDGE PARKWAY AND TO PLACE LIMITATIONS ON THE ISSUANCE OF BONDS UNDER THE LOCAL GOVERNMENT BOND ACT.

The General Assembly of North Carolina enacts:

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

"**§ 143-215.9F. Location of air-quality permitted facility near Blue Ridge Parkway.**

On and after the effective date of this section, no new asphalt plant facility that is required to obtain an air quality permit from the Division of Air Quality of the Department of Environment and Natural Resources, and is located within two miles of the centerline of the Blue Ridge Parkway, shall commence operation, or receive an initial permit from the Division. Existing asphalt plant facilities permitted by the Division of Air Quality prior to the effective date of this section may continue to operate as permitted, but shall not be eligible for any new accessory use."

SECTION 2. G.S. 159-51 reads as rewritten:

"**§ 159-51. Application to Commission for approval of bond issue; preliminary conference; acceptance of application.**

(a) General Provisions. – No bonds may be issued under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing unit shall file an application for Commission approval of the issue with the secretary of the Commission. If the issuing unit is a regional public transportation authority, the application must be accompanied by resolutions of the special tax board of that authority and of each of the boards of county commissioners of the counties organizing the authority approving of the application. The application shall state such facts and have attached to it such documents concerning the proposed bonds and the financial condition of the issuing unit as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference to consider the proposed bond issue. If the issuing unit is a merged school administrative unit described in G.S. 115C-513, each county in which the merged unit is located may attend the preliminary conference.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and

accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section.

(b) Specific Limitation. – The Local Government Commission shall not accept an application for a municipality of less than 60,000 in population, as determined by the 2010 census, if the application is for approval of a contract in an amount greater than twenty-five million dollars ($25,000,000), to be used for any of the purposes set forth in subdivisions (3) and (13) of subsection (b) of G.S. 159-48, and the municipality has, at the time the application is submitted, outstanding debt in the principal amount of more than ten million dollars ($10,000,000) for those same purposes, unless application shows that any tax rate intended to support the project, irrespective of when levied, will be less than a four percent (4%) increase."

SECTION 3. G.S. 153A-456 reads as rewritten:

"**§ 153A-456. Limitation on the use of ~~public~~ certain funds.**

(a) A county shall not use public funds to endorse or oppose a referendum, election or a particular candidate for elective office.

(b) A county shall not use funds held in reserve for a project for which the county's application for financing was denied by the Local Government Commission under Chapter 159 of the General Statutes, unless the Local Government Commission subsequently approves the application or more than two years have passed from the date of denial."

SECTION 4. G.S. 160A-499.3 reads as rewritten:

"**§ 160A-499.3. Limitation on the use of ~~public~~ certain funds.**

(a) A municipality shall not use public funds to endorse or oppose a referendum, election or a particular candidate for elective office.

(b) A municipality shall not use funds held in reserve for a project for which the municipality's application for financing was denied by the Local Government Commission under Chapter 159 of the General Statutes, unless the Local Government Commission subsequently approves the application or more than two years have passed from the date of denial."

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

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.)
Sen.) _____

1 moves to amend the bill on page _____, line 15-16
2 ( ) WHICH CHANGES THE TITLE
3 by rewriting the lines to read
4 date of this section may continue to
5 operate as permitted.".
6
7
8
9
10
11
12
13
14
15
16
17
18
19

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. 363 Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) Stam
Sen.)

moves to amend the bill on page 2, lines 11 - 27

( ) WHICH CHANGES THE TITLE

by deleting those lines;

and by conforming the short and long titles.

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 363

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

S363-ATD-125 [v.1]

Amends Title [NO]
S363-CSTD-49

Date 4-28-15 ,2015

Representative Floyd

1 moves to amend the bill on page 1, line 17, through page 2, line 10, by deleting those lines.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

(Rep.) Sen.) Bumgardner

moves to amend the bill on page 1, line 7-16

( ) WHICH CHANGES THE TITLE

by deleting those lines, and conforming the long title by removing reminding lines 2-3 to read: "AN ACT TO PLACE".

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

GA-33-A

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. _____ Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE _____

(Rep.)
Sen.)

moves to amend the bill on page 1, line 17 —

( ) WHICH CHANGES THE TITLE

by pgs 2 line 27, by deleting those lines; and

by rewriting lines 3 - 5 by rewriting those lines to read:

"QUALITY ~~B~~PERMITS NEAR THE BLUE RIDGE PARKWAY."!

and by rewriting the short title to read:

"Blue Ridge Pkwy Indus. Facilities".

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

GA-33-A

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 363

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

S363-ATH-65 [v.2]

Amends Title [NO]
S363-CSSU-36

Date _____,2015

Representative Floyd

moves to amend the bill on page 1, line 17, through page 2, line 20, by deleting those lines.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **805** **(CS#1)** Measurability Assessments.

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

SB **670** **(CS#1)** Term Limits for BOG Members.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	To be determined

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB **524** Founding Principles/Graduation Requirement.

Draft Number:	S524-PCS15280-TB-28
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Stam

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **313** **(HCS#1)** Special Registration Plates.

Draft Number:	S313-PCS15279-MH-15
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Collins

TOTAL REPORTED: 4

Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Rules

DATE: 09/28/15 Room: 1228

House Sgt-At Arms:

1. Name: Young Bae
2. Name: Bill Morris
3. Name: Jim Moran
4. Name: Rey Cooke
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nathan Batts	NCBA
Bill Rowe	NCJC
Tom West	NCICU
Steve Mange	NCKLA
Mary Shuping	NCCCS
Scot Laster	SSGNC
THE AWESOME "U"	
Lanier Hudgens	
Stephen Kaufman	CCS

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Alex Miller	AMGA
[illegible]	Duke Energy
Kathy Hamilton	Duke Energy
McNeil Chestnut	FR RLNC
Tim Minar	NC Home Builders Assn
[illegible]	CSG
[illegible]	~~[illegible]~~ NCHFA
Meghan Cook	OITS
[illegible]	[illegible]
John Hamann	NCDCC
Abby Lo	NC DOC

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Wolfe	MWC
Doug Miskell	TBS
Laura DeVivo	WCSR
Angel Sams	WCSR
Johnny M Loper	NC Bd. Board
JAKE PARKER	NCFB
Brian Mewald	WM
Fred Box	Boni Assoc.
Kay Castillo	NASW-NC
Kimberly Robinson	NCHCA
Lexi Arthur	NCHA

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
PETRINA WILLIAMS	SUSAN B. ANTHONY LIST / NC VALUES COALITION
[signature]	MFS
[signature]	NCDA&CS
[signature]	NCBA
[signature]	[illegible]
Wendy Kelly	[illegible]
Cathy Thomas	[illegible]
[illegible]	[illegible]
[signature]	NCSBA
[signature]	NCSSWA

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
EC Powell	CAPA
Sarah Bales	Breakers Assoc.
Ken McHan	K.M.A.
Jay Stem	NCAA
JAY PETERS	CSS
TOM BEAN	EDF, NCSEA, NCWF
Cassie Gavin	Sierra Club
Rob Lamm	RLA
Bob Rusty	ACC
Dan Collins	SEANC
Flint Benson	SEANC
Suzanne Beasley	SEANC

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Julie Robinson	NCSEA
David Heiken	NC Center for Nonprofits
Tommy Stevens	Stevens Lobby
Johanna Reese	NCACC
Sarah Collins	NCLM
Erin Wynia	NCLM
Rose Williams	NCLM
	NCAEC
	NCMS
Amanda Flynn	JDA

VISITOR REGISTRATION SHEET

House Comm. on Rules — 09/28/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	MWC
Lisa Martin	Capitol - Adv.
Adrianna Wollette	NCSOL
	FEA
Chandler Sitton	Eye Care Center
Kara Weishaar	SA
Andy Wood	SA
Elizabeth Biser	Brooks Pierce
Chris McClure	" "

House Committee on Rules, Calendar, and Operations of the House
Tuesday, September 29, 2015 at 5:00 PM
Room 544 of the Legislative Office Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 5:00 PM on September 29, 2015 in Room 544 of the Legislative Office Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hastings, Jackson, L. Johnson, Lewis, Reives, Robinson, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 119 GSC Technical Corrections 2015. (Senator Hartsell)
The bill was moved before the committee without objection. Rep. Daughtry amends the bill with ALE-48[v.3]. The motion carries. Rep. Bell amends the bill with AMN-43[v.1]. The motion carries. Rep. Lewis amends the bill with AST-164[v.3]. The motion carries. Rep. Stam amends the bill with ASN-54[v.2]. The motion carries. Rep. Daughtry amends the bill with ATB-42[v.1]. The motion carries. Rep. Daughtry amends the bill with ATC-112[v.2]. The motion carries. Rep. Tine amends the bill with AMN-44[v.2]. The motion carries. Rep. Daughtry amends the bill with AMHA-70[v.4]. The motion carries. Rep. Saine amends the bill with ASV-119[v.3]. The motion carries. Rep. Lewis amends the bill with AST-165[v.2]. The motion carries. Rep. Lewis amends the bill with ATC-94[v.1]. The motion carries. Rep. Stam amends the bill with AMN-47[v.1]. The motion carries. Rep. Daughtry amends the bill with ATD-28[v.2]. The motion carries. Rep. Daughtry amends the bill with AMN-45[v.1]. The motion carries. Rep. Floyd amends the bill with ATW-47[v.1]. The motion is withdrawn. Rep. Johnson amends the bill with ATC-125[v.1]. The motion carries. Rep. Torbett moves that the PCS be given a favorable report, unfavorable to the original bill. The motion carries.

SB 519 Amend Child Custody Laws. (Senator B. Jackson)
The bill was moved before the committee without objection. Rep. Davis moves for a favorable report. The motion carries.

SB 694 Reegan's Rule/Enforce Pharm. Ben. Mgt. (Senators Newton, Lee, Daniel)
The bill was moved before the committee without objection. Rep. Lewis moves for a favorable report, unfavorable to the original. The motion carries.

SJR 721 Adjournment Resolution. (Senator Apodaca)
The bill was moved before the committee without objection. Rep. Torbett moves for a favorable report, unfavorable to the original. The motion carries.

SB 279 Amend Qualifications/Practice of Counseling. (Senator Barefoot)
The bill was moved before the committee without objection. Rep. Stam moves for a favorable report without prejudice. The motion fails.

The meeting recessed at 7:00PM. but did not reconvene. Therefore, the meeting adjourned at 11:59 PM, the end of the legislative day.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #1: Adding SJR 721

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, September 29, 2015
TIME: **1:45 PM**
LOCATION: **643 LOB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 119	GSC Technical Corrections 2015.	Senator Hartsell
SB 519	Amend Child Custody Laws.	Senator B. Jackson
SB 694	Employee Misclassification Reform.	Senator Newton
		Senator Lee
		Senator Daniel
SJR 721	Adjournment Resolution.	Senator Apodaca

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:54 PM on Tuesday, September 29, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

Corrected #3: Meeting moved to room 544

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, September 29, 2015
TIME: **5:00 PM**
LOCATION: **544 LOB**
COMMENTS: **Only considering SB119, the conference report for SB 279, and SJR721**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 119	GSC Technical Corrections 2015.	Senator Hartsell
SB 519	Amend Child Custody Laws.	Senator B. Jackson
SB 694	Reegan's Rule/Enforce Pharm. Ben. Mgt.	Senator Newton Senator Lee Senator Daniel
SJR 721	Adjournment Resolution.	Senator Apodaca
SB 279	Amend Qualifications/Practice of Counseling.	Senator Barefoot

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:00 PM on Tuesday, September 29, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 119*
Judiciary I Committee Substitute Adopted 4/28/15
Corrected Copy 4/29/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S119-CSSU-37 [v.17]

Short Title: GSC Technical Corrections 2015. (Public)

Sponsors:

Referred to:

February 27, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER AMENDMENTS TO THE STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1.(a) G.S. 1-267.1(d) reads as rewritten:

"(d) This section applies only to civil proceedings. Nothing in this section shall be deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or ~~to appeals from orders of the trial courts pertaining~~ to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17."

SECTION 1.(b) G.S. 7A-27 reads as rewritten:

"**§ 7A-27. Appeals of right from the courts of the trial divisions.**

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.

(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(3) From any interlocutory order of a Business Court Judge that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

(a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a court, either final or interlocutory, that holds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing

in this ~~section~~ subsection shall be deemed to apply to appeals from orders of the trial courts pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.

(b) ~~Appeal~~ Except as provided in subsection (a) or (a1) of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than ~~the one described in subsection (a) of this section, or~~ one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

e. Determines a claim prosecuted under G.S. 50-19.1.

f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action. This ~~subsection~~ sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action. This ~~subsection~~ sub-subdivision does not apply to facial challenges to an act's validity heard by a three-judge panel pursuant to G.S. 1-267.1.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

SECTION 2. G.S. 7B-323(f) reads as rewritten:

"(f) A party may appeal the district court's decision under ~~G.S. 7A-27(c).~~G.S. 7A-27(b)(2)."

SECTION 3. G.S. 14-269 reads as rewritten:

"**§ 14-269. Carrying concealed weapons.**

(a) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any bowie knife, dirk, dagger, slung shot, loaded cane, metallic knuckles, razor, ~~shurikin,~~ shuriken, stun gun, or other deadly weapon of like kind, except when the person is on the person's own premises.

(a1) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any pistol or gun except in the following circumstances:

(1) The person is on the person's own premises.

(2) The deadly weapon is a handgun, the person has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and the person is carrying the concealed handgun in accordance with the scope of the concealed handgun permit as set out in G.S. 14-415.11(c).

(3) The deadly weapon is a handgun and the person is a military permittee as defined under G.S. 14-415.10(2a) who provides to the law enforcement officer proof of deployment as required under G.S. 14-415.11(a).

...

(b1) It is a defense to a prosecution under this section that:

(1) The weapon was not a firearm;

(2) The defendant was engaged in, or on the way to or from, an activity in which ~~he~~ the defendant legitimately used the weapon;

(3) The defendant possessed the weapon for that legitimate use; and

(4) The defendant did not use or attempt to use the weapon for an illegal purpose.

The burden of proving this defense is on the defendant.

...."

SECTION 4. G.S. 14-313 reads as rewritten:

"**§ 14-313. Youth access to tobacco products, tobacco-derived products, vapor products, and cigarette wrapping papers.**

...

(b) Sale or distribution to persons under the age of 18 years. – If any person shall distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette wrapping papers to any person under the age of 18 years, or if any person shall purchase tobacco products or cigarette wrapping papers on behalf of a person under the age of 18 years, the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be unlawful to distribute tobacco products or cigarette wrapping papers to an employee when required in the performance of the employee's duties. Retail distributors of tobacco products shall prominently display near the point of sale a sign in letters at least five-eighths of an inch high which states the following:

N.C. LAW STRICTLY PROHIBITS
THE PURCHASE OF TOBACCO PRODUCTS, TOBACCO-DERIVED PRODUCTS,
VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS
BY PERSONS UNDER THE AGE OF 18.
PROOF OF AGE REQUIRED.

Failure to post the required sign shall be an infraction punishable by a fine of twenty-five dollars ($25.00) for the first offense and seventy-five dollars ($75.00) for each succeeding offense.

A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under 18 years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18 years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train their sales employees in the requirements of this law. Proof of any of the following shall be a defense to any action brought under this subsection:

(1) The defendant demanded, was shown, and reasonably relied upon proof of age in the case of a retailer, or any other documentary or written evidence of age in the case of a nonretailer.

(2) The defendant relied on the electronic system established and operated by the Division of Motor Vehicles pursuant to G.S. 20-37.02.

(3) The defendant relied on a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the

purchaser's date of birth and bearing a physical description of the person named on the card.

...

(e) Statewide uniformity. – It is the intent of the General Assembly to prescribe this uniform system for the regulation of tobacco products and cigarette wrapping papers to ensure the eligibility for and receipt of any federal funds or grants that the State now receives or may receive relating to the provisions of ~~G.S. 14-313.~~ this section. To ensure uniformity, no political subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal corporation, town, township, village, nor any department or agency thereof, may enact ordinances, rules or regulations concerning the sale, distribution, display or promotion of (i) tobacco products or cigarette wrapping papers on or after September 1, 1995, or (ii) tobacco-derived products or vapor products on or after August 1, 2013. This subsection does not apply to the regulation of vending machines, nor does it prohibit the Secretary of Revenue from adopting rules with respect to the administration of the tobacco products taxes levied under Article 2A of Chapter 105 of the General Statutes.

...."

SECTION 5. G.S. 15A-150(b) reads as rewritten:

"(b) Notification to Other State and Local Agencies. – The clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.

(2) When applicable, the Division of Motor ~~Vehicles and the Division of Adult Correction of the Department of Public Safety.~~ Vehicles.

(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.

(4) The Department of Public Safety."

SECTION 6. G.S. 15A-1340.16(f) reads as rewritten:

"(f) ~~[Notice to State Treasurer of Finding. –]~~ Notice to State Treasurer of Finding. – If the court determines that an aggravating factor under subdivision (9) of subsection (d) of this section has been proven, the court shall notify the State Treasurer of the fact of the conviction as well as the finding of the aggravating factor. The indictment charging the defendant with the underlying offense must include notice that the State seeks to prove the defendant acted in accordance with subdivision (9) of subsection (d) of this section and that the State will seek to prove that as an aggravating factor."

SECTION 7. G.S. 18B-302(d) reads as rewritten:

"(d) Defense. – It shall be a defense to a violation of subsection (a) of this section if the seller:

...

(3) Shows that at the time of purchase, the purchaser utilized a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the document."

SECTION 8.(a) G.S. 20-115 reads as rewritten:

"**§ 20-115. Scope and effect of regulations in this ~~title.~~Part.**

It shall be unlawful for any person to drive or move or for the owner to cause or knowingly permit to be driven or moved on any highway any vehicle or vehicles of a size or weight exceeding the limitations stated in this ~~title,~~ Part, or any vehicle or vehicles which are not so constructed or equipped as required in this ~~title,~~ Part, or the rules and regulations of the Department of Transportation adopted pursuant ~~thereto~~ to this Part and the maximum size and weight of vehicles ~~herein~~ specified in this Part shall be lawful throughout this State, and local authorities shall have no power or authority to alter ~~said~~ the limitations except as express authority may be granted in this Article."

SECTION 8.(b) G.S. 106-549.21(d) and (e) read as rewritten:

"(d) No article subject to this ~~title~~ Article shall be sold or offered for sale by any person, firm, or corporation, in intrastate commerce, under any name or other marking or labeling which is false or misleading, or in any container of a misleading form or size, but established trade names and other marking and labeling and containers which are not false or misleading, and which are approved by the Commissioner or ~~his~~ the Commissioner's authorized representative, are permitted.

(e) If the Commissioner or ~~his~~ the Commissioner's authorized representative has reason to believe that any marking or labeling or the size or form of any container in use or proposed for use with respect to any article subject to this ~~title~~ Article is false or misleading in any particular, ~~he~~ the Commissioner or representative may direct that ~~such~~ this use be withheld unless the marking, labeling, or container is modified in such a manner as ~~he may prescribe~~ the Commissioner or representative prescribes so that it will not be false or misleading. If the person, firm, or corporation using or proposing to use the marking, labeling or container does not accept the determination of the Commissioner or ~~his~~ the Commissioner's authorized representative, ~~such~~ the person, firm, or corporation may request a hearing, but the use of the marking, labeling, or container shall, if the Commissioner so directs, be withheld pending hearing and final determination by the Commissioner. A person who uses or proposes to use the marking, labeling, or container and who does not accept the determination of the Commissioner may commence a contested case under G.S. 150B-23. If directed by the Commissioner, the marking, labeling, or container may not be used pending a final decision."

SECTION 9. G.S. 20-183.2(a1) reads as rewritten:

"(a1) Safety Inspection Exceptions. – The following vehicles shall not be subject to a safety inspection pursuant to this Article:

(1) Historic vehicles, as described in ~~G.S. 20-79.4(b)(88).~~G.S. 20-79.4(b)(90).

(2) Buses titled to a local board of education and subject to the school bus inspection requirements specified by the State Board of Education and G.S. 115C-248."

SECTION 10. G.S. 62-36B is recodified as G.S. 62-36.01.

SECTION 11. G.S. 62-110.1(c) reads as rewritten:

"(c) The Commission shall develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimate of the probable future growth of the use of electricity, the probable needed generating reserves, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory Commission and other arrangements with other utilities and energy suppliers to achieve maximum efficiencies for the benefit of the people of North Carolina, and shall consider such analysis in acting upon any petition by any utility for construction. In developing such analysis, the Commission shall confer and consult with the public utilities in North Carolina, the utilities commissions or comparable agencies of neighboring states, the Federal Energy Regulatory Commission, ~~the Southern Growth Policies Board,~~ and other agencies having relevant information and may participate as it deems useful in any joint boards investigating generating plant sites or the probable need for future generating facilities. In addition to such reports as

public utilities may be required by statute or rule of the Commission to file with the Commission, any such utility in North Carolina may submit to the Commission its proposals as to the future needs for electricity to serve the people of the State or the area served by such utility, and insofar as practicable, each such utility and the Attorney General may attend or be represented at any formal conference conducted by the Commission in developing a plan for the future requirements of electricity for North Carolina or this region. In the course of making the analysis and developing the plan, the Commission shall conduct one or more public hearings. Each year, the Commission shall submit to the Governor and to the appropriate committees of the General Assembly a report of its analysis and plan, the progress to date in carrying out such plan, and the program of the Commission for the ensuing year in connection with such plan."

SECTION 12. G.S. 66-372(e) reads as rewritten:

"(e) All service agreements used in this State by a service agreement company shall:

(1) Not contain provisions that allow the company to cancel the agreement in its discretion other than for nonpayment of premiums or for a direct violation of the agreement by the consumer where the service agreement states that violation of the agreement would subject the agreement to cancellation;

(2) With respect to a motor vehicle service agreement as defined in ~~G.S. 66-370(b)(1),~~ G.S. 66-370(b)(5), provide for a right of assignability by the consumer to a subsequent purchaser before expiration of coverage if the subsequent purchaser meets the same criteria for motor vehicle service agreement acceptability as the original purchaser; and

(3) Contain a cancellation provision allowing the consumer to cancel at any time after purchase and receive a pro rata refund less any claims paid on the agreement and a reasonable administrative fee, not to exceed ten percent (10%) of the amount of the pro rata refund."

SECTION 13. G.S. 90-89(5) reads as rewritten:

"(5) Stimulants. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

a. Aminorex. Some trade or other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; ~~or~~ ~~4,5-dihydro-5-phenyl-2-oxazolamine.~~ or 4,5-dihydro-5-phenyl-2-oxazolamine.

…

j. A compound, other than bupropion, that is structurally derived from 2-amino-1-phenyl-1-propanone by modification in any of the following ways: (i) by substitution in the phenyl ring to any extent with alkyl, alkoxy, alkylenedioxy, haloalkyl, or halide substituents, whether or not further substituted in the phenyl ring by one or more other univalent substituents; (ii) by substitution at the 3-position with an alkyl substituent; or (iii) by substitution at the nitrogen atom with alkyl or ~~diakyl~~ dialkyl groups or by inclusion of the nitrogen atom in a cyclic structure.

…."

SECTION 14.(a) G.S. 90-113.101 reads as rewritten:

"**§ 90-113.101. Definitions.**

The following definitions apply in this Article:

~~(a)~~(1) Caregiver. – An individual who is a parent, legal guardian, or custodian of a person diagnosed with intractable epilepsy.

~~(b)~~(2) Caregiver Registration Card. – A registration card issued by the Department of Health and Human Services under this Article to a caregiver.

~~(c)~~(3) Database. – The Intractable Epilepsy Alternative Treatment Pilot Study database, established by the Department of Health and Human Services pursuant to this Article, to register caregivers, patients, and recommending neurologists.

~~(d)~~(4) Department. – The Department of Health and Human Services.

~~(e)~~(5) Hemp Extract. – An extract from a cannabis plant, as defined in G.S. 90-94.1(a).

~~(f)~~(6) Intractable Epilepsy. – A seizure disorder that, as determined by a neurologist, does not respond to three or more treatment options overseen by the neurologist.

~~(g)~~(7) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more of the following universities:

(1) The University of North Carolina at Chapel Hill.
(2) East Carolina University.
(3) Duke University.
(4) Wake Forest University.

~~(h)~~(8) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

~~(i)~~(9) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article."

SECTION 14.(b) This section becomes effective July 16, 2015.

SECTION 15. G.S. 113A-153 is repealed.

SECTION 16.(a) G.S. 63A-9 reads as rewritten:

"**§ 63A-9. Bonds and notes.**

...

(l) Bonds and notes are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes is not subject to taxation as income."

SECTION 16.(b) G.S. 115C-513 reads as rewritten:

"**§ 115C-513. Special tax for certain merged school administrative units.**

...

(b) Issuance of Bonds. – The board of education of a merged school administrative unit may issue notes, bonds, or refunding bonds at one time or from time to time to pay the capital costs of school facilities as described in G.S. 159-48. The bonds shall be issued and maintained in accordance with the provisions of Articles 1, 4, 5A, 7, 9, 10, and 11 of Chapter 159 of the General Statutes, except as modified by this section.

The board of education of a merged school administrative unit shall call for a referendum authorizing the issuance of notes, bonds, and refunding bonds and the levy of a tax to pay amounts relating to these notes, bonds, or refunding bonds. The referendum may be called only with the consent of the boards of commissioners of both counties in which the merged school administrative unit is located. The referendum shall be held in the merged school administrative unit and only those qualified voters who reside in the unit may vote. The board of commissioners of each county shall have the referendum conducted by the board of elections of its county.

After issuance of the approved bonds, the merged school administrative unit shall make timely payments of principal and interest on the bonds after receipt of notification of its debt service obligation pursuant to G.S. 159-35. The provisions of G.S. 159-36 govern a failure by the merged school administrative unit to levy taxes or otherwise provide for payment of the debt.

Bonds, notes, and refunding bonds issued under this section shall be exempt from all State, county, and municipal taxation and assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds, notes, and refunding bonds, and franchise taxes. The interest on bonds, notes, and refunding bonds is not subject to taxation as income.

Article 9 of the North Carolina Uniform Commercial Code, Chapter 25 of the General Statutes, does not apply to any security interest created in connection with the issuance of bonds under this section."

SECTION 16.(c) G.S. 116-183 reads as rewritten:

"**§ 116-183. Acceptance of grants; exemption from taxation.**

The Board is hereby authorized, subject to the approval of the Director of the Budget, to accept grants of money or materials or property of any kind for any project from a federal agency, private agency, corporation or individual, upon such terms and conditions as such federal agency, private agency, corporation or individual may impose. The bonds issued under this Article are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes is not subject to taxation as income."

SECTION 16.(d) G.S. 116-196 reads as rewritten:

"**§ 116-196. Exemption from taxation; bonds eligible for investment or deposit.**

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(e) G.S. 116-198.39 reads as rewritten:

"**§ 116-198.39. Bonds are exempt from taxation.**

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency, or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries

may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(f) G.S. 142-29.6 reads as rewritten:

"**§ 142-29.6. Sale of refunding obligations and provisions thereof.**

...

(f) All refunding obligations shall be exempt from all State, county and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the obligations, and franchise taxes. The interest on the refunding obligations is not subject to taxation as income."

SECTION 16.(g) G.S. 142-68 reads as rewritten:

"**§ 142-68. Tax exemption.**

Any financing contract entered pursuant to this Article, and any certificates of participation relating to it, shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the financing contract or certificates of participation; and franchise taxes. The interest component of the installment payments made by the State under the financing contract, including the interest component of any certificates of participation, is not subject to taxation as income."

SECTION 16.(h) G.S. 142-92 reads as rewritten:

"**§ 142-92. Tax exemption.**

Special indebtedness shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the indebtedness; and franchise taxes. The interest component of any payments made by the State under special indebtedness, including the interest component of any certificates of participation, is not subject to taxation as to income."

SECTION 16.(i) G.S. 157-26 reads as rewritten:

"**§ 157-26. Tax exemptions.**

An authority is a local government agency and is exempt from taxation to the same extent as a unit of local government. Property owned by an authority is exempt from taxation in accordance with Article V, § 2 of the North Carolina Constitution. Bonds and other obligations issued by an authority or its corporate agent authorized by this Article to exercise its powers are declared to be issued for a public purpose and to be public instrumentalities. These obligations are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the obligations, and franchise taxes. The interest on the obligations is not subject to taxation as income."

SECTION 16.(j) G.S. 159I-23 reads as rewritten:

"**§ 159I-23. Tax exemption.**

All of the bonds and notes authorized by this Chapter shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes shall not be subject to taxation as income."

SECTION 16.(k) G.S. 160A-480.14 reads as rewritten:

"**§ 160A-480.14. Taxation of revenue bonds.**

Any bonds and notes issued by the Authority under the provisions of this Part shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general

or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes issued by an Authority under the provisions of this Part shall not be subject to taxation as to income."

SECTION 16.(l) G.S. 160A-516 reads as rewritten:

"**§ 160A-516. Issuance of bonds.**

...

(b) Neither the commissioners of a commission nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of the commission (and the bonds and obligations shall so state on their face) shall not be a debt of the municipality, the county, or the State and neither the municipality, the county, nor the State shall be liable on the bonds, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the commission acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the municipality within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of a commission are declared to be issued for an essential public and governmental purpose and to be public instrumentalities. The bonds are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds may be issued by a commission under this Article notwithstanding any debt or other limitation prescribed in any statute. This Article without reference to other statutes of the State shall constitute full and complete authority for the authorization and issuance of bonds by the commission under this Article and this authorization and issuance shall not be subject to any conditions, restrictions, or limitations imposed by any other statute whether general, special, or local, except as provided in subsection (d) of this section."

SECTION 17. G.S. 131E-154.13 reads as rewritten:

"**§ 131E-154.13. Definitions.**

The following definitions apply in this Part, unless otherwise specified:

...

(3) NC NOVA Partner Team. – The entity responsible for developing the criteria and protocols for the NC NOVA special licensure designation. The Partner Team is inclusive of representatives from the following organizations: Association for Home and Hospice Care of North Carolina, Direct Care Workers Association of North Carolina, Duke University Gerontological Nursing Program, Friends of Residents in Long Term Care, North Carolina Assisted Living Association, North Carolina Association of Long Term Care Facilities, ~~North Carolina Association of Non-Profit Homes for the Aging,~~ LeadingAge North Carolina, North Carolina Department of Health and Human Services, North Carolina Foundation for Advanced Health Programs, North Carolina Health Care Facilities Association, The Carolinas Center for Medical Excellence, and the University of North Carolina at Chapel Hill – Institute on Aging.

...."

SECTION 18. G.S. 143-228.10 reads as rewritten:

"**§ 143-228.10. (See Editor's note) Definitions.**

The following definitions apply ~~to Section 6 of this act:~~ in this Article:

...."

SECTION 19. G.S. 143B-431.01(d) reads as rewritten:

"(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

(1) At least 45 days prior to entering into or amending in a nontechnical manner a contract authorized by this section, the Department shall submit the contract or amendment, along with a detailed explanation of the contract or amendment, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:

...

e. The board is required to perform the following duties if the Department contracts pursuant to ~~G.S. 143B-431.01~~ this section for the performance of the Secretary's responsibilities under G.S. 143B-434.01:

...."

SECTION 20. G.S. 143B-927 reads as rewritten:

"**§ 143B-927. Personnel of the State Bureau of Investigation.**

The Director of the State Bureau of Investigation may appoint a sufficient number of assistants who shall be competent and qualified to do the work of the Bureau. The Director shall be responsible for making all hiring and personnel decisions of the Bureau. Notwithstanding the provisions of ~~this Chapter, Chapter 143A, and Chapter 143B~~ this Chapter or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer personnel within the Bureau."

SECTION 21. G.S. 143C-6-23(f1) reads as rewritten:

"(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

(1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

(2) The funds remain unexpended at the time that the grantee or subgrantee dissolves, ceases operations, or otherwise indicates that it does not intend to spend the funds.

(3) The Office of State Budget and Management seeks to recover the funds pursuant to subsection (f) of this ~~act.~~section."

SECTION 22. G.S. 150B-21.1(a)(12) is repealed.

SECTION 23. G.S. 150B-21.3(b2) reads as rewritten:

"(b2) Objection. – Any person who objects to the adoption of a permanent rule may submit written comments to the agency. If the objection is not resolved prior to adoption of the

rule, a person may submit written objections to the Commission. If the Commission receives written objections from 10 or more persons, no later than 5:00 P.M. of the day following the day the Commission approves the rule, clearly requesting review by the legislature in accordance with instructions ~~contained in the notice pursuant to G.S. 150B-21.2(c)(9),~~ posted on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the Commission approves the rule, the rule will become effective as provided in subsection (b1) of this section. The Commission shall notify the agency that the rule is subject to legislative disapproval on the day following the day it receives 10 or more written objections. When the requirements of this subsection have been met and a rule is subject to legislative disapproval, the agency may adopt the rule as a temporary rule if the rule would have met the criteria listed in G.S. 150B-21.1(a) at the time the notice of text for the permanent rule was published in the North Carolina Register. If the Commission receives objections from 10 or more persons clearly requesting review by the legislature, and the rule objected to is one of a group of related rules adopted by the agency at the same time, the agency that adopted the rule may cause any of the other rules in the group to become effective as provided in subsection (b1) of this section by submitting a written statement to that effect to the Commission before the other rules become effective."

SECTION 24. G.S. 150B-23.2(d) reads as rewritten:

"(d) ~~Wavier~~ Waiver or Refund. – The Office of Administrative Hearings shall by rule provide for the fee to be waived in a contested case in which the petition is filed in forma pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case involving a mandated federal cause of action. The Office of Administrative Hearings shall by rule provide for the fee to be refunded in a contested case in which the losing party is the State."

SECTION 25. G.S. 161-22.3 reads as rewritten:

"**§ 161-22.3. Minimum standards for land records management.**

In addition to the recording and indexing procedures set forth in this Article, the register of deeds shall follow the rules specifying minimum standards and procedures in land records management adopted by the Department of Secretary of State pursuant to ~~G.S. 143-345.6(b1).~~G.S. 147-54.3(b1)."

SECTION 26. G.S. 163-275 reads as rewritten:

"**§ 163-275. Certain acts declared felonies.**

Any person who shall, in connection with any primary, general or special election held in this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of a Class I felony. It shall be unlawful:

(1) For any person fraudulently to cause ~~his~~ that person's name to be placed upon the registration books of more than one election precinct or fraudulently to cause or procure ~~his~~ that person's name or that of any other person to be placed upon the registration books in any precinct when ~~such~~ registration in that precinct does not qualify ~~such~~ the person to vote legally therein, or to impersonate falsely another registered voter for the purpose of voting in the stead of ~~such other voter;~~the other voter.

(2) For any person to give or promise or request or accept at any time, before or after any such primary or election, any money, property or other thing of value whatsoever in return for the vote of any ~~elector;~~elector.

(3) For any person who is an election officer, a member of an election board or other officer charged with any duty with respect to any primary or election, knowingly to make any false or fraudulent entry on any election book or any false or fraudulent returns, or knowingly to make or cause to be made any false statement on any ballot, or to do any fraudulent act or knowingly and fraudulently omit to do any act or make any report legally required of ~~such person;~~that person.

(4) For any person knowingly to swear falsely with respect to any matter pertaining to any primary or ~~election;~~election.

(5) For any person convicted of a crime which excludes ~~him~~ the person from the right of suffrage, to vote at any primary or election without having been restored to the right of citizenship in due course and by the method provided by ~~law;~~law.

(6) For any person to take corruptly the oath prescribed for ~~voters;~~voters.

(7) For any person with intent to commit a fraud to register or vote at more than one precinct or more than one time, or to induce another to do so, in the same primary or election, or to vote illegally at any primary or ~~election;~~election.

(8) For any chief judge or any clerk or copyist to make any entry or copy with intent to commit a ~~fraud;~~fraud.

(9) For any election official or other officer or person to make, certify, deliver or transmit any false returns of any primary or election, or to make any erasure, alteration, or conceal or destroy any election ballot, book, record, return or process with intent to commit a ~~fraud;~~fraud.

(10) For any person to assault any chief judge, judge of election or other election officer while in the discharge of ~~his duty~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(11) For any person, by threats, menaces or in any other manner, to intimidate or attempt to intimidate any chief judge, judge of election or other election officer in the discharge of ~~his~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(12) For any chief judge, judge of election, member of a board of elections, assistant, marker, or other election official, directly or indirectly, to seek, receive or accept money or the promise of money, the promise of office, or other reward or compensation from a candidate in any primary or election or from any source other than such compensation as may be provided by law for ~~his services;~~that person's services.

(13) For any person falsely to make or present any certificate or other paper to qualify any person fraudulently as a voter, or to attempt thereby to secure to any person the privilege of voting, including declarations made under this Chapter, G.S. 20-37.7(d)(5), 20-37.7(d)(6), 130A-93.1(c), and ~~161-10(a)(8);~~161-10(a)(8).

(14) For any officer to register voters and any other individual to knowingly and willfully receive, complete, or sign an application to register from any voter contrary to the provisions of ~~G.S. 163-82.4; or~~G.S. 163-82.4.

(15) Reserved for future codification purposes.

(16) For any person falsely to make the certificate provided by G.S. 163-229(b)(2).

(17) For any person, directly or indirectly, to misrepresent the law to the public through mass mailing or any other means of communication where the intent and the effect is to intimidate or discourage potential voters from exercising their lawful right to vote.

(18) For any person, knowing that a person is not a citizen of the United States, to instruct or coerce that person to register to vote or to vote."

SECTION 27. G.S. 163-278.13(a1) reads as rewritten:

"(a1) Effective for each odd-numbered calendar year beginning in 2015, the dollar amount of the contribution limitation established by subsections (a), (b), and (c) of this subsection shall be increased as provided in this subsection. On July 1 of each even-numbered

year, the State Board of Elections shall calculate from data from the Bureau of Labor Statistics of the United States Department of Labor Register the percent difference between the price index for the July 1 of the previous even-numbered year. That percentage increase shall be multiplied by the previous dollar amount contribution limit, that number added to the previous dollar amount contribution limit, and the total shall become effective with respect to contributions made or accepted on or after January 1 of the next odd-numbered year. If the amount after adjustment is not a multiple of one hundred dollars ($100.00), the total shall be rounded to the nearest multiple of one hundred dollars ($100.00). As used in this subsection the term "price index" means the average over a calendar year of the Consumer Price Index (all items – United States city average) published monthly by the Bureau of Labor Statistics. The revised amount of the dollar limit of contributions shall remain in effect for two calendar years until the next adjustment is made. The State Board of Elections shall publish the revised amount in the North Carolina Register and shall notify the ~~Reviser~~ Revisor of Statutes who shall adjust the dollar amounts in subsections (a), (b), and (c) of this section."

SECTION 28.(a) Section 2 of S.L. 2010-32 is codified as G.S. 39A-4.

SECTION 28.(b) G.S. 39A-4, as created by Section 27(a) of this act, reads as rewritten:

"**§ 39A-4. Applicability; interpretation.**

(a) This Chapter applies to (i) any transfer fee covenant that is recorded after July 1, 2010; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after July 1, 2010, or purports to secure payment of a transfer fee that is recorded after July 1, 2010; and (iii) any agreement imposing a private transfer fee obligation entered into after July 1, 2010.

(b) Nothing in this ~~act~~ Chapter shall be interpreted to mean that a transfer fee covenant recorded prior to ~~the effective date of this act~~ July 1, 2010, is valid or enforceable."

SECTION 28.(c) Section 3 of S.L. 2010-32 reads as rewritten:

"**SECTION 3.** This act is effective when it becomes ~~law and applies to: (i) any transfer fee covenant that is recorded after the effective date of this act; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after the effective date of this act or purports to secure payment of a transfer fee that is recorded after the effective date of this act; and (iii) any agreement imposing a private transfer fee obligation entered into after the effective date of this act.~~law."

SECTION 29. The introductory language of Section 3 of S.L. 2014-76 reads as rewritten:

"**SECTION 3. ~~G.S. 94-133(a)~~** G.S. 95-133(a) reads as rewritten:"

SECTION 30. Section 3.5 of S.L. 2015-35 reads as rewritten:

"**SECTION 3.5.(a)** Notwithstanding the PLAN OF MERGER OF THE IREDELL COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18, beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

"**SECTION 3.5.(b)** For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the ~~Iredell-States~~ Iredell-Statesville Schools Board of Education shall be filled for the unexpired term by the remaining members of the Board of Education."

SECTION 31.(a) S.L. 2015-205 is amended by adding a new Part to read:

"**PART X-A. UNIFORM TRUST CODE; CLARIFY REPORT ON TRUSTEE FEES.**

SECTION 10.5. G.S. 36C-8-802(f) reads as rewritten:

"(f) Notwithstanding subsection (c) of this section:

(1) An investment by a trustee in securities of an investment company, investment trust, or pooled investment vehicle in which the trustee or its affiliate has an investment, or to which the trustee, or its affiliate, provides services for compensation, is not presumed to be affected by a conflict between personal and fiduciary interests if the investment otherwise complies with the prudent investor rule of Article 9 of this Chapter. The investment company, investment trust, or pooled investment vehicle may compensate the trustee for providing those services out of fees charged to the trust if the trustee at least annually ~~notifies the persons entitled under G.S. 36C-8-813 to receive a copy of the trustee's annual report~~ provides notice of the rate and method by which the compensation was ~~determined;~~ determined to each beneficiary of the trust to whom the trustee owes a duty under G.S. 36C-8-813(a)(1) to provide the information described in that subdivision; and

(2) Payment made by a trustee to an attorney, broker, accountant, or agent for services performed on behalf of the trust in the ordinary course of business is not considered to be affected by a conflict between the trustee's personal and fiduciary interests if the payment is consistent with payments generally made for the same or similar services."

SECTION 31.(b) Section 11(a) of S.L. 2015-205 reads as rewritten:

"**SECTION 11.(a)** The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Commentary to the Uniform Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all explanatory comments of the drafters of ~~those acts,~~ Part III and Parts VI through X-A of this act, as the Revisor may deem appropriate."

PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER AMENDMENTS

SECTION 32. G.S. 1C-1853(j), as enacted by S.L. 2015-107, reads as rewritten:

"(j) If a proceeding in a foreign court is brought by a foreign government entity based upon rules of law adopted for the benefit of the foreign government entity that are applied ex post facto to conduct of the defendant or if the action imposes liability for harms to individuals without requiring individualized proof of each element of the claim for each such individual, the court shall find that the action is fundamentally unfair and its judgment is repugnant to the public policy of this State under ~~G.S. 1C-1853(c)(3) and (5).~~subdivisions (3) and (8) of subsection (c) of this section."

SECTION 32.5. G.S. 6-21.6(b) reads as rewritten:

"(b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the business contract sign by hand the business contract. ~~In any suit, action, proceeding, or arbitration primarily for the recovery of monetary damages, the award of reasonable attorneys' fees may not exceed the monetary damages awarded.~~ Signature "by hand" is not intended to prevent the application of this section to a business contract executed by either of the following:

(1) A party's electronic signature, as defined in G.S. 66-312, if the party's electronic signature originates from an affirmative action on the part of the party to evidence acceptance and execution such as typing the party's signature or writing the party's signature with a finger or stylus on a touchscreen to indicate acceptance and execution.

(2) A party's manual signature that is delivered by an electronic reproductive image thereof."

SECTION 33.(a) G.S. 7B-401.1(b), as amended by Section 22 of S.L. 2015-181, reads as rewritten:

"(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 for an offense that resulted in the conception of the juvenile."

SECTION 33.(b) G.S. 7B-1103(c), as amended by Section 23 of S.L. 2015-181, reads as rewritten:

"(c) No person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile may file a petition to terminate the parental rights of another with respect to that juvenile."

SECTION 33.(c) G.S. 7B-1104, as amended by Section 24 of S.L. 2015-181, reads as rewritten:

"**§ 7B-1104. Petition or motion.**

The petition, or motion pursuant to G.S. 7B-1102, shall be verified by the petitioner or movant and shall be entitled "In Re (last name of juvenile), a minor juvenile", who shall be a party to the action, and shall set forth such of the following facts as are known; and with respect to the facts which are unknown the petitioner or movant shall so state:

…

(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner or movant, the petitioner or movant shall set forth with particularity the petitioner's or movant's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition or motion and incorporated therein by reference. A person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile need not be named in the petition.

…."

SECTION 33.(d) This section becomes effective December 1, 2015, and applies to petitions filed on or after that date.

SECTION 34.(a) G.S. 7B-901(c), as enacted by S.L. 2015-136, reads as rewritten:

"(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following:

(1) A court of competent jurisdiction has determined that aggravated circumstances exist because the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:

a. Sexual abuse.

b. Chronic physical or emotional abuse.

c. Torture.

d. Abandonment.

e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.

f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry."

SECTION 34.(b) This section becomes effective October 1, 2015.

SECTION 34.5.(a) G.S. 14-288.8(b) reads as rewritten:

"(b) This section does not apply to any of the following:

...

(5) Persons who lawfully ~~possess~~ purchase, acquire, possess, or own a weapon as defined in subsection (c) of this section in compliance with federal law.~~26 U.S.C. Chapter 53, §§ 5801-5871. Nothing in this subdivision shall limit the discretion of the sheriff in executing the paperwork required by the United States Bureau of Alcohol, Tobacco and Firearms for such person to obtain the weapon.~~"

SECTION 34.5.(b) G.S. 14-409(b) reads as rewritten:

"(b) It shall be unlawful for any person, firm or corporation to manufacture, sell, give away, dispose of, use or possess machine guns, submachine guns, or other like weapons as defined by subsection (a) of this section: Provided, however, that this subsection shall not apply to the following:

Banks, merchants, and recognized business establishments for use in their respective places of business, who shall first apply to and receive from the sheriff of the county in which said business is located, a permit to possess the said weapons for the purpose of defending the said business; officers and soldiers of the United States Army, when in discharge of their official duties, officers and soldiers of the militia when called into actual service, officers of the State, or of any county, city or town, charged with the execution of the laws of the State, when acting in the discharge of their official duties; the manufacture, use or possession of such weapons for scientific or experimental purposes when such manufacture, use or possession is lawful under federal laws and the weapon is registered with a federal agency, and when a permit to manufacture, use or possess the weapon is issued by the sheriff of the county in which the weapon is located; a person who lawfully ~~possesses~~ purchases, acquires, possesses, or owns a weapon as defined by subsection (a) of this section in compliance with federal law.~~26 U.S.C. Chapter 53, §§ 5801-5871. Nothing in this subdivision shall limit the discretion of the sheriff in executing the paperwork required by the United States Bureau of Alcohol, Tobacco and Firearms for such person to obtain the weapon.~~ Provided, further, that any bona fide resident of this State who now owns a machine gun used in former wars, as a relic or souvenir, may retain and keep same as his or her property without violating the provisions of this section upon his reporting said ownership to the sheriff of the county in which said person lives."

SECTION 35.(a) G.S. 14-404 is amended by adding a new subsection to read:

"(d1) Nothing in this Article shall apply to a State probation or parole officer receiving or purchasing a weapon pursuant to G.S. 20-187.2."

SECTION 35.(b) G.S. 20-187.2 is amended by adding a new subsection to read:

"(c) For purposes of this section, law enforcement officers shall include State probation and parole officers."

SECTION 36.(a) G.S. 14-415.12A(a1), as enacted by S.L. 2015-105, reads as rewritten:

"(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 36.(b) This section becomes effective October 1, 2015.

SECTION 37.(a) G.S. 17C-10.1, as enacted by S.L. 2015-49, reads as rewritten:

"**§ 17C-10.1. Certification of military service members and veterans with law enforcement training and experience.**

(a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary certification to a current or honorably discharged former military police officer provided the Commission, upon evaluating the individual applicant's combined training ~~and~~ or experience or both pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and experience is substantially equivalent to or exceeds the minimum expectations for employment as a law enforcement officer and the applicant satisfies all of the following conditions:

...

(c) The Commission shall issue certification to a current or honorably discharged former military police officer whose combined training ~~and~~ or experience or both is not substantially equivalent to or does not exceed the minimum expectations for employment as a law enforcement officer if the applicant meets all of the following requirements:

...

(5) Successfully completes any supplementary high-liability training as deemed necessary by the Commission, not to exceed an additional 180 hours. Supplementary training required by the Commission pursuant to this subsection shall be made on a case-by-case basis and based only on documented deficiencies in training and experience related to each block of supplementary training required.

...."

SECTION 37.(b) Not later than April 1, 2016, the Criminal Justice Education and Training Standards Commission shall provide a compliance report on the implementation of G.S. 17C-10.1 to the cochairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee.

SECTION 38.(a) G.S. 20-28(a2) reads as rewritten:

"(a2) Driving Without Reclaiming License. – A person convicted under ~~subsection (a)~~subsection (a) or (a1) of this section shall be punished as if the person had been convicted of driving without a license under G.S. 20-35 if the person demonstrates to the court that either ~~subdivisions (1) and (2), or subdivision (3) of this subsection~~ of the following is true:

(1) At the time of the offense, the person's license was revoked solely under ~~G.S. 20-16.5; and~~ G.S. 20-16.5 and one of the following applies:

~~(2)~~ a. The offense occurred more than 45 days after the effective date of a revocation order issued under G.S. 20-16.5(f) and the period of revocation was 45 days as provided under subdivision (3) of that subsection; or

b. The offense occurred more than 30 days after the effective date of the revocation order issued under any other provision of ~~G.S. 20-16.5; or~~G.S. 20-16.5.

(3) At the time of the offense the person had met the requirements of G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the person's drivers license privilege as provided therein.

In addition, a person punished under this subsection shall be treated for drivers license and insurance rating purposes as if the person had been convicted of driving without a license under G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be so treated."

SECTION 38.(b) G.S. 20-179(c) reads as rewritten:

"(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing, based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior court, must first determine whether there are any grossly aggravating factors in the case. Whether a prior conviction exists under subdivision (1) of this subsection, or whether a conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case remanded back to district court from superior court, the judge shall determine whether the defendant has been convicted of any offense that was not considered at the initial sentencing hearing and impose the appropriate sentence under this section. The judge must impose the Aggravated Level One punishment under subsection (f3) of this section if it is determined that three or more grossly aggravating factors apply. The judge must impose the Level One punishment under subsection (g) of this section if it is determined that the grossly aggravating factor in subdivision (4) of this subsection applies or two of the other grossly aggravating factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this subsection applies, then the judge must impose the Level Two punishment under subsection (h) of this section if it is determined that only one of the other grossly aggravating factors applies. The grossly aggravating factors are:

(1) A prior conviction for an offense involving impaired driving if:

a. The conviction occurred within seven years before the date of the offense for which the defendant is being sentenced; or

b. The conviction occurs after the date of the offense for which the defendant is presently being sentenced, but prior to or contemporaneously with the present sentencing; or

c. The conviction occurred in district court; the case was appealed to superior court; the appeal has been withdrawn, or the case has been remanded back to district court; and a new sentencing hearing has not been held pursuant to G.S. 20-38.7.

Each prior conviction is a separate grossly aggravating factor.

(2) Driving by the defendant at the time of the offense while his driver's license was revoked ~~under G.S. 20-28(a1), and the revocation was an impaired driving revocation under G.S. 20-28.2(a).~~ pursuant to G.S. 20-28(a1).

...

In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge may consider the aggravating and mitigating factors in subsections (d) and (e) in determining the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must weigh all aggravating and mitigating factors and impose punishment as required by subsection (f)."

SECTION 38.(c) This section becomes effective December 1, 2015, and applies to convictions on or after that date. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

SECTION 38.3.(a) G.S. 20-28.9(a), as amended by Section 27.3(d) of S.L. 2015-241, reads as rewritten:

(a) The State Surplus Property Agency is authorized to enter into a contract for a statewide service or contracts for regional services to tow, store, process, maintain, and sell motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes. ~~Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State.~~ All contracts shall ensure the safety of the motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The contract shall require the contractor to maintain and make available to the agency a computerized up-to-date inventory of all motor vehicles held under the contract, together with an accounting of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds of sale are to be paid. The contract shall provide that the contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial towing company at the time the seized vehicle is obtained from the commercial towing company, with the contractor being reimbursed this expense when the vehicle is released or sold. The State Surplus Property Agency shall not enter into any contract under this section under which the State will be obligated to pay a deficiency arising from the sale of any forfeited motor vehicle."

SECTION 38.3.(b) This section becomes effective July 1, 2015.

SECTION 38.5. G.S. 20-62.1 reads as rewritten:

"**§ 20-62.1. Purchase of vehicles for purposes of scrap or parts only.**

(a) Records for Scrap or Parts. – A secondary metals recycler, as defined in G.S. 66-420(8), and a salvage yard, as defined in G.S. 20-137.7(6), purchasing motor vehicles solely for the purposes of dismantling or wrecking such motor vehicles for the recovery of scrap metal or for the sale of parts only, shall comply with the provisions of G.S. 20-61 and subsection (a1) of this section, provided, however, that a secondary metals recycler or salvage yard may purchase a motor vehicle without a certificate of title, if the motor vehicle is 10 model years old or older and the secondary metals recycler or salvage yard comply with the following requirements:

(1) Maintain a record on a form, or in a format, as approved by the Division of Motor Vehicles (DMV) of all purchase transactions of motor vehicles. The following information shall be maintained for transactions of motor vehicles:

a. The name, address, and contact information of the secondary metals recycler or salvage yard.

b. The name, initials, or other identification of the individual entering the information.

c. The date of the transaction.

d. A description of the motor vehicle, including the year, make, and model to the extent practicable.

e. The vehicle identification number (VIN) of the vehicle.

f. The amount of consideration given for the motor vehicle.

g. A written statement signed by the seller or the seller's agent certifying that (i) the seller or the seller's agent has the lawful right to sell and dispose of the motor vehicle, (ii) the motor vehicle is at least 10 model years old, and (iii) the motor vehicle is not subject to any security interest or lien.

g1. A written statement that the motor vehicle will be scrapped or crushed for disposal or dismantled for parts only.

h. The name, address, and drivers license number of the person from whom the motor vehicle is being purchased.

i. A photocopy or electronic scan of a valid drivers license or identification card issued by the DMV of the seller of the motor

vehicle, or seller's agent, to the secondary metals recycler or salvage yard, or in lieu thereof, any other identification card containing a photograph of the seller as issued by any state or federal agency of the United States: provided, that if the buyer has a copy of the seller's photo identification on file, the buyer may reference the identification that is on file, without making a separate photocopy for each transaction. If seller has no identification as described in this sub-subdivision, the secondary metals recycler or salvage yard shall not complete the transaction.

(1a) Verify with the DMV whether or not the motor vehicle has been reported stolen. The DMV shall develop a method to allow a person subject to this section to verify, at the time of the transaction, through the use of the Internet, that the vehicle has not been reported stolen, and that also allows for the DMV's response to be printed and retained by the person making the request. One of the following shall apply following the DMV response:

a. If the Division of Motor Vehicles confirms that the motor vehicle has been reported stolen, the secondary metals recycler or salvage yard shall not complete the transaction and shall notify the DMV of the current location of the vehicle and the identifying information of the person attempting to transfer the vehicle.

b. If the Division of Motor Vehicles confirms that the motor vehicle has not been stolen, the secondary metals recycler or salvage yard may proceed with the transaction and shall not be held criminally or civilly liable if the motor vehicle later turns out to be a stolen vehicle, unless the secondary metals recycler had knowledge that the motor vehicle was a stolen vehicle.

c. If the Division of Motor Vehicles has not received information from a federal, State, or local department or independent source that a vehicle has been stolen and reports pursuant to this section that a vehicle is not stolen, any person damaged does not have a cause of action against the Division.

(2) Maintain the information required under subdivision (1) of this subsection, and the record confirming that the vehicle was not stolen, required under subdivision (1a) of this subsection, for not less than two years from the date of the purchase of the motor vehicle.

(a1) Reporting Requirement. – Within 72 hours of each day's close of business, a secondary metals recycler or salvage yard purchasing a motor vehicle under this section shall submit to the National Motor Vehicle Title Information System (NMVTIS) such information contained in subdivision (1) of subsection (a) of this section, along with any other information or statement pertaining to the intended disposition of the motor vehicle, as may be required. The information shall be in a format that will satisfy the requirement for reporting information in accordance with rules adopted by the United States Department of Justice in 28 C.F.R. § 25.56. A secondary metals recycler or salvage yard may comply with this subsection by reporting the information required by this subsection to a third-party consolidator as long as the third-party consolidator reports the information to the NMVTIS in compliance with the provisions of this subsection.

(b) Inspection of Motor Vehicles and Records. – At any time it appears a secondary metals recycler, salvage yard, or any other person involved in secondary metals operations is open for business, a law enforcement officer shall have the right to inspect the following:

(1) Any and all motor vehicles in the possession of the secondary metals recycler, the salvage yard, or any other person involved in secondary metals operations.

~~(2) Any records required to be maintained under subsection (a) of this section.~~

~~(b1) Availability of Information. The information obtained by the Division of Motor Vehicles pursuant to this section shall be made available to law enforcement agencies only. The information submitted pursuant to this section is confidential and shall not be considered a public record as that term is defined in G.S. 132-1.~~

(c) Violations. – Any person who knowingly and willfully violates any of the provisions of this section, or any person who falsifies the statement required under subsection (a)(1)g. of this section, shall be guilty of a Class I felony and shall pay a minimum fine of one thousand dollars ($1,000). The court may order a defendant seller under this subsection to make restitution to the secondary metals recycler or salvage yard or lien holder for any damage or loss caused by the defendant seller arising out of an offense committed by the defendant seller.

(d) Confiscation of Vehicle or Tools Used in Illegal Sale. – Any motor vehicle used to transport another motor vehicle illegally sold under this section may be seized by law enforcement and is subject to forfeiture by the court, provided, however, that no vehicle used by any person in the transaction of a sale of regulated metals is subject to forfeiture unless it appears that the owner or other person in charge of the motor vehicle is a consenting party or privy to the commission of a crime, and a forfeiture of the vehicle encumbered by a bona fide security interest is subject to the interest of the secured party who had no knowledge of or consented to the act.

Whenever property is forfeited under this subsection by order of the court, the law enforcement agency having custody of the property shall sell any forfeited property which is not required to be destroyed by law and which is not harmful to the public, provided that the proceeds are remitted to the Civil Fines and Forfeitures Fund established pursuant to G.S. 115C-457.1.

(e) Exemptions. – As used in this section, the term "motor vehicle" shall not include motor vehicles which have been mechanically flattened, crushed, baled, or logged and sold for purposes of scrap metal only.

(f) Preemption. – No local government shall enact any local law or ordinance with regards to the regulation of the sale of motor vehicles to secondary metals recyclers or salvage yards."

SECTION 39.(a) G.S. 20-38.7(c)(3), as enacted by Section 5 of S.L. 2015-150, reads as rewritten:

"(3) If the appeal is withdrawn and remanded pursuant to ~~G.S. 15A-1341(h),~~G.S. 15A-1431(h), the prosecutor has certified to the clerk, in writing, that the prosecutor consents to the withdrawal and remand and has no new sentencing factors to offer the court."

SECTION 39.(b) This section becomes effective December 1, 2015.

SECTION 40. G.S. 20-58.4A(i) reads as rewritten:

"(i) Mandatory Participation. – Beginning ~~January 1,~~ July 1, 2016, all individuals and lienholders who are normally engaged in the business or practice of financing motor vehicles, and who conduct at least five transactions annually, shall utilize the electronic lien system implemented in subsection (a) of this section to record information concerning the perfection and release of a security interest in a vehicle."

SECTION 41. G.S. 20-116 is amended by adding a new subsection to read:

"(o) Notwithstanding any provision of this section to the contrary, the following may operate on the highways of this State without an oversize permit for the purpose of Department snow removal and snow removal training operations:

(1) Truck supporting snow plows with blades not exceeding 12 feet in width. A truck operated pursuant to this subdivision shall have adequate illumination when the plow is in the up and the down positions; visible signal lights; and a plow that is angled so that the minimum width is exposed to oncoming traffic during periods of travel between assignments.

(2) Motor graders not exceeding 102 inches in width, measured from the outside edge of the tires. A motor grader operated pursuant to this subdivision shall have adequate illumination when the moldboard is in the up and down positions; visible signal lights; and a moldboard that is angled not to exceed 102 inches during periods of travel between assignments."

SECTION 42.(a) G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125 and by Section 1.2 of S.L. 2015-232, reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State. This term does not include mopeds, as that term is defined in G.S. 20-4.01.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between a manufacturer and a new motor vehicle dealer of the same franchise. For purposes of this subdivision, the use of a new motor vehicle by a new motor vehicle dealer for demonstration or service loaner purposes does not render the new motor vehicle a used motor vehicle, notwithstanding (i) the commencement of ~~(i)~~ the manufacturer's original warranty as a result of the franchised dealer's use of the vehicle for demonstration or loaner ~~purposes~~ purposes, or (ii) the dealer's receipt of incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of a vehicle as a demonstrator or service loaner.

b. "Used motor vehicle" means a motor vehicle other than described in paragraph (10)a above."

SECTION 42.(b) G.S. 20-79(d), as amended by Section 1.4(a) of S.L. 2015-232, reads as rewritten:

"(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor vehicle that meets all of the following requirements:

(1) Is part of the inventory of the dealer.

(2) Is not consigned to the dealer.

(3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.

(4) Is not used by the dealer in another business in which the dealer is engaged.

(5) Is driven on a highway by a person who meets one of the following descriptions:

a. Has a demonstration permit to test-drive the motor vehicle and carries the demonstration permit while driving the motor vehicle.

b. Is an officer or sales representative of the dealer and is driving the vehicle for a business purpose of the dealer.

c. Is an employee of the dealer and is driving the vehicle in the course of employment.

d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.

e. Is an employee of the dealer or of a contractor of the dealer and is transporting the vehicle to or from a vehicle auction or to the dealer's established salesroom.

f. Is an officer, sales representative, or other employee of a franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of a franchised motor vehicle dealer.

(6) A copy of the registration card for the dealer plate issued to the dealer is carried by the person operating the motor vehicle or, if the person is operating the motor vehicle in this State, the registration card is maintained on file at the dealer's address listed on the registration card, and the registration card must be able to be produced within 24 hours upon request of any law enforcement officer.

A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive that type of motor vehicle. A demonstration permit authorizes each person named in the permit to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit pursuant to this subsection by reason of the dealer's receipt of ~~(i)~~ incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of the vehicle as a demonstrator or service loaner."

SECTION 43. G.S. 45-91(5) reads as rewritten:

"(5) The obligations of mortgage servicers set forth in ~~G.S. 53-243.11.~~G.S. 53-244.110."

SECTION 44.(a) G.S. 48-3-605 is amended by adding a new subsection to read:

"(g) The office of the clerk of superior court, the district court, and the superior court shall each be a court of competent jurisdiction for the purposes of (i) judicial proceedings for accepting voluntary consents to adoption under 25 U.S.C. § 1913, (ii) making determinations as to whether there is good cause to deviate from placement preferences under 25 U.S.C. § 1915(a), or (iii) judicial proceedings for voluntary consent to adoption in conformance with the laws of any state."

SECTION 44.(b) G.S. 48-3-702(b) reads as rewritten:

"(b) The provisions of G.S. 48-3-605(b), (e), ~~and~~ (f), and (g) also apply to a relinquishment executed under this Part."

SECTION 44.5. Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-87. Affiliate transfer of policies.**

Delivery by an insurer of a policy superseding a policy previously issued by the insurer at the end of the previously issued policy period is not a refusal to renew when it is delivered by:

(1) The same insurer; or

(2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that has a financial strength rating, issued by an industry-recognized independent insurance rating company, which financial strength rating is at least as good as the insurer issuing the superseded policy. The provisions of G.S. 58-36-110 and G.S. 58-36-85 apply to the affiliate or subsidiary as if it were the same insurer issuing the policy."

SECTION 45. Reserved.

SECTION 46. G.S. 62A-41(2) reads as rewritten:

"(2) Six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives as follows:

a. An individual who is a sheriff, appointed upon the recommendation of the North Carolina Sheriffs' Association, Inc.

b. An individual who represents CMRS providers operating in North Carolina.

c. An individual who represents the North Carolina chapter of the Association of Public Safety Communications Officials (APCO).

d. Two individuals who represent local exchange carriers operating in North Carolina, one of whom represents a local exchange carrier with less than 50,000 access lines.

e. A fire chief with experience operating or supervising a PSAP or a director/manager of a fire-based PSAP, appointed upon the recommendation of the North Carolina Firemen's Association."

SECTION 47. G.S. 84-24 reads as rewritten:

"**§ 84-24. Admission to practice.**

For the purpose of examining applicants and providing rules and regulations for admission to the Bar including the issuance of license therefor, there is hereby created the Board of Law Examiners, which shall consist of 11 members of the Bar, elected by the Council, who need not be members of the Council. No teacher in any law school, however, shall be eligible. The members of the Board of Law Examiners elected from the Bar shall each hold office for a term of three years.

The Board of Law Examiners shall elect a member of the Board as chair thereof, and the Board may employ an executive secretary and provide such assistance as may be required to enable the Board to perform its duties promptly and properly. The chair and any employees shall serve for a period of time determined by the Board.

The examination shall be held in the manner and at the times as the Board of Law Examiners may determine.

The Board of Law Examiners shall have full power and authority to make or cause to be made such examinations and investigations as may be deemed by it necessary to satisfy it that the applicants for admission to the Bar possess the qualifications of character and general fitness requisite for an attorney and counselor-at-law and to this end the Board of Law Examiners shall have the power of subpoena and to summons and examine witnesses under oath and to compel their attendance and the production of books, papers and other documents and writings deemed by it to be necessary or material to the inquiry and shall also have authority to employ and provide assistance as may be required to enable it to perform its duties promptly and properly. Records, papers, and other documents containing information collected and compiled by the Board or its members or employees as a result of investigations, inquiries, or interviews conducted in connection with examinations or licensing matters, are not public records within the meaning of Chapter 132 of the General Statutes.

All applicants for admission to the Bar shall be fingerprinted to determine whether the applicant has a record of criminal conviction in this State or in any other state or jurisdiction. The information obtained as a result of the fingerprinting of an applicant shall be limited to the official use of the Board of Law Examiners in determining the character and general fitness of the applicant.

The Department of Public Safety may provide a criminal record check to the Board of Law Examiners for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the

fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this section.

The Board of Law Examiners, subject to the approval of the Council, shall by majority vote, from time to time, make, alter, and amend such rules and regulations for admission to the Bar as in their judgment shall promote the welfare of the State and the profession: Provided, that ~~any~~ no change in the educational requirements for admission to the Bar that establishes an additional or greater requirement shall ~~not~~ become effective ~~within~~ until two years ~~from~~ after the date of the adoption of the change.

All rules and regulations, and modifications, alterations and amendments thereof, shall be recorded and promulgated as provided in G.S. 84-21 in relation to the certificate of organization and the rules and regulations of the Council.

Whenever the Council shall order the restoration of license to any person as authorized by G.S. 84-32, it shall be the duty of the Board of Law Examiners to issue a written license to the person, noting thereon that the license is issued in compliance with an order of the Council, whether the license to practice law was issued by the Board of Law Examiners or the Supreme Court in the first instance.

Appeals from the Board shall be had in accordance with rules or procedures as may be approved by the Supreme Court as may be submitted under G.S. 84-21 or as may be promulgated by the Supreme Court."

SECTION 48.(a) G.S. 90-94(3), as amended by S.L. 2015-162, reads as rewritten:

"(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound that (i) is a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (ii) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedule I through V, and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in sub-subdivisions a. through ~~j.~~p. of this subdivision and any substance that contains any quantity of their salts, isomers (whether optical, positional, or geometric), homologues, and salts of isomers and homologues, unless specifically excepted, whenever the existence of these salts, isomers, homologues, and salts of isomers and homologues is possible within the specific chemical designation. The following substances are examples of synthetic cannabinoids and are not intended to be inclusive of the substances included in this Schedule:

...."

SECTION 48.(b) This section becomes effective December 1, 2015.

SECTION 48.5. G.S. 90-113.101(1), as amended by S.L. 2015-154 and by Section 14 of this act, reads as rewritten:

"(1) Caregiver. – An individual that is at least 18 years of age and a resident of North Carolina who is a parent, legal guardian, or custodian of a patient and is registered with the Department of Health and Human ~~and~~ Services under G.S. 90-113.102 who possesses a written statement dated and signed by a neurologist that states all of the following:

...."

SECTION 49. 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, 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~~ Except as otherwise provided herein, 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 deemed to be employees of the State of North Carolina. All other county agricultural extension service employees paid from State or county funds shall be deemed to be employees of the county board of commissioners in the county in which the employee is employed for purposes of workers' compensation.

The term "employee" shall also include members of the Civil Air Patrol currently certified pursuant to G.S. 143B-1031(a) when performing duties in the course and scope of a State-approved mission pursuant to Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes.

"Employee" shall not include any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities or any combination thereof.

"Employee" shall not include any person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation subject to Chapter 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, who performs only voluntary service for the nonprofit corporation, provided that the person receives no remuneration for the voluntary service other than reasonable reimbursement for expenses incurred in connection with the voluntary service. When a nonprofit corporation as described herein employs one or more persons who do receive remuneration other than reasonable reimbursement for expenses, then any volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph shall be counted as employees for the sole purpose of determining the number of persons regularly employed in the same business or establishment pursuant to G.S. 97-2(1). Other than for the limited purpose of determining the number of persons regularly employed in the same business or establishment, such volunteer nonprofit officers, directors, or committee members shall not be "employees" under the Act. Nothing herein shall prohibit a nonprofit corporation as described herein from voluntarily electing to provide for workers' compensation benefits in the manner provided in G.S. 97-93 for volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph. This paragraph shall not apply to any volunteer firefighter, volunteer member of an organized rescue squad, an authorized pickup firefighter when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, a duly appointed and sworn member of an auxiliary police department organized pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes, even if such person is elected or appointed and empowered

as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation as described herein.

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"~~ "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 50. G.S. 97-87(c)(5) reads as rewritten:

"(5) If any party disputes the decision of the Commission entered under subdivision (c)(4) of this section, the party may appeal to the full Commission within 10 days of the entry of the decision of the Commission. The nonappealing party may file a response within 10 days of receiving notice of appeal. The notice of appeal shall request one of the following:

a. The Commission reconsider the decision entered based on the record and any additional evidence that parties submit with the notice and response.

b. A de novo evidentiary hearing before the ~~full~~ Commission."

SECTION 51. G.S. 97-92 reads as rewritten:

"**§ 97-92. Employer's record and report of accidents; records of Commission not open to public; supplementary report upon termination of disability; penalty for refusal to make report; when insurance carrier liable.**

…

(d) The said report shall contain the name, nature, and location of the business of the employer and name, age, sex, ~~and wages~~ wages, if available, and occupation of the injured employee, and shall state the date and hour of the accident causing injury, the nature and cause of the injury, and such other information as may be required by the Commission.

…."

SECTION 52. G.S. 97-101 reads as rewritten:

"**§ 97-101. Collection of fines and penalties.**

The Industrial Commission shall have the power by civil action brought in its own name to enforce the collection of any fines or penalties provided by this ~~Article, and fines or penalties collected by the Commission shall become a part of the maintenance fund referred to in subsection (j) of G.S. 97-100.~~Article."

SECTION 53. G.S. 97-200(a) reads as rewritten:

"**§ 97-200. Claims administration.**

(a) A self-insurer shall not utilize any claims adjuster unless the adjuster is licensed under ~~G.S. 58-33-25.~~G.S. 58-33-26."

SECTION 54.(a) G.S. 104E-5, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"**§ 104E-5. Definitions.**

Unless a different meaning is required by the context, the following terms as used in this Chapter shall have the meanings hereinafter respectively ascribed to them:

(1) "Agreement materials" means those materials licensed by the State under agreement with the United States Nuclear Regulatory Commission and which include by-product, source or special nuclear materials in a quantity not sufficient to form a critical mass, as defined by the Atomic Energy Act of 1954 as amended.

...

(14b) "Secretary" means the Secretary of ~~Environmental Quality.~~Health and Human Services.

...."

SECTION 54.(b) G.S. 104E-7(a), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-7. Radiation Protection Commission – Creation and powers.**

(a) There is hereby created the North Carolina Radiation Protection Commission of the ~~Department of Environmental Quality~~ Department of Health and Human Services with the power to promulgate rules and regulations to be followed in the administration of a radiation protection program. All rules and regulations for radiation protection that were adopted by the Commission for Public Health and are not inconsistent with the provisions of this Chapter shall remain in full force and effect unless and until repealed or superseded by action of the Radiation Protection Commission. The Radiation Protection Commission is authorized:

...."

SECTION 54.(c) G.S. 104E-15(b), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-15. Transportation of radioactive materials.**

...

(b) The Department is authorized to enter into agreements with the respective federal agencies designed to avoid conflict or duplication of effort ~~and/or conflict~~ in enforcement and inspection activities so that:

(1) Rules and regulations adopted by the Commission pursuant to this section of this Chapter may be enforced, within their respective jurisdictions, by any authorized representatives of the ~~Department of Environmental Quality~~Department of Health and Human Services and the Department of Transportation, according to mutual understandings between such departments of their respective responsibilities and authorities.

...."

SECTION 54.(d) G.S. 104E-17, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"**§ 104E-17. Payments to State and local agencies.**

Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated in G.S. 104E-16(a)(2), each State and local agency that has participated by furnishing personnel, equipment or material shall deliver to the Department a record of the expenses incurred by the agency. The amount of incurred expenses shall be disbursed by the Secretary of ~~Environmental Quality~~ Health and Human Services to each such agency from the Radiation Protection Fund. Upon completion of any project or

activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated in G.S. 104E-16(a)(2), the Secretary of ~~Environmental Quality~~ Health and Human Services shall prepare a statement of all expenses and costs of the project or activity expended by the State and shall make demand for payment upon the person having control over the radioactive materials or the release thereof which necessitated said project or activity. Any person having control over the radioactive materials or the release thereof and any other person causing or contributing to an incident necessitating any project or activity stated in G.S. 104E-16 shall be directly liable to the State for the necessary expenses incurred thereby and the State shall have a cause of action to recover from any or all such persons. If the person having control over the radioactive materials or the release thereof shall fail or refuse to pay the sum expended by the State, the Secretary of ~~Environmental Quality~~ Health and Human Services shall refer the matter to the Attorney General of North Carolina, who shall institute an action in the name of the State in the Superior Court of Wake County, or in his discretion, in the superior court of the county in which the project or activity was undertaken by the State, to recover such cost and expenses.

In any action instituted by the Attorney General under this section, a verified and itemized statement of the expenses incurred by the State in any project or activity stated in G.S. 104E-16 shall be filed with the complaint and shall constitute prima facie the amount due the State; and any judgment for the State thereon shall be for such amount in the absence of allegation and proof on the part of the defendant or defendants that the statement of expenses incurred by and the amount due the State is not correct because of an error in:

(1) Calculating the amount due, or

(2) Not properly crediting the account with any cash payment or payments or other satisfaction which may have been made thereon."

SECTION 54.(e) G.S. 104E-24, as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"**§ 104E-24. Administrative penalties.**

(a) The Department may impose an administrative penalty on any person:

(1) Who fails to comply with this Chapter, any order issued hereunder, or any rules adopted pursuant to this Chapter;

(2) Who refuses to allow an authorized representative of the Radiation Protection Commission or the ~~Department of Environmental Quality~~ Health and Human Services a right of entry as provided for in G.S. 104E-11 or impounding materials as provided for in G.S. 104E-14.

(b) Each day of a continuing violation shall constitute a separate violation. Such penalty shall not exceed ten thousand dollars ($10,000) per day. In determining the amount of the penalty, the Department shall consider the degree and extent of the harm caused by the violation. Any person assessed a penalty shall be notified of the assessment by registered or certified mail, and the notice shall specify the reasons for the assessment.

(c) Any person wishing to contest a penalty or order issued under this section shall be entitled to an administrative hearing and judicial review in accordance with the procedures outlined in Articles 3, 3A, and 4 of Chapter 150B of the General Statutes.

(d) The Secretary may bring a civil action in the superior court of the county in which such violation is alleged to have occurred to recover the amount of administrative penalty whenever a person:

(1) Who has not requested an administrative hearing fails to pay the penalty within 60 days after being notified of such penalty, or

(2) Who has requested an administrative hearing fails to pay the penalty within 60 days after service of a written copy of the decision as provided in G.S. 150B-36.

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

SECTION 55. G.S. 110-90.2(a1) reads as rewritten:

"(a1) No person shall be a child care provider or uncompensated child care provider who has been any of the following:

(1) Convicted of a misdemeanor or a felony crime involving child neglect or child abuse.

(2) Adjudicated a "responsible individual" under ~~G.S. 7B-807(a1).~~G.S. 7B-311(b).

(3) Convicted of a "reportable conviction" as defined under G.S. 14-208.6(4)."

SECTION 56.(a) G.S. 110-105.5(c), as enacted by S.L. 2015-123, reads as rewritten:

"(c) Individuals whose names are listed on the Registry shall not be a caregiver as defined in ~~G.S. 110-105.3(b)(2)~~ G.S. 110-105.3(b)(1) at any licensed child care facility or religious-sponsored child care facility."

SECTION 56.(b) This section becomes effective January 1, 2016.

SECTION 57. Reserved.

SECTION 58.(a) Article 9C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-150.15. Local superintendent to report deaf and blind children.**

It shall be the duty of the local superintendents to report the names and addresses of parents, guardians, or custodians of any deaf or blind children residing within their respective local school administrative units to the directors of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Department of Public Instruction."

SECTION 58.(b) This section is effective when it becomes law. Local superintendents shall make the first report required under subsection (a) of this section no later than February 1, 2016.

SECTION 59.(a) G.S. 115C-174.11(c)(4) reads as rewritten:

"(4) To the extent funds are made available, the State Board of Education shall ~~plan for and require the administration of the ACT test for~~ use a competitive bid process to select a nationally norm-referenced college admission test to administer to all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board. The State Board of Education shall require the administration of an alternate to the ~~ACT~~ selected nationally norm-referenced college admissions test or an alternate ~~to the PLAN~~ precursor test ~~to the ACT~~ to a student who (i) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors, including communication, daily living skills, and self-care, (ii) is following the extended content standards of the Standard Course of Study as provided in G.S. 115C-81, or is following a course of study that, upon completing high school, may not lead to admission into a college-level course of study resulting in a college degree, and (iii) has a written parental request for an alternate assessment.

The State Board of Education shall ensure that parents of students enrolled in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ~~ACT and the PLAN precursor test to the ACT.~~selected national norm-referenced test and precursor test.

~~Alternate assessment and ACT assessment results~~ Nationally norm-referenced college admissions test and alternate assessment results of students with disabilities shall be included in school accountability reports,

including charter and regional schools, provided by the State Board of Education."

SECTION 59.(b) G.S. 115C-174.22 reads as rewritten:

"**§ 115C-174.22. Tools for student learning.**

To the extent funds are made available for this purpose, and except as otherwise provided in G.S. 115C-174.11(c)(4), the State Board shall plan for and require the administration of diagnostic tests in the eighth and tenth grades that align to the ~~ACT~~ nationally norm-referenced college admissions test ~~in order~~ that is selected through a competitive bid process. The results of the tests will be used to help diagnose student learning and provide for students an indication of whether they are on track to be remediation-free at a community college or university."

SECTION 59.(c) The State Board of Education shall solicit bids through a competitive bid process for a nationally norm-referenced college admission test and precursor test, as required by G.S. 115C-174.11(c)(4), as amended by this section, and G.S. 115C-174.22, as amended by this section. The State Board of Education shall report on the results of the competitive bid process to the Joint Legislative Education Oversight Committee and the Fiscal Research Division no later than February 1, 2016.

SECTION 60. G.S. 115C-174.26(h) reads as rewritten:

"(h) Beginning ~~October 15~~ November 15, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.

(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.

(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.

(4) Number of students participating in 10th grade PSAT/NMSQT testing.

(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.

(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.

(7) Status and efforts of the North Carolina Advanced Placement Partnership.

(8) Other trends in advanced courses and examinations."

SECTION 61.(a) If House Bill 334, 2015 Regular Session, becomes law, G.S. 115C-218.15 as enacted by Section 6(a) of House Bill 334, reads as rewritten:

"**§ 115C-218.15. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. All charter schools shall be accountable to the State Board for ensuring compliance with applicable laws and the provisions of their charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application. The board of directors of the charter schools shall adopt a conflict of interest and anti-nepotism policy that includes, at a minimum, the following:

(1) The requirements of Chapter 55A of the General Statutes related to conflicts of interest.

(2) A requirement that before any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an

~~employee, independent contractor, or otherwise by the board of directors in any capacity,~~employee or independent contractor, such proposed employment or engagement shall be (i) disclosed to the board of directors and (ii) approved by the board of directors in a duly called open-session meeting. ~~The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee with supervisory authority.~~ The board of directors shall require prospective employees or independent contractors to disclose relationships to any immediate family member employed by the charter school or board of directors or serving on the board of directors. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority. For the purposes of this section, an independent contractor is an individual who derives a direct benefit from the contract in one of the following ways: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract.

(3) A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with the school's conflict of interest policy established as provided in this subsection and applicable law.

(c) A charter school shall operate under the written charter signed by the State Board and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the State Board of Education. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) The board of directors of the private nonprofit corporation operating the charter school may have members who reside outside of the State. However, the State Board of Education may require by policy that a majority of the board of directors and all officers of the board of directors reside within the State."

SECTION 61.(b) If House Bill 334, 2015 Regular Session, becomes law, G.S. 115C-47(17a), as enacted by Section 6.(b) of House Bill 334, reads as rewritten:

"(17a) To adopt anti-nepotism policies. – Local boards of education shall adopt policies requiring that before any immediate family, as defined in G.S. 115C-12.2, of any board of education ~~member or central office staff administrator, including directors, supervisors, specialists, staff officers, assistant superintendents, area superintendents, superintendents, or principals,~~ member, superintendent, principal, or individual paid on the salary schedule for central office administrators shall be employed or engaged as an ~~employee, independent contractor, or otherwise by the board of education in any capacity,~~employee or independent contractor, such proposed employment or engagement shall be (i) disclosed to the board of education and (ii) approved by the board of education in a duly called open-session meeting. ~~The burden of disclosure of such a conflict of interest shall be on the applicable board member or central office staff administrator.~~Local boards of education shall require prospective employees or independent contractors to disclose relationships to any immediate family

member employed by or serving on the local board of education. For the purposes of this subdivision, an independent contractor is an individual who derives a direct benefit from a contract in excess of fifty thousand dollars ($50,000) in one of the following ways: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract."

SECTION 62.(a) G.S. 115C-333.1(a) reads as rewritten:

"(a) **(Effective until June 30, 2018)** Annual Evaluations. – All teachers who ~~are assigned to schools that are not designated as low-performing and who have not been employed for at least three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and~~ hold a Standard Professional II License shall be observed at least once by the principal or the principal's designee and evaluated ~~at least~~ once annually by a principal. ~~All teachers with career status or on a four-year contract who are assigned to schools that are not designated as low-performing shall be evaluated annually unless a local board adopts rules that allow teachers with career status or on a four-year contract to be evaluated more or less frequently, provided that such rules are not inconsistent with State or federal requirements.~~ All teachers who do not hold a Standard Professional II License shall be observed at least three times by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated once annually by a principal. Local boards also may adopt rules requiring the annual evaluation of nonlicensed employees. A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board."

SECTION 62.(b) G.S. 115C-333.1(a), as amended by subsection (a) of this section, reads as rewritten:

"(a) **(Effective June 30, 2018)** Annual Evaluations. – All teachers who hold a Standard Professional II License shall be observed at least once by the principal or the principal's designee and evaluated once annually by a principal. ~~Who have been employed for three or more years employed for three or more years~~ All teachers who do not hold a Standard Professional II License shall be observed at least three times by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated once annually by a principal. Local boards also may adopt rules requiring the annual evaluation of nonlicensed employees. A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board."

SECTION 62.(c) Subsection (b) of this section becomes effective June 30, 2018.

SECTION 63.(a) G.S. 115D-12(a), as amended by S.L. 2015-167, reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the ~~administrative~~ service area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the ~~administrative~~ service area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as

provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – four trustees, elected by the boar167d of commissioners of the county in which the main campus of the institution is located. Provided, also, if the ~~administrative~~ service area of the institution is composed of two or more counties, the board of trustees of the institution may authorize the county commissioners of any county in which the main campus is not located to elect an additional board member. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of a board of county commissioners. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 63.(b) This section applies only to Beaufort County Community College.

SECTION 64. G.S. 115D-39.1(a) reads as rewritten:

"(a) Notwithstanding the provisions of ~~G.S. 115D-39.1(a),~~G.S. 115D-39(a), a community college may, with the approval of the State Board of Community Colleges:

(1) Implement a tuition surcharge of up to thirty-three and one-third percent (33 1/3%) of the statewide tuition rate to fund a new instructional program that is necessary to attract industry to the area, and

(2) Use the proceeds of an endowed scholarship, consistent with the terms of the endowment, to offset the cost of the tuition charge."

SECTION 65. G.S. 116-11 is amended by adding a new subsection to read:

"**§ 116-11. Powers and duties generally.**

The powers and duties of the Board of Governors shall include the following:

...

(13b) The Board of Governors or the President may, notwithstanding G.S. 114-2.3, G.S. 147-17, or any other provision of law, engage the services of and fix the compensation for private counsel with pertinent expertise in any matter in which The University of North Carolina or one or more of the constituent institutions is interested, including any case or proceeding in or before any court or agency of this State or any other state or the United States, so long as the Attorney General concurs that the University would benefit from the assistance of private counsel. The President may enter into such agreements with the Attorney General as may be necessary or appropriate to the representation of the University's interests in litigation, including agreements providing for authority to resolve litigation. Private counsel engaged under this provision shall be paid from the University's existing resources and the President shall annually report the costs of engagements of private counsel authorized by this subsection to the Board. The provisions of this subsection shall be implemented consistent with policies established by the Board of Governors."

SECTION 66.(a) G.S. 116-209.52 reads as rewritten:

"**§ 116-209.52. Definitions.**

The following definitions apply in this Part:

~~(a)~~(1) Academic Year. – ~~Any period of 365 days beginning with the first day of enrollment for a course of instruction.~~The annual enrollment period used by the Authority.

~~(a1) Business or Trade School. – Any school within the State of North Carolina which is licensed by the State Board of Education and listed by that Board as an approved private business school or an approved private trade school.~~

~~(b)~~(2) Private Educational Institutions. – Any junior college, senior college or university which is operated and governed by private interests not under the control of the federal, State or any local government, which is located within and licensed by the State of North Carolina, which does not operate for profit, whose curriculum is primarily directed toward the awarding of associate, baccalaureate or graduate degrees, which agrees to the applicable administration and funding provisions of this Part.

(3) Proprietary School. – An educational institution that is (i) defined as a proprietary school in G.S. 115D-87(2), (ii) licensed by the State Board of Community Colleges, and (iii) listed by the North Carolina State Approving Agency for Veterans and Military Education as an approved proprietary school for purposes of this Part.

~~(c) Repealed by Session Laws 2010-31, s. 17.3(c), effective July 1, 2010.~~

~~(d)~~(4) State Educational Institutions. – Any of the constituent institutions of the University of North Carolina, or any community college operated under the provisions of Chapter 115D of the General Statutes of North Carolina.

~~(e) Repealed by Session Laws 2008-94, s. 2, effective July 1, 2008.~~

~~(f)~~(5) Student Loan. – A loan or loans made to eligible students or parents of students to aid in attaining an education beyond the high school level."

SECTION 66.(b) G.S. 116-209.54 reads as rewritten:

"**§ 116-209.54. Eligibility.**

(a) Active members of the North Carolina National Guard who are enrolled or who shall enroll in any ~~business or trade school,~~proprietary school, private educational institution, or State educational institution shall be eligible to apply for this tuition assistance benefit: Provided, that the applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the end of the academic period for which tuition assistance is provided or that the applicant commit himself or herself to extended membership for at least two additional years from the end of that academic period.

(b) This tuition assistance benefit shall be applicable to students in the following categories:

(1) Students seeking to achieve completion of their secondary school education at a community college or technical institute.
(2) Students seeking trade or vocational training or education.
(3) Students seeking to achieve a two-year associate degree.
(4) Students seeking to achieve a four-year baccalaureate degree.
(5) Students seeking to achieve a graduate degree.
(6) Students enrolled in a program granting a graduate certificate.

(c) The following persons shall be eligible to apply for disbursements to pay outstanding student loans pursuant to G.S. 116-209.55(g):

(1) Persons described in subsections (a) and (b) of this section.
(2) Active members of the North Carolina National Guard who were previously enrolled in any ~~business or trade school,~~ proprietary school, private educational institution, or State educational institution, but only if:

a. The applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the time of the application; or

b. The applicant commits himself or herself to extended membership for at least two additional years from the time of the application."

SECTION 66.(c) G.S. 116-209.55 reads as rewritten:

"**§ 116-209.55. Administration and funding.**

(a) The Authority is charged with the administration of the tuition assistance program under this Part.

(b) The Authority shall determine the eligibility of applicants, select the benefit recipients, establish the effective date of the benefit, and may suspend or revoke the benefit if the Authority finds that the recipient does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace, or unlawful assemblies. The Authority shall maintain such records and shall promulgate such rules and regulations as the Authority deems necessary for the orderly administration of this program. The Authority may require of ~~business or trade schools~~ proprietary schools or State or private educational institutions such reports and other information as the Authority may need to carry out the provisions of this Part and the Authority shall disburse benefit payments for recipients upon certification of enrollment by the enrolling institutions.

(c) All tuition benefit disbursements shall be made to the ~~business or trade school~~ proprietary school or State or private educational institution concerned, for credit to the tuition account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be made to the student loan creditor concerned to be applied against the outstanding student loans of each North Carolina National Guard member beneficiary.

(d) The participation by any ~~business or trade school~~ proprietary school or private educational institution in this program shall be subject to the applicable provisions of this Part and to examination by the State Auditor of the accounts of the benefit recipients attending or having attended such private schools or institutions. The Authority may defer making an award or may suspend an award in any ~~business or trade school~~ proprietary school or private educational institution which does not comply with the provisions of this Part relating to said institutions. The manner of payment to any ~~business or trade school~~proprietary school or private educational institution shall be as prescribed by the Authority.

(e) Irrespective of other provisions of this Part, the Authority may prescribe special procedures for adjusting the accounts of benefit recipients who, for reasons of illness, physical inability to attend classes or for other valid reason satisfactory to the Authority, may withdraw from any ~~business or trade school~~proprietary school or State or private educational institution prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal.

(f) Any balance of the monetary educational assistance grant up to the maximum for the academic year remaining after tuition is paid pursuant to subsection (c) of this section may be disbursed to the recipient as reimbursement for required course books and materials. The manner of obtaining the reimbursement payment for these required books and materials shall be as prescribed by the Authority.

(g) Any funds not needed to accomplish the other purposes of this Part may be used to help members of the North Carolina National Guard repay outstanding student loans in accordance with rules to be adopted by the Authority. These rules shall provide that the length of a member's deployment may be considered in determining whether or not, and in what amount, a member receives assistance pursuant to this subsection. There shall be no reimbursement under this subsection for payments already made on student loans, and funds shall not be provided under this subsection for the purpose of paying student loans obtained for

courses from which the member withdrew or for which the member did not receive a passing grade. Payments for outstanding loans shall not exceed the maximum benefit available under G.S. 116-209.53."

SECTION 67.(a) Article 29 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-235.5. Advanced courses.**

(a) Students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts shall have access to and shall be encouraged to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course.

(b) To attain this goal, to the extent funds are made available for this purpose, students shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination.

(c) If funds are appropriated for advanced courses, the State Board of Education shall reimburse The University of North Carolina for fees for advanced courses for students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts as provided in subsection (b) of this section."

SECTION 67.(b) G.S. 116-69 reads as rewritten:

"**§ 116-69. Purpose of school program.**

The primary purpose of the school shall be the professional training, as distinguished from liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied performing arts, at both the high school and college levels of instruction, with emphasis placed upon performance of the arts, and not upon academic studies of the arts. The said school may also offer high school and college instruction in academic subjects, including advanced courses as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the needs of its students and of the State, consistent with appropriations made and gifts received therefor, and may cooperate, if it chooses, with other schools which provide such courses of instruction. The school, on occasion, may accept elementary grade students of rare talent, and shall arrange for such students, in cooperation with an elementary school, a suitable educational program."

SECTION 68. G.S. 120-11.1 reads as rewritten:

"**§ 120-11.1. Time of meeting.**

The regular session of the Senate and House of Representatives shall be held biennially beginning at ~~9:00 A.M.~~12:00 noon on the second Wednesday in January next after their election, and on that day they shall meet solely to elect officers, adopt rules, and otherwise organize the session. When they adjourn that day, they stand adjourned until 12:00 noon on the third Wednesday after the second Monday in January next after their election."

SECTION 69.(a) G.S. 120-76(10) is repealed.

SECTION 69.(b) Subdivision (4) of Section 1.2(a) of S.L. 2011-291 is repealed.

SECTION 70. G.S. 130A-33.31 reads as rewritten:

"**§ 130A-33.31. Commission of Anatomy – Members; selection; term; chairman; quorum; meetings.**

(a) The Commission of Anatomy shall consist of ~~five~~six members, one representative from the field of mortuary science, and one each from The University of North Carolina School of Medicine, East Carolina University School of Medicine, Duke University School of Medicine, ~~and~~ Bowman Gray School of ~~Medicine.~~Medicine, and Campbell University School of Osteopathic Medicine. The dean of each school shall make recommendations and the Secretary shall appoint from such recommendations a member to the Commission. The president of the State Board of Funeral Service shall appoint the representative from the field of

mortuary science to the Commission. The members shall serve terms of four years except two of the original members shall serve a term of one year, one shall serve a term of two years, one shall serve a term of three years, and one shall serve a term of four years. The Secretary shall determine the terms of the original members.

(b) Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.

(c) The Secretary shall remove any member of the Commission from office for misfeasance, malfeasance or nonfeasance.

(d) The Commission shall elect a chair annually from its own membership.

(e) A majority of the Commission shall constitute a quorum for the transaction of business.

(f) The Commission shall meet at any time and place within the State at the call of the chair or upon the written request of three members.

(g) All clerical and other services required by the Commission shall be supplied by the Secretary."

SECTION 71. G.S. 131E-21 reads as rewritten:

"**§ 131E-21. Conflict of interest.**

(a) No commissioner or employee of the hospital authority or that person's spouse shall do either of the following:

(1) Acquire any interest, direct or indirect, in any hospital facility or in any property included or planned to be included in a hospital facility.

(2) Have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any hospital facility, except an employment contract for an employee. The foregoing restriction shall not apply to any contract, undertaking, or other transaction with a bank or banking institution, savings and loan association or public utility in the regular course of its business; Provided that any such contract, undertaking, or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner having an interest, direct or indirect, shall vote.

(b) The fact that a person or that person's spouse owns ten percent (10%) or less stock of a corporation or has a ten percent (10%) or less ownership in any other business entity or is an employee of that corporation or other business entity does not make the person have an "interest, direct or indirect" as this phrase is used in subsection (a) of this section; provided that, in order for the exception to apply, the contract, undertaking or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner or employee having an interest, direct or indirect, shall vote.

(c) If a commissioner or employee of an authority or that person's spouse owns or controls an interest, direct or indirect, in any property included or planned to be included in any hospital facility, the commissioner or employee shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure to disclose shall constitute misconduct in office and shall be grounds for a commissioner's removal from office under G.S. 131E-22.

(c1) Subsection (a) of this section shall not apply if the commissioner or employee is not involved in making or administering the contract. A commissioner or employee is involved in administering a contract if the commissioner or employee oversees the performance of or interprets the contract. A commissioner or employee is involved in making a contract if the commissioner or employee participates in the development of specifications or terms or in the preparation or award of the contract. A commissioner or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract. A commissioner is also involved in making a contract if the hospital authority takes

action on the contract, whether or not the commissioner actually participates in that action, unless the contract is approved under an exception to this section under which the commissioner is allowed to benefit and is prohibited from voting.

(d) Subsection (a) of this section shall not apply to any commissioner of a hospital authority if (i) the undertaking or contract or series of undertakings or contracts between the hospital authority and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting and recorded in its minutes and the amount does not exceed twelve thousand five hundred dollars ($12,500) for medically related services and twenty-five thousand dollars ($25,000) for other goods or services within a 12-month period; and (ii) the official entering into the contract or undertaking with the hospital authority does not in an official capacity participate in any way or vote.

(e) Subsection (a) of this section shall not apply to any employment relationship between a hospital authority and the spouse of a commissioner of the hospital authority.

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A hospital authority that is a party to the contract may request approval to continue contracts under this subsection from the chairman of the Local Government Commission. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare."

SECTION 72.(a) G.S. 136-200.2(k) reads as rewritten:

"(k) All individuals with voting authority serving on an MPO who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the MPO."

SECTION 72.(b) G.S. 136-211(k) reads as rewritten:

"(k) All individuals with voting authority serving on a rural transportation planning organization who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the rural transportation planning organization."

SECTION 73. G.S. 136-222 reads as rewritten:

"**§ 136-222. Commission established; appointment and terms of members; ~~chairman;~~cochairs; reports; commission funds; staff.**

(a) Commission established. – The Virginia-North Carolina High-Speed Rail Compact Commission is hereby established as a regional instrumentality and a common agency of each signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

(b) Members, terms. – The Virginia members of the Commission shall be appointed as follows: three members of the House of Delegates, appointed by the Speaker of the House of Delegates, and two members of the Senate, appointed by the Senate Committee on Rules. The North Carolina members of the Commission shall be composed of five members as follows: two members of the Senate appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate, two members of the House of Representatives appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, and one appointed by the Governor.

(c) ~~Chair. – The chair of the Commission shall be chosen by the members of the Commission from among its membership for a term of one year and shall alternate between the member states.~~Cochairs. – A cochair to the Commission shall be chosen by the Virginia members of the Commission from among its Virginia membership for a term of one year. A cochair to the Commission shall be chosen by the North Carolina members of the Commission from among its North Carolina membership for a term of one year.

(d) Meetings and reports. – The Commission shall meet at least twice each year, at least once in Virginia and once in North Carolina, and shall issue a report of its activities each year.

(e) Funds. – The Commission may utilize, for its operation and expenses, funds appropriated to it therefore by the legislatures of Virginia and North Carolina, or received from federal sources.

(f) Expenses of Members. – Virginia members of the Commission shall receive compensation and reimbursement for expenses in accordance with the applicable laws of that state. North Carolina members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-31, 138-5, or 138-6, as appropriate.

(g) Staff. – Primary staff to the Commission shall be provided by the Virginia Department of Rail and Public Transportation and the North Carolina Department of Transportation."

SECTION 74. G.S. 140-5.13(b) reads as rewritten:

"(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

(1) The Governor shall appoint 13 members, one from each congressional district in the State in accordance with ~~G.S. 147-12(3b);~~G.S. 147-12(3b).

(2) Repealed by Session Laws 2012-120, s. 1(e), effective October 1, 2012.

(3) The North Carolina Museum of Art Foundation, Incorporated, shall elect four ~~members;~~members.

(4) The Board of Trustees of the North Carolina Museum of Art shall elect four ~~members;~~members.

(5) The General Assembly shall appoint four members, two upon the recommendation of the Speaker of the House of Representatives, and two upon the recommendation of the President Pro Tempore of the Senate in accordance with ~~G.S. 120-121;~~G.S. 120-121.

(6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1191, s. 49.

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All regular appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two~~ four years."

SECTION 75.(a) G.S. 143-136(c), as enacted by S.L. 2015-145, reads as rewritten:

"(c) Residential Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Residential Code for One- and Two-Family Dwellings Committee composed of seven members of the Building Code Council, specifically the licensed general contractor specializing in residential construction who shall serve as chairman of this committee; the licensed general contractor specializing in coastal residential construction; the licensed engineer practicing structural engineering; the licensed plumbing and heating contractor; the fire service representative; the municipal or county building inspector; and the licensed electrical contractor. This committee shall meet upon the call of its chairman to review any proposal for revision or amendment to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no revision or amendment to any of these codes applicable to residential construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision pursuant to G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and~~

~~Two-Family Dwellings and make a recommendation to the Building Code Council for disposition of the appeal or interpretation.~~ In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane."

SECTION 75.(b) G.S. 143-136(d), as enacted by S.L. 2015-145, reads as rewritten:

"(d) Building Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings. The committee shall be composed of the following nine members of the Building Code Council:

(1) One of the licensed architects appointed by the chairman of the Building Code Council.
(2) The licensed engineer practicing mechanical engineering.
(3) The licensed engineer practicing electrical engineering.
(4) The licensed engineer practicing structural engineering.
(5) The municipal elected official.
(6) The fire service representative.
(7) The municipal or county building inspector.
(8) The State agency engineer.
(9) The licensed general contractor.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina State Building Code, including provisions applicable to the North Carolina Energy Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code, and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). ~~This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation.~~ In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane."

SECTION 75.(c) This section becomes effective October 1, 2015.

SECTION 76. G.S. 143-166.13 reads as rewritten:

"**§ 143-166.13. Persons entitled to benefits under Article.**

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

…

(20) Sworn State Law-Enforcement Officers with the power of arrest, Industrial Commission Fraud Investigators, Department of Commerce.

…."

SECTION 77. G.S. 143-548(d1) reads as rewritten:

"(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that ~~term;~~term.

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their ~~terms;~~terms.

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of ~~G.S. 143B-16; and~~G.S. 143B-16.

d. A member may continue to serve until a successor for the position is ~~appointed;~~appointed.

~~(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance Program and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.~~"

SECTION 78. G.S. 143B-168.12(a)(1) reads as rewritten:

"(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 26 members:

a. The Secretary of Health and Human Services, ex officio, or the Secretary's ~~designee;~~designee.

b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

c. The Superintendent of Public Instruction, ex officio, or the Superintendent's ~~designee;~~designee.

d. The President of the Community Colleges System, ex officio, or the President's ~~designee;~~designee.

e. Three members of the public, including one child care provider, one other who is a parent, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the ~~Senate;~~Senate.

f. Three members of the public, including one who is a parent, one other who is a representative of the faith community, and one other who is a board chair or designee of the board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of ~~Representatives;~~Representatives.

g. Twelve members, appointed by the Governor. Three of these 12 members shall be members of the party other than the Governor's party, appointed by the Governor. Seven of these 12 members shall be appointed as follows: one who is a child care provider, one other who is a pediatrician, one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood ~~educator;~~educator.

h. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

h1. The Chair of the North Carolina Partnership Board shall be appointed by the ~~Governor;~~Governor.

i. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

j. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the ~~Senate;~~Senate.

k. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of ~~Representatives;~~Representatives.

l. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the ~~Senate;~~Senate.

m. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of ~~Representatives; and~~Representatives.

n. The Director of the More at Four Pre-Kindergarten Program, or the Director's designee.

All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.

All appointed board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the North Carolina Partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the North Carolina Partnership regarding the disbursement of funds.

All ex officio members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. No members of the General Assembly shall serve as members.

The North Carolina Partnership may establish a nominating committee and, in making their recommendations of members to be appointed by the General Assembly or by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader of the Senate, the Majority Leader of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the Governor shall consult with and consider the recommendations of this nominating committee.

The North Carolina Partnership may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.

Members who miss more than three consecutive meetings without excuse or members who vacate their membership shall be replaced by the appropriate appointing authority, and the replacing member shall serve either until the General Assembly and the Governor can appoint a successor or until the replaced member's term expires, whichever is earlier.

The North Carolina Partnership shall establish a policy on membership of the local boards. No member of the General Assembly shall serve as a member of a local board. Within these requirements for local board membership, the North Carolina Partnership shall allow local partnerships

that are regional to have flexibility in the composition of their boards so that all counties in the region have adequate representation.

All appointed local board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the partnership regarding the disbursement of funds."

SECTION 79.(a) G.S. 143B-1100(b)(4) reads as rewritten:

"(4) Two public members provided by ~~subdivision~~ sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives and two public members provided by ~~subdivision~~sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate."

SECTION 79.(b) G.S.143B-1100(c) reads as rewritten:

"(c) The initial members of the Commission shall be those appointed under subsection (b) above, which appointments shall be made by March 1, 1977. The terms of the present members of the Governor's Commission on Law and Order shall expire on February 28, 1977. Effective March 1, 1977, the Governor shall appoint members, other than those serving by virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms, seven for two-year terms, and seven for three-year terms. At the end of their respective terms of office their successors shall be appointed for terms of three years and until their successors are appointed and qualified. ~~The Commission members from the House and Senate~~ The public members appointed pursuant to subdivision (4) of subsection (b) of this section shall serve two-year terms effective March 1, of each odd-numbered ~~year; and they shall not be disqualified from Commission membership because of failure to seek or attain reelection to the General Assembly, but resignation or removal from office as a member of the General Assembly shall constitute resignation or removal from the Commission.~~ year. Any ~~other~~ Commission member no longer serving in the office from which ~~he~~the member qualified for appointment shall be disqualified from ~~membership~~ serving on the Commission. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term."

SECTION 80. Reserved.

SECTION 81.(a) If House Bill 373, 2015 Regular Session, becomes law, then G.S. 163-278.8B, as enacted by Section 3(a) of that act, is rewritten to read:

"**§ 163-278.8B. Affiliated party committees.**

(a) Each political party caucus of the North Carolina House of Representatives and the North Carolina Senate may establish one separate affiliated party committee to support the election of candidates who would be eligible to be members of that caucus. No other affiliated party committees shall be authorized pursuant to this section. The affiliated party committee is deemed a political party for purposes of this Article.

(b) An affiliated party committee shall be established only by majority vote of the total membership of the political party caucus. Attached to the organizational report filed in accordance with G.S. 163-9, the affiliated party committee shall provide a report to the State Board of Elections certifying that the political party caucus has organized and taken the appropriate vote to establish an affiliated party committee. The report described in this subsection shall be a public record within the meaning of Chapter 132 of the General Statutes.

(c) Each affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates who are members of the political party caucus or candidates who would be eligible to be members of the political party caucus if elected, or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(d) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of its respective political party.

(e) For purposes of this section, "political party" has the same meaning as defined in G.S. 163-96."

SECTION 81.(b) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(a1)** Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-278.8C. Council of State affiliated party committees.**

(a) Members of the Council of State affiliated with the same political party may establish one separate Council of State affiliated party committee to support the election of candidates who would be eligible to be nominees of that political party for Council of State offices. No other Council of State affiliated party committees shall be authorized pursuant to this section. The Council of State affiliated party committee is deemed a political party for purposes of this Article.

(b) Each Council of State affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates who are members of the leader's political party or manage daily operations of the Council of State affiliated party committee.

(3) Establish a bank account.

(4) Accept contributions and expend funds.

(c) Notwithstanding any other provision of law to the contrary, a Council of State affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) A previously established Council of State affiliated party committee may continue to be maintained in the event that no individual affiliated with that political party is elected to serve on the Council of State in the general election. The Council of State affiliated party committee shall be maintained by the most recently elected members of the Council of State from that political party. Notwithstanding the definition of "leader" in subsection (e) of this section, those members shall designate an individual from that group to serve as leader. When an individual or individuals affiliated with that political party is next elected to the Council of State, that individual or individuals shall assume control of the Council of State affiliated party committee for that political party.

(e) For purposes of this section, the following definitions shall apply:

(1) "Leader." – The highest-ranking individual affiliated with the political party of the Council of State affiliated party committee. For the purposes of this subdivision, the highest-ranking office serving on the Council of State shall be in the following order: Governor, Lieutenant Governor, and the offices as set out in Article III, Section 7 of the North Carolina Constitution, as follows: Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance.

(2) "Political party." – As defined in G.S. 163-96."

SECTION 81.(c) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(b1)** G.S. 163-278.6 is amended by adding a new subdivision to read:

"(1a) The term "affiliated party committee" means a General Assembly affiliated party committee as established by G.S. 163-278.8B or Council of State affiliated party committee as established by 163-278.8C."

SECTION 81.(d) If House Bill 373, 2015 Regular Session, becomes law, G.S. 163-278.6(15), as amended by that act, reads as rewritten:

"(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An affiliated party committee is deemed a political party for this Article as set forth in ~~G.S. 163-278.8B.~~G.S. 163-278.8B and G.S. 163-278.8C."

SECTION 81.(e) If House Bill 373, 2015 Regular Session, becomes law, that act is amended to add two new bill sections to read:

"**SECTION 3.(s)** G.S. 163-278.13B(a)(2) reads as rewritten:

"(2) "Limited contributee" means a member of or candidate for the Council of State, a member of or candidate for the General ~~Assembly.~~Assembly, an affiliated party committee, or a Council of State affiliated party committee."

SECTION 3.(t) If any provision of this section or its application is held invalid, the invalidity does not affect other provisions or applications of this section that can be given effect without the invalid provisions or application, and to this end the provisions of this section are severable."

SECTION 82. Section 3 of S.L. 2014-15 reads as rewritten:

"**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law, and the annual identification requirement for local school administrative units applies beginning with the 2015-2016 school year. Beginning in the 2016-2017 school year, and annually thereafter, the identification of military-connected students for all local school administrative units shall be completed by January 31 of each school year. Local school administrative units may begin the annual identification of military-connected students using the Uniform Education Reporting System beginning with the 2014-2015 school year."

SECTION 83. Section 9 of S.L. 2014-49 reads as rewritten:

"**SECTION 9.** Section 4 of this act becomes effective July 29, 2013. The remainder of this act is effective when it becomes law, and Sections ~~1 through 7~~ 1, 2, 3, 5, 6, and 7 apply to grants awarded beginning with the 2014-2015 school year."

SECTION 84. S.L. 2015-13 is amended by adding a new section to read:

"**SECTION 3.1.** S.L. 1975-95 is repealed."

SECTION 85. Section 2 of S.L. 2015-32 reads as rewritten:

"**SECTION 2.** The Joint Legislative ~~Commission~~ Oversight Committee on Justice and Public Safety may study the current State and federal law regarding the authority for State agencies to schedule controlled substances without legislative action and the procedure for that scheduling or rescheduling."

SECTION 86. Section 7 of S.L. 2015-186 reads as rewritten:

"**SECTION 7.** This act becomes effective December 1, 2015, and applies to ~~convictions~~ offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions."

SECTION 86.5.(a) Section 12A.5(b)(1) of S.L. 2015-241 reads as rewritten:

"(1) Beginning immediately upon receipt of the transferred funds, facilitate the following:

a. ~~Establishment~~ Establishment, administration, and ongoing support of the successor HIE Network described in subsection (a) of this section. Not later than 30 days after receipt of the transferred funds and notwithstanding any State laws pertaining to contracting procedures or contract review and approval requirements, the State CIO shall negotiate and enter into or amend a contract for services with an effective date no later than 30 days from receipt of the transferred funds. The contract for services shall include provisions to accomplish all of the following:

1. The State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.
2. Establishment, oversight, administration, and ongoing support for the successor HIE Network described in subsection (a) of this section.
3. Initial steps toward implementation of an HIE analytics data warehouse to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.

b. Termination or assignment to the Authority by February 29, 2016, of any contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

c. Pursuant to G.S. 143B-426.38A, as recodified by Section 7A.2(c) of this act, utilization of existing public-private partnerships and existing data and analytics contracts to do all of the following:

1. Ensure the provision of services necessary to accomplish the State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.
2. Provide for the integration of health information exchange clinical data, including the implementation of a health information exchange analytics data warehouse, to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.
3. Provide health information exchange stakeholders with access to specific health information exchange analytics in a manner that allows stakeholders to leverage historical and prescriptive data for the purpose of reducing healthcare costs and improving quality and access to care."

SECTION 86.5.(b) G.S. 90-414.3(9), as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"(9) HIPAA. – ~~The~~ Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended, and any federal regulations adopted to implement these sections, as amended."

SECTION 86.5.(c) G.S. 90-414.9, as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"**§ 90-414.9. Participation by covered entities.**

(a) Each covered entity that ~~elects to participate~~participates in the HIE Network shall enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8) and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or qualified organization prior to submitting data through or in the HIE Network.

(b) Each covered entity that ~~elects to participate~~participates in the HIE Network may authorize its business associates on behalf of the covered entity to submit data through, or access data stored in, the HIE Network in accordance with this Article and at the discretion of the Authority, as provided in G.S. 90-414.5(b)(8).

(c) Notwithstanding any State law or regulation to the contrary, each covered entity that ~~elects to participate~~participates in the HIE Network may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose permitted by HIPAA, unless the individual has exercised the right to opt out."

SECTION 86.5.(d) Section 12A.5 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 12A.5.(f1)** Notwithstanding any provision of this section, covered entities that are required to submit demographic and clinical information through the successor HIE Network described in subsection (a) of this section pursuant to G.S. 90-414.4(b), as enacted by subsection (d) of this section, shall not be required to submit such demographic and clinical information through the successor HIE Network until (i) the State CIO certifies that the HIE Network connection is operational and (ii) the Authority establishes a date for covered entities to begin submitting demographic and clinical information through the operational connection to the HIE Network or by other secure electronic means, as provided in G.S. 90-414.4(b), as enacted by subsection (d) of this section."

SECTION 86.5.(e) Section 12A.5(g) of S.L. 2015-241 reads as rewritten:

"**SECTION 12A.5.(g)** ~~Subsections~~ Except as provided in subsection (f1) of this section, subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this section becomes effective on the date the State Chief Information Officer notifies the Revisor of Statutes that all contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or assigned to the North Carolina Health Information Exchange Authority established under Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section. The remainder of this section becomes effective July 1, 2015."

SECTION 87.(a) Section 12F.17 of S.L. 2015-241 is repealed.

SECTION 87.(b) G.S. 168-2, as reenacted by Section 86.5(g) of this act, reads as rewritten:

"**§ 168-2. Right of access to and use of public places.**

Persons with disabilities have the same right as persons without disabilities to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all other buildings and facilities, both publicly and privately owned, which serve the public. ~~The Department of Health and Human Services shall develop, print, and promote the publication ACCESS NORTH CAROLINA. It shall make copies of the publication available to the Department of Commerce for its use in Welcome Centers and other appropriate Department of Commerce offices. The Department of Commerce shall promote ACCESS NORTH CAROLINA in its publications (including providing a toll-free telephone line and an address for requesting copies of the publication) and provide technical assistance to the Department of Health and Human Services on travel attractions to be included in ACCESS NORTH CAROLINA. The Department of Commerce shall forward all requests for mailing ACCESS NORTH CAROLINA to the Department of Health and Human Services.~~"

SECTION 88. Section 12H.23(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.23.(a)** The Department of Health and Human Services shall submit a State Plan amendment to modify Section 4.19-A of the Medicaid State Plan, such that, effective January 1, 2016, no Medicaid provider may receive reimbursement for Graduate Medical Education (GME) ~~in addition~~ as an add-on to their DRG Unit Value (Base) rate under the DRG payment rate methodology as defined in the current Medicaid State Plan. GME costs will continue to be an allowable Medicaid cost to be recorded on the hospital's Medicaid cost report in accordance with Medicare cost reporting requirements. GME costs will continue to be allowable in the calculation of supplemental payments made as part of cost settlements, Medicaid Reimbursement Initiative (MRI) and Upper Payment Limit (UPL) models as defined in the State Plan and allowed by the Centers for Medicare and Medicaid Services (CMS). This section shall not be construed to require the Department to submit any State Plan amendment to CMS that increases State funding requirements or that would impair achievement of the savings required by the "Hospital Inpatient Base Rates – GME" item in the Joint Conference Committee Report on the Base, Expansion, and Capital Budgets in the amount of twelve million seven hundred forty-eight thousand seven hundred ninety-five dollars ($12,748,795) in fiscal year 2015-2016 and the amount thirty-one million one hundred twenty-seven thousand two hundred four dollars ($31,127,204) in fiscal year 2016-2017."

SECTION 89. S.L. 2015-241 is amended by adding a new section to read:

"**AMEND COST SETTLEMENT OF LOCAL HEALTH DEPARTMENTS**

SECTION 12H.30. The Department of Health and Human Services shall submit a Medicaid State Plan amendment request to the Centers for Medicare and Medicaid Services (CMS) to amend the annual cost settlement methodology for local health departments required by Article 2 of Chapter 130A of the General Statutes. The State Plan amendment shall provide a methodology that maximizes identification of allowable Medicaid costs in order to assure that North Carolina is receiving the maximum federal reimbursement for local health departments' treatment of Medicaid-eligible patients consistent with Medicare reimbursement principles. The State Plan amendment required by this section shall be submitted by February 15, 2016 and shall apply to cost reports with a fiscal year beginning July 1, 2016 and thereafter. This section shall not be construed to require the Department to submit to CMS a State Plan amendment that increases State funding requirements."

SECTION 90. Section 15.13B.(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 15.13B.(b)** This section becomes effective October 1, ~~2015.~~2016."

SECTION 91.(a) If House Bill 117, 2015 Regular Session, becomes law, Section 1(j) of that act reads as rewritten:

"**SECTION 1.(j)** Subsections (d) and (h) of this section are effective when this act becomes law. The remainder of this section becomes effective ~~July 1,~~October 1, 2015, and applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on or after that date."

SECTION 91.(b) This section is effective when it becomes law.

SECTION 91.5. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

PART III. EFFECTIVE DATE

SECTION 92. Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ALE-48 [v.3]

Amends Title [NO]
PCS

Date _____,2015

Representative Daughtry

moves to amend the bill on page 48, line 50, by adding a new section after the line to read:

"**SECTION** 86.3. Section 8.37 of S.L. 2015-241 is amended by adding a new subsection to read:

"(c) Of the funds appropriated to the Department of Public Instruction for the 2015-2016 fiscal year, the Department may use funds available in an amount no greater than five percent (5%) of the amount reverted by the Department for the 2014-2015 fiscal year to implement the DPI Flexibility Reduction for the 2015-2016 fiscal year."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AMN-43 [v.1]

Amends Title [NO]
PCS

Date _____,2015

Representative J. Bell

moves to amend the bill on page 31, line 22, by inserting after that line a new section to read:

"**SECTION 54.(a)** G.S. 105-330 is amended by adding a new subdivision to read:
"(2b) Pass-through entity. – Defined in G.S. 105-228.90."
SECTION 54.(b) G.S. 105-330.9(a) reads as rewritten:
"(a) Definition. – For the purpose of this section, the term "antique automobile" means a motor vehicle that meets all of the following conditions:

(1) It is registered with the Division of Motor Vehicles and has an historic vehicle special license plate under G.S. 20-79.4.
(2) It is maintained primarily for use in exhibitions, club activities, parades, and other public interest functions.
(3) It is used only occasionally for other purposes.
(4) It is owned by an ~~individual.~~individual, either directly or indirectly through one or more pass-through entities. An individual indirectly owns an antique automobile through a pass-through entity if the individual is an owner of a pass-through entity that owns the antique automobile.
(5) It is used by the owner for a purpose other than the production of income and is not used in connection with a business."

SECTION 48.5.(c) This act is effective for taxes imposed for taxable years beginning on or after July 1, 2016.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AST-164 [v.3]

Amends Title [NO]
S119-CSSU-37v.17

Date _____,2015

Representative _____

moves to amend the bill on page 47, lines 1-4, by rewriting those lines to read:

"(2) Conduct campaigns for candidates who would be eligible to be members of that political party caucus of the North Carolina House of Representatives or North Carolina Senate if elected or re-elected, or manage daily operations of the affiliated party committee.";

and on page 47, lines 25-27, by rewriting those lines to read:

"(2) Conduct campaigns for candidates for Council of State who are members of the leader's political party or manage daily operations of the Council of State affiliated party committee.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATB-42 [v.1]

Amends Title [NO]
S119-CSSU-37[v.17]

Date _____,2015

Representative Daughtry

moves to amend the bill on page 33, line 16, by deleting "February 1, 2016." and replacing with "April 15, 2016.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

original

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ASU-54 [v.2]

Amends Title [NO]
S119-CSSU-37

Date _____ ,2015

Representative Stam

moves to amend the bill on page 26, lines 3-4, by inserting the following between the lines:

"**SECTION 47.5.(a)** G.S. 89C-19 reads as rewritten:

"**§ 89C-19. Public works; requirements where public safety involved.**

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land surveying involving either public or private property where the safety of the public is directly involved without the project being under the ~~direct supervision~~ responsible charge of a professional engineer for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."

SECTION 47.5.(b) G.S. 89C-25(7a) reads as rewritten:

"(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a ~~product,~~product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity

is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.""

SIGNED Stam
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ASU-54 [v.2]

Amends Title [NO]
S119-CSSU-37

Date _____,2015

Representative Stam

moves to amend the bill on page 26, lines ~~3-4~~, by inserting the following between the lines:

"**SECTION 47.5.(a)** G.S. 89C-19 reads as rewritten:

"**§ 89C-19. Public works; requirements where public safety involved.**

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land surveying involving either public or private property where the safety of the public is directly involved without the project being under the ~~direct supervision~~ responsible charge of a professional engineer for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."

SECTION 47.5.(b) G.S. 89C-25(7a) reads as rewritten:

"(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a ~~product,~~product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity

is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.""

SIGNED Stam
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATB-42 [v.1]

Amends Title [NO]
S119-CSSU-37[v.17]

Date _____,2015

Representative Daughtry

moves to amend the bill on page 33, line 16, by deleting "February 1, 2016." and replacing with "April 15, 2016.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ASU-54 [v.2]

Amends Title [NO]
S119-CSSU-37

Date _____,2015

Representative _____

26-27

moves to amend the bill on page 26, lines ~~3-4,~~ by inserting the following between the lines:

"**SECTION 47.5.(a)** G.S. 89C-19 reads as rewritten:

"**§ 89C-19. Public works; requirements where public safety involved.**

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land surveying involving either public or private property where the safety of the public is directly involved without the project being under the ~~direct supervision~~ responsible charge of a professional engineer for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."

SECTION 47.5.(b) G.S. 89C-25(7a) reads as rewritten:

"(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a ~~product,~~product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity

is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.""

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AMN-44 [v.2]

Amends Title [NO]
PCS

Date _____,2015

Representative Tine

moves to amend the bill on page 49, line 43, by inserting a new section at the end of that line to read as follows:

"**SECTION 87.5.** If House Bill 540, 2015 Regular Session, becomes law, it is amended by deleting the name "William Franklin "Billy" Graham, Jr." and substituting in its place throughout the bill with the name "William Franklin Graham, II", and, where that name appeared at the end of a sentence, by inserting a period as needed.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AMH-70 [v.4]

Amends Title [NO]
PCS for 3rd Edition

Date _____,2015

Representative Daughtry

moves to amend the bill on page 51, lines 30-31, by inserting between those lines the following:

"**SECTION 89.5.(a)** G.S. 143B-135.188, as recodified and amended by subsection 14.30(n) of S.L. 2015-241, is rewritten to read:

"**§ 143B-135.188. North Carolina Aquariums; fees; fund.**

...

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special and nonreverting fund. The North Carolina Aquariums Fund shall be used for the following:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction at existing aquariums.

(2) Payment of the debt service and lease payments related to the financing of expansions of aquariums.

(3) Matching of private funds that are raised for these purposes.

(c) Disposition of Fees. – All ~~entrance~~ fee receipts shall be credited to the ~~aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the~~ North Carolina Aquariums ~~Fund an amount not to exceed the sum of the following:~~

~~(1) One million dollars ($1,000,000).~~

~~(2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.~~ Fund. Receipts so credited that are necessary to support the personnel and operational expenses of the aquariums shall be transferred to the aquariums' General Fund operating budget on a monthly basis.

~~(d) Approval. The Secretary may approve the use of the North Carolina Aquariums Fund for repair and renovation projects at the aquariums-related facilities that comply with the following:~~

~~(1) The total project cost is less than three hundred thousand dollars ($300,000).~~

~~(2) The project meets the requirements of G.S. 143C-4-3(b).~~

...."

SECTION 89.5.(b) G.S. 143B-135.209, as recodified and amended by subsection 14.30(p) of S.L. 2015-241, is rewritten to read:

"**§ 143B-135.209. North Carolina Zoo Fund.**

(a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina Zoo Fund shall be used for the following types of projects at the North Carolina Zoological Park and to match private funds raised for these types of projects:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction.

(2) Renovations of exhibits in habitat clusters, visitor services facilities, and support facilities (including greenhouses and temporary animal holding areas).

(3) The acquisition, maintenance, or replacement of tram equipment as required to maintain adequate service to the public.

(b) Disposition of Fees. – All fee receipts shall be credited to the North Carolina Zoological Park's General Fund operating budget. ~~At the end of each fiscal year, the Secretary may transfer from the North Carolina Zoological Park's General Fund operating budget to the North Carolina Zoo Fund an amount not to exceed one million dollars ($1,000,000).~~ All unbudgeted receipts at the end of each fiscal year shall be deposited into the North Carolina Zoo Fund.

~~(c) Approval. The Secretary may approve the use of the North Carolina Zoo Fund for repair and renovation projects at the North Carolina Zoological Park recommended by the Council that comply with the following:~~

~~(1) The total project cost is less than three hundred thousand dollars ($300,000).~~

~~(2) The project meets the requirements of G.S. 143C-4-3(b).~~

...."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ASV-119 [v.5]

Amends Title [NO]
S119-CSSU-37

Date _____,2015

Representative Saine

S1 44

moves to amend the bill on page ~~52~~, line ~~21~~, by adding the following new section at the end of the line:

"**SECTION 92.** Section 32.14A of S.L. 2015-241 is rewritten to read:

"**SECTION 32.14A.(a)** The Revenue Laws Study Committee is directed to study the calculation of the sales factor under G.S. 105-130.4(l) using market-based sourcing. To help the Committee determine the effect of market-based sourcing on State revenues and corporate taxpayers, each corporate taxpayer that satisfies the following requirements with respect to the taxable year beginning in 2014 is required to file an informational report with the Department of Revenue as provided in this section:

(1) The taxpayer had apportionable income greater than ten million dollars ($10,000,000).

(2) The taxpayer had a North Carolina apportionment percentage less than one hundred percent (100%).

(3) The taxpayer was subject to apportionment of income based in whole or in part on the sales factor as determined under G.S. 105-130.4(l).

SECTION 32.14A.(b) On or before February 1, 2016, the Department of Revenue must publish guidelines for computing the sales factor based on market-based sourcing. The guidelines required by this subsection are not subject to the provisions of Chapter 150B of the General Statutes with respect to rulemaking. The guidelines published by the Department of Revenue must be based on the following:

(1) Market-based sourcing of receipts based on the following principles:

a. In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State.

b. In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State.

c. In the case of sale of a service, if and to the extent the service is delivered to a location in this State.

d. In the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this State. Intangible property utilized in marketing a good or service to a consumer is

"used in this State" if that good or service is purchased by a consumer who is in this State.

e. In the case of intangible property that is sold, if and to the extent the property is used in this State. A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State. Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of the intangible property as provided under subdivision (4) of this subsection. All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

(2) The most recent model regulations with respect to market-based sourcing drafted by the UDITPA Section 17 Work Group convened by the Multistate Tax Commission.

(3) Any other model apportionment regulations and model statutes with respect to the allocation and apportionment of income consistent with those adopted by the Multistate Tax Commission and that are not inconsistent with the principles outlined in subdivision (1) of this subsection.

SECTION 32.14A.(c) The guidelines required by subsection (b) of this section apply to the informational report required by this section only. These guidelines may not be used by the Department of Revenue for any other purpose without further legislative authorization and compliance with the provisions of Chapter 150B of the General Statute with respect to rulemaking.

SECTION 32.14A.(d) The informational report must be in a form required by the Secretary of Revenue and contain the following information:

(1) The apportionment percentage and sales factor used with respect to the corporation's 2014 North Carolina corporate tax return.

(2) The apportionment percentage and sales factor as calculated under subsection (b) of this section with respect to the corporation's 2014 taxable year.

(3) The primary economic sector under NAICS in which the corporation has business activities. The term "NAICS" has the same meaning as defined in G.S. 105-228.90.

(4) Any other information prescribed by the Secretary.

SECTION 32.14A.(e) The informational report is due by April 15, 2016. A taxpayer may not request an extension of time to file the informational report. The Secretary shall assess a civil penalty of five thousand dollars ($5,000) for failure to timely file an informational report required under this section. The Secretary may reduce or waive the penalty as provided in G.S. 105-237.

SECTION 32.14A.(f) This section is effective when it becomes law."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATC-112 [v.2]

Amends Title [NO]
PCS

Date _____ ,2015

Representative ~~L. Johnson~~ Daughtry

moves to amend the bill on page 31, lines 42-43, by inserting the following between the lines:

"**SECTION 56.5.** G.S. 115C-47 reads as rewritten:
"**§ 115C-47. Powers and duties generally.**
In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATC-112 [v.2]

Amends Title [NO]
PCS

Date _____ ,2015

Representative L. Johnson

moves to amend the bill on page 31, lines 42-43, by inserting the following between the lines:

"**SECTION 56.5.** G.S. 115C-47 reads as rewritten:
"**§ 115C-47. Powers and duties generally.**
In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATG-94 [v.1]

Amends Title [NO]
S119-CSSU-37

Date _____,2015

Representative Lewis

moves to amend the bill on page 51, lines 39-40, by inserting the following between those lines:

"**SECTION** 71.3 Notwithstanding any other provision of law, the pilot program established by the Department of Health and Human Services, Division of Health Service Regulation, to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance shall remain in effect and shall extend to facilities that are authorized to provide services in accordance with Section .1700 of the North Carolina Administrative Code, Residential Treatment Staff Secure for Children or Adolescents, currently owned or operated with the facility currently authorized to waive the requirement set forth in 10A NCAC 27G .1704(c) or any related or subsequent rule or regulation by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services setting minimum overnight staffing requirements. The waiver for these facilities shall remain in effect; however, the Division reserves the right to rescind the waiver if, at the time of the facility's license renewal, there are outstanding deficiencies that have remained uncorrected upon follow-up surveys that are related to electronic supervision.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AST-165 [v.2]

Amends Title [NO]
S119-CSSU-37v.17

Date _____,2015

Representative _____

moves to amend the bill on page 47, lines 5-6, by inserting the following between those lines:

"(4) Accept contributions and expend funds.";

and on page 48, lines 25-26, by inserting the following between those lines:

"**SECTION 81.(f)** If House Bill 373, 2015 Regular Session, becomes law G.S. 163-278.38Z, as amended by that act, reads as rewritten:

"**§ 163-278.38Z. Definitions.**

As used in this Part:

...

(3) "Candidate campaign committee" means any political committee organized by or under the direction of a ~~candidate.~~candidate, except for an affiliated party committee as defined in G.S. 163-278.6(1a).

..."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

S119-AST-165-V-2

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AST-165 [v.2]

Amends Title [NO]
S119-CSSU-37v.17

Date _____,2015

Representative _____

moves to amend the bill on page 47, lines 5-6, by inserting the following between those lines:

"(4) Accept contributions and expend funds.";

and on page 48, lines 25-26, by inserting the following between those lines:

"**SECTION 81.(f)** If House Bill 373, 2015 Regular Session, becomes law G.S. 163-278.38Z, as amended by that act, reads as rewritten:

"**§ 163-278.38Z. Definitions.**

As used in this Part:

...

(3) "Candidate campaign committee" means any political committee organized by or under the direction of a ~~candidate.~~candidate, except for an affiliated party committee as defined in G.S. 163-278.6(1a).

..."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

S119-AST-165-V-2

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATD-128 [v.2]

Amends Title [NO]
PCS to Third Edition

Date _____,2015

Representative Daughtry

moves to amend the bill on page 51, lines 43-44, by inserting between the lines:

"**SECTION 92.** G.S. 105-129.16A(f)(2), as enacted by S.L. 2015-11, reads as rewritten:

"(2) A notarized copy of a written report prepared by an independent engineer duly licensed in the State of North Carolina with expertise in the design and construction of installations of renewable energy property stating that at least the minimum percentage of the physical construction of the project was ~~constructed and installed~~completed prior to January 1, 2016.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AMN-47 [v.1]

Amends Title [NO]
Third Edition

Date _____,2015

Representative Stam

moves to amend the bill on page 51, line 39, by adding after that line the following new section to read:

"**SECTION 91.2.** If Senate Bill 279, 2015 Regular Session, becomes law the provisions contained in Sections 6, 7(a), 7(b), 7(c), 8(a) and 8(b) of that act apply except as otherwise provided by Federal law or by more specific state law.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATC-125 [v.1]

Amends Title [NO]
~~Third Edition~~ S119-CSSU-37

Date _____,2015

Representative L. Johnson

moves to amend the bill on page 51, lines 39-40, by inserting the following between those lines:

"SECTION 91.3.(a) Students enrolled in the Halifax County Schools shall be permitted to participate in the residential science, mathematics, engineering, and technology (STEM) enrichment program for traditionally underserved students supported by the sum of one hundred eighty thousand dollars ($180,000) in nonrecurring funds appropriated to the State Board of Education for each fiscal year of the 2015-2017 fiscal biennium by S.L. 2015-241.

SECTION 91.3.(b) This section is effective July 1, 2015.".

SIGNED Linda Johnson
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-AMN-45 [v.1]

Amends Title [NO]
PCS

Date _____,2015

Representative Daughtry

moves to amend the bill on page 16, line 2, by inserting after that line the following new section to read:

"**SECTION 32.7.** G.S. 7A-45.1(a10) reads as rewritten:

"(a10) Except for the judgeships abolished pursuant to subsection (a8) of this section, upon the retirement, resignation, removal from office, death, or expiration of the term of any special superior court judge on or after September 1, 2014, each judgeship shall be filled for a full five-year term beginning upon the judge's taking office according to the following procedure prescribed by the General Assembly pursuant to Article IV, Section 9(1) of the North Carolina Constitution. As each judgeship becomes vacant or the term expires, the Governor shall submit the name of a nominee for that judgeship to the General Assembly for confirmation by ratified joint resolution. Upon each such confirmation, the Governor shall appoint the confirmed nominee to that judgeship.

However, upon the failure of the Governor to submit the name of a nominee within 90 days of the occurrence of the vacancy or within 90 days of the expiration of the judge's term, as applicable, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit the name of a nominee to the General Assembly. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, and the county of residence of the appointee.

The Governor may withdraw any nomination prior to it failing on any reading, and in case of such withdrawal the Governor shall submit a different nomination within 45 days of withdrawal. If a nomination shall fail any reading, the Governor shall submit a different nomination within 45 days of such failure. In either case of failure to submit a new nomination within 45 days, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall submit the name of a nominee to the General Assembly under the procedure provided in the preceding paragraph.

A special superior court judge designated as the business court judge whose term expires shall continue in office until a successor special superior court judge has been appointed as provided in this subsection and designated as a business court judge by the Chief Justice, unless the special superior court judgeship has been abolished.

No person shall occupy a special superior court judgeship authorized under this subsection in any capacity, or have any right to, claim upon, or powers of those judgeships, unless that person's nomination has been confirmed by the General Assembly by joint resolution or appointed through the enactment of a bill upon the failure of the Governor to submit a nominee. Until confirmed by the General Assembly and appointed by the Governor, or appointed by the General Assembly upon the failure of the Governor to appoint a nominee, and qualified by taking the oath of office, a nominee is neither a de jure nor a de facto officer."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 119*

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

S119-ATW-47 [v.1]

Amends Title [NO]
S119-CSSU-37 [V.17]

Date 9-29-15 ,2015

Representative Floyd

moves to amend the bill on page 32, line 27, through page 33, line 16, by deleting those lines.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

SENATE BILL 694:
Reegan's Rule/Enforce Pharm. Ben. Mgt.

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 29, 2015
Introduced by:		**Prepared by:**	Kristen Harris
Analysis of:	PCS to Third Edition S694-CSMM-25		Committee Counsel

SUMMARY: The Proposed Committee Substitute (PCS) for Senate Bill 694 would require parent education during well-child visits at specific age intervals regarding Type I Diabetes and amend the law pertaining to Pharmacy Benefits Managers (PBMs).

CURRENT LAW and BILL ANALYSIS:

Section 1 of the PCS would create a new G.S. 130A-221.5, *"Diabetes education as part of well-child care,"* to encourage physicians, physician's assistants, or certified nurse practitioners who provide well-child care to educate and discuss the warning signs and symptoms of Type I diabetes with the parents of each child under their care at birth, and at yearly intervals until the child reaches the age of five.

Section 2: Currently, Pharmacy Benefits Managers (PBMs) process prescriptions for groups that pay for drugs, e.g., insurance companies or corporations, by acting as an intermediary between the payor and other members of the health system. Under Article 56A of Chapter 58, PBMs may place a particular drug on a "Maximum Allowable Cost" (MAC) price list, provided the drug meets certain criteria. Once a PBM places a drug on a MAC list, it is required to conduct a review of the MAC prices for potential removal or modification at least once every seven business days and, if necessary, modify the MAC price of the drug or remove it from the MAC price list within seven business days of the review.

Section 2 of the PCS would create a new G.S. 56-56A-10 to give the Commissioner of Insurance ("Commissioner") enforcement authority over PBMs. The Commissioner of Insurance could impose monetary penalties as described in the statute and/or petition the Superior Court of Wake County for an order directing restitution from PBMs who violate the statute. The Commissioner would have discretion to determine the amount of monetary penalty in an amount of between $100 and $1,000 per day per prescription drug, for each prescription found to be improperly reimbursed as a result of the PBM's failure to comply with the requirements of G.S. 58-56A-5 pertaining to Maximum Allowable Cost.

EFFECTIVE DATE: Section 1 of this act becomes effective December 1, 2015. Section 2 of this act becomes effective July 1, 2016.

*Staff Attorney Augustus Willis substantially contributed to this summary.

O. Walker Reagan
Director

* S 6 9 4 - S M T U - 7 1 C S M M - 2 5 - V 2 *

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 694
Commerce Committee Substitute Adopted 4/28/15
Third Edition Engrossed 4/29/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S694-PCS45418-MM-25

Short Title: Reegan's Rule/Enforce Pharm. Ben. Mgt. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO ENCOURAGE PARENT EDUCATION DURING WELL-CHILD VISITS AT SPECIFIC AGE INTERVALS REGARDING TYPE I DIABETES AND TO AMEND THE LAW PERTAINING TO PHARMACY BENEFIT MANAGERS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 7 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-221.5. Diabetes education as part of well-child care.**

Each physician, physician assistant, or certified nurse practitioner who provides well-child care is encouraged to educate and discuss the warning signs of Type I diabetes and symptoms with each parent for each child under the care of the physician, physician assistant, or certified nurse practitioner at least once at the following age intervals:

(1) Birth.
(2) Twelve months of age.
(3) Twenty-four months of age.
(4) Thirty-six months of age.
(5) Forty-eight months of age.
(6) Sixty months of age."

SECTION 2. Article 56A of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-56A-10. Civil penalties for violations; administrative procedure.**

(a) Whenever the Commissioner has reason to believe that a pharmacy benefits manager has violated any of the provisions of this Article with such frequency as to indicate a general business practice, the Commissioner may, after notice and opportunity for a hearing, proceed under the appropriate subsections of this section.

(b) If, under subsection (a) of this section, the Commissioner finds a violation of this Article, the Commissioner may order the payment of a monetary penalty as provided in subsection (c) of this section or petition the Superior Court of Wake County for an order directing payment of restitution as provided in subsections (d) and (e) of this section, or both. Each day during which a violation occurs constitutes a separate violation.

(c) If the Commissioner orders the payment of a monetary penalty pursuant to subsection (b) of this section, the penalty shall not be less than one hundred dollars ($100.00) nor more than one thousand dollars ($1,000) per day per prescription drug for each prescription found to have been improperly reimbursed as a result of the pharmacy benefits manager's

failure to comply with G.S. 58-56A-5. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was committed willfully, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of the penalty shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. Payment of the civil penalty under this section shall be in addition to payment of any other penalty for a violation of the criminal laws of this State.

(d) Upon petition of the Commissioner the court may order the pharmacy benefits manager who committed a violation specified in subsection (b) of this section to make restitution in an amount that would make whole any pharmacist harmed by the violation. The petition may be made at any time and also in any appeal of the Commissioner's order.

(e) Upon petition of the Commissioner the court may order the pharmacy benefits manager who committed a violation specified in subsection (b) of this section to make restitution to the Department for administrative expenses, including expenses under subsection (f) of this section, incurred in the investigation, hearing, and any appeals associated with the violation in such amount that would reimburse the agency for the expenses. The petition may be made at any time and also in any appeal of the Commissioner's order.

(f) The Commissioner may contract with consultants and other professionals with relevant expertise as necessary and appropriate to conduct investigation, hearing, and appeals activities as provided in this section. Such contracts shall not be subject to G.S. 114-2.3, G.S. 147-17, or Articles 3, 3C, and 8 of Chapter 143 of the General Statutes, together with rules and procedures adopted under those Articles concerning procurement, contracting, and contract review.

(g) Nothing in this section prevents the Commissioner from negotiating a mutually acceptable agreement with any pharmacy benefits manager as to any civil penalty or restitution.

(h) Unless otherwise specifically provided for, all administrative proceedings under this Article are governed by Chapter 150B of the General Statutes. Appeals of the Commissioner's orders under this section shall be governed by G.S. 58-2-75."

SECTION 3. Section 1 of this act becomes effective December 1, 2015. Section 2 of this act becomes effective July 1, 2016. The remainder of this act is effective when it becomes law.

SENATE BILL 519:
Amend Child Custody Laws

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	**Date:**	September 29, 2015
Introduced by:	Sen. B. Jackson	**Prepared by:**	Janice Paul
Analysis of:	Third Edition		Staff Attorney

SUMMARY: ***Senate Bill 519 would create in statute a legislative policy concerning child custody determinations.***

[As introduced, this bill was identical to H764, as introduced by Reps. Horn, Jeter, which is currently in House Judiciary III.]

BILL ANALYSIS: Senate Bill 519 would enact a new G.S. 50-13.01 declaring the legislative policy relating to child custody, and would require the court in a child custody proceeding to consider certain factors and make specific findings of fact relating to those factors.

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

O. Walker Reagan
Director

S519-SMTJ-121 E3 -V2

Research Division
(919) 733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 519
Judiciary II Committee Substitute Adopted 4/28/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S519-PCS45409-TJ-47

Short Title: Amend Child Custody Laws. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO PROMOTE THE ENCOURAGEMENT OF PARENTING TIME WITH CHILDREN BY BOTH PARENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 50 of the General Statutes is amended by adding a new section to read:

"**§ 50-13.01. Purposes.**

It is the policy of the State of North Carolina to:

(1) Encourage focused, good faith, and child-centered parenting agreements to reduce needless litigation over child custody matters and to promote the best interest of the child.

(2) Encourage parents to take responsibility for their child by setting the expectation that parenthood will be a significant and ongoing responsibility.

(3) Encourage programs and court practices that reflect the active and ongoing participation of both parents in the child's life and contact with both parents when such is in the child's best interest, regardless of the parents' present marital status, subject to laws regarding abuse, neglect, and dependency.

(4) Encourage both parents to share equitably in the rights and responsibilities of raising their child, even after dissolution of marriage or unwed relationship.

(5) Encourage each parent to establish and maintain a healthy relationship with the other parent when such is determined to be in the best interest of the child, taking into account mental illness, substance abuse, domestic violence, or any other factor the court deems appropriate."

SECTION 2. G.S. 50-13.2(a) reads as rewritten:

"**§ 50-13.2. Who entitled to custody; terms of custody; visitation rights of grandparents; taking child out of State; consideration of parent's military service.**

(a) An order for custody of a minor child entered pursuant to this section shall award the custody of such child to such person, agency, organization or institution as will best promote the interest and welfare of the child. In making the determination, the court shall consider all relevant factors including acts of domestic violence between the parties, the safety of the child, and the safety of either party from domestic violence by the other ~~party and shall make findings accordingly.~~ party. An order for custody must include written findings of fact ~~which~~ that reflect the consideration of each of these factors and that support the determination of what is in the best interest of the child. Between ~~the mother and father,~~ the parents, whether

natural or adoptive, no presumption shall apply as to who will better promote the interest and welfare of the child. Joint custody to the parents shall be considered upon the request of either parent."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 279
Second Edition Engrossed 4/2/15
House Committee Substitute Favorable 9/15/15
Fourth Edition Engrossed 9/16/15
Proposed Conference Committee Substitute S279-PCCS15284-TH-1

Short Title: Amend Qual./Counseling/Local Preemption. (Public)

Sponsors:

Referred to:

March 16, 2015

A BILL TO BE ENTITLED

AN ACT AMENDING THE PROFESSIONAL COUNSELORS ACT TO MODIFY EDUCATIONAL QUALIFICATIONS FOR THE PRACTICE OF COUNSELING, TO REQUIRE LOCAL BOARDS OF EDUCATION TO ADDRESS SEX TRAFFICKING PREVENTION AND AWARENESS, AND AMENDING VARIOUS LAWS TO PROVIDE THAT STATE LAW PREEMPTS CERTAIN ORDINANCES AND RESOLUTIONS ADOPTED BY LOCAL GOVERNMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-336 reads as rewritten:

"**§ 90-336. Title and qualifications for licensure.**

(a) Each person desiring to be a licensed professional counselor associate, licensed professional counselor, or licensed professional counselor supervisor shall make application to the Board upon such forms and in such manner as the Board shall prescribe, together with the required application fee.

(b) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or before March 1, 2016, and meets all of the following criteria:

(1) Has earned a ~~minimum of 48 semester hours or 72 quarter~~specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or a related field from ~~a regionally accredited institution of higher education~~an institution of higher education that is regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation and (ii) the applicant meets one of the following criteria:

a. ~~if~~If the applicant enrolled in the master's program before July 1, ~~2009;~~2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit ~~hours~~hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours. ~~of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009; or a minimum of 60 semester hours or 90 quarter credit hours of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program after June 30, 2013.~~

(2) Repealed by Session Laws 2009-367, s. 6, effective October 1, 2009.

(3) Has passed an examination in accordance with rules adopted by the Board.

(b1) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies after March 1, 2016, through June 30, 2022, and meets all of the following criteria:

(1) Has earned a specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or related field from an institution of higher education that is either regionally accredited or accredited by an organization both recognized by the Council for Higher Education Accreditation and accredited by the Council for Accreditation of Counseling and Related Educational Programs and (ii) the applicant meets one of the following criteria:

a. If the applicant enrolled in the master's program before July 1, 2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours.

(2) Has passed an examination in accordance with rules adopted by the Board.

(b2) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs or a regional accreditation agency recognized by the Council for Higher Education Accreditation.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed professional counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under ~~subsection (b)~~subsection (b), (b1), or (b2) of this ~~section.~~section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised professional practice as determined by the Board.

(d) A licensed professional counselor may apply to the Board for recognition as a "licensed professional counselor supervisor" and receive the credential "licensed professional counselor supervisor" upon meeting all of the following criteria:

(1) Has met all of the requirements under subsection (c) of this section.

(2) Has one of the following:
a. At least five years of full-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact;
b. At least eight years of part-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact; or
c. A combination of full-time and part-time professional counseling experience, including a minimum of 2,500 hours of direct client contact as determined by the Board.

(3) Has completed minimum education requirements in clinical supervision as approved by the Board.

(4) Has an active license in good standing as a licensed professional counselor approved by the Board."

SECTION 2. G.S. 90-345(a)(1) reads as rewritten:

"(1) Applicant. – A person applying for licensure as a licensed professional counselor associate pursuant to ~~G.S. 90-336(b)~~G.S. 90-336(b), 90-336(b1), or 90-336(b2) or licensed professional counselor pursuant to G.S. 90-336(c)."

SECTION 3. G.S. 115C-81(e1)(4) reads as rewritten:

"(4) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade that includes the following instruction:
a. Teaches that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.
b. Presents techniques and strategies to deal with peer pressure and offering positive reinforcement.
c. Presents reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.
d. Teaches that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems.
e. Teaches that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.
f. Teaches the positive benefits of abstinence until marriage and the risks of premarital sexual activity.
g. Provides opportunities that allow for interaction between the parent or legal guardian and the student.
h. Provides factually accurate biological or pathological information that is related to the human reproductive system.
i. Teaches about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology,

behavioral counseling, medicine, human anatomy, biology, ethics, or health education."

SECTION 4. G.S. 115C-81(e1)(4a) reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with a diverse group of outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 5. G.S. 115C-81(e1)(4a), as amended by Section 4 of this act, reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 6. G.S. 95-25.1 reads as rewritten:

"**§ 95-25.1. Short title and legislative ~~purpose.~~purpose; local governments preempted.**

(a) This Article shall be known and may be cited as the "Wage and Hour Act."

(b) The public policy of this State is declared as follows: The wage levels of employees, hours of labor, payment of earned wages, and the well-being of minors are subjects of concern requiring legislation to promote the general welfare of the people of the State without

jeopardizing the competitive position of North Carolina business and industry. The General Assembly declares that the general welfare of the State requires the enactment of this law under the police power of the State.

(c) The provisions of this Article supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement upon a business pertaining to compensation of employees, such as the wage levels of employees, hours of labor, payment of earned wages, benefits, leave, or well-being of minors in the workforce. This subsection shall not apply to any of the following:

(1) A local government regulating, compensating, or controlling its own employees.

(2) Economic development incentives awarded under Part 2H of Article 10 of Chapter 143B of the General Statutes.

(3) Economic development incentives awarded under Article 1 of Chapter 158 of the General Statutes.

(4) A requirement of federal community development block grants.

(5) Programs established under G.S. 153A-376 or G.S. 160A-456."

SECTION 7.(a) G.S. 41A-2 reads as rewritten:

"**§ 41A-2. ~~Purpose.~~Purpose; local governments preempted.**

(a) The purpose of this Chapter is to provide fair housing throughout the State of North Carolina.

(b) The provisions in this Chapter supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement upon a business pertaining to housing practices. This subsection shall not apply to any of the following:

(1) A local government adopting any policy or practice with respect to property owned by the local government entity.

(2) An ordinance adopted under G.S. 160A-499.2.

(3) A requirement of federal community development block grants.

(4) Redevelopment projects under Article 22 of Chapter 160A of the General Statutes."

SECTION 7.(b) Article 1 of Chapter 42 of the General Statutes is amended by adding a new section to read:

"**§ 42-14.5. Local government preemption.**

Except as provided in Part 4 of Article 18 of Chapter 153A of the General Statutes and Part 5 of Article 19 of Chapter 160A of the General Statutes, the provisions of this Chapter supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose upon a business any requirement pertaining to the rights and duties of a landlord and tenant. Nothing in this Chapter shall be construed to limit the authority of a local government to adopt any policy or practice with respect to property owned by the local government entity."

SECTION 7.(c) G.S. 42A-2 reads as rewritten:

"**§ 42A-2. Purpose and scope of act.**

(a) The General Assembly finds that the growth of the tourism industry in North Carolina has led to a greatly expanded market of privately owned residences that are rented to tourists for vacation, leisure, and recreational purposes. Rental transactions conducted by the owners of these residences or licensed real estate brokers acting on their behalf present unique situations not normally found in the rental of primary residences for long terms, and therefore make it necessary for the General Assembly to enact laws regulating the competing interests of landlords, real estate brokers, and tenants.

(b) Except as provided in Part 4 of Article 18 of Chapter 153A of the General Statutes and Part 5 of Article 19 of Chapter 160A of the General Statutes, the provisions of this Chapter

supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement pertaining to the rights and duties of a landlord or tenant."

SECTION 8.(a) G.S. 153A-121 reads as rewritten:

"**§ 153A-121. General ordinance-making power.**

(a) A county may by ordinance define, regulate, prohibit, or abate acts, omissions, or conditions detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the county; and may define and abate nuisances.

(b) ~~This section does not authorize a county to~~No county shall have the authority to regulate by ordinance any of the following:

(1) ~~regulate~~Regulate or control vehicular or pedestrian traffic on a street or highway under the control of the Board of ~~Transportation,~~Transportation.

(2) ~~nor to regulate~~Regulate or control any right-of-way or right-of-passage belonging to a public utility, electric or telephone membership corporation, or public agency of the State.

(3) ~~In addition, no county ordinance may regulate~~Regulate or control a highway right-of-way in a manner inconsistent with State law or an ordinance of the Board of Transportation.

(4) Regulate or control the employment practices of nongovernmental businesses in the jurisdiction of the county. This subsection shall not apply to any of the following:

a. Regulation of sexually oriented businesses, as provided in G.S. 160A-181.1.

b. Regulation of solicitation campaigns, flea markets, and itinerant merchants, as provided in G.S. 153A-125.

c. A requirement of federal community development block grants.

(5) Mandate or prohibit the provision of goods, services, or accommodation to any member of the public by nongovernmental businesses in the county, except as provided in G.S. 158-7.1, 160A-458.3, 160A-503, and 160A-400.8.

(c) This section does not impair the authority of local boards of health to adopt rules and regulations to protect and promote public health."

SECTION 8.(b) G.S. 160A-174 reads as rewritten:

"**§ 160A-174. General ordinance-making power.**

(a) A city may by ordinance define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the city, and may define and abate nuisances.

(b) A city ordinance shall be consistent with the Constitution and laws of North Carolina and of the United States. An ordinance is not consistent with State or federal law when:

(1) The ordinance infringes a liberty guaranteed to the people by the State or federal Constitution;

(2) The ordinance makes unlawful an act, omission or condition which is expressly made lawful by State or federal law;

(3) The ordinance makes lawful an act, omission, or condition which is expressly made unlawful by State or federal law;

(4) The ordinance purports to regulate a subject that cities are expressly forbidden to regulate by State or federal law;

(5) The ordinance purports to regulate a field for which a State or federal statute clearly shows a legislative intent to provide a complete and integrated regulatory scheme to the exclusion of local regulation;

(6) The elements of an offense defined by a city ordinance are identical to the elements of an offense defined by State or federal law.

The fact that a State or federal law, standing alone, makes a given act, omission, or condition unlawful shall not preclude city ordinances requiring a higher standard of conduct or condition.

(c) No city shall have the authority to do any of the following:

(1) Regulate or control the employment practices of nongovernmental businesses in the jurisdiction of the city. This subsection shall not apply to any of the following:

a. Regulation of sexually oriented businesses, as provided in G.S. 160A-181.1.

b. Regulation of solicitation campaigns, flea markets, and itinerant merchants, as provided in G.S. 160A-178.

c. Regulation of taxis, as provided in G.S. 160A-304.

d. A requirement of federal community development block grants.

(2) Mandate or prohibit the provision of goods, services, or accommodation to any member of the public by nongovernmental businesses in the city, except as provided in G.S. 158-7.1, 160A-458.3, 160A-503, and 160A-400.8."

SECTION 9. Sections 1 and 2 of this act become effective October 1, 2015. Section 3 of this act is effective when this act becomes law and applies beginning with the 2016-2017 school year. Section 4 of this act is effective when this act becomes law and applies beginning with the spring semester of the 2015-2016 school year. Section 5 of this act becomes effective January 1, 2016, and applies beginning with the 2016-2017 school year. Sections 6, 7, and 8 of this act are effective when this act becomes law, and any pending enforcement of any ordinance in violation of this section shall cease upon the effective date. The remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE JOINT RESOLUTION 721
PROPOSED HOUSE COMMITTEE SUBSTITUTE S721-PCS15285-MM-26

Sponsors:

Referred to:

September 23, 2015

A JOINT RESOLUTION ADJOURNING THE 2015 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN AND LIMITING THE MATTERS THAT MAY BE CONSIDERED UPON RECONVENING.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the Senate and the House of Representatives adjourn on Wednesday, September 30, 2015, they stand adjourned to reconvene on Monday, April 25, 2016, at 7:00 P.M.

SECTION 2. During the regular session that reconvenes on Monday, April 25, 2016, only the following matters may be considered:

(1) Bills directly and primarily affecting the State budget, including the budget of an occupational licensing board for fiscal year 2016-2017, provided that the bill must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Wednesday, April 27, 2016, and must be introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Tuesday, May 10, 2016.

(2) Bills amending the Constitution of North Carolina.

(3) Bills and resolutions introduced in 2015 and having passed third reading in 2015 in the house in which introduced, received in the other house in accordance with Senate Rule 41 or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house.

(4) Bills and resolutions implementing the recommendations of:

a. Study commissions, authorities, and statutory commissions authorized or directed to report to the 2016 Regular Session;

b. The General Statutes Commission, the Courts Commission, or any commission created under Chapter 120 of the General Statutes that is authorized or directed to report to the General Assembly;

c. The House Ethics Committee;

d. Select committees; or

e. The Joint Legislative Ethics Committee or its Advisory Subcommittee.

A bill authorized by this subdivision must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Tuesday, April 26, 2016, and must be filed for introduction in the Senate or introduced in the House of Representatives no later than 4:00 P.M. Tuesday, May 10, 2016.

(5) Any local bill that has been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. Tuesday, May 3, 2016, is introduced in the House of Representatives or filed for introduction in the Senate by 4:00 P.M. Thursday, May 19, 2016, and is accompanied by a certificate signed by the principal sponsor stating that no public hearing will be required or asked for by a member on the bill, the bill is noncontroversial, and that the bill is approved for introduction by each member of the House of Representatives and the Senate whose district includes the area to which the bill applies.

(6) Selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(7) Any matter authorized by joint resolution passed by a two-thirds majority of the members of the House of Representatives present and voting and by a two-thirds majority of the members of the Senate present and voting. A bill or resolution filed in either house under the provisions of this subdivision shall have a copy of the ratified enabling resolution attached to the jacket before filing for introduction in the Senate or introduction in the House of Representatives.

(8) A joint resolution authorizing the introduction of a bill pursuant to subdivision (7) of this section.

(9) Any bills primarily affecting any State or local pension or retirement system, provided that the bill has been submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Tuesday, May 3, 2016, and is introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Thursday, May 19, 2016.

(10) Joint resolutions, House resolutions, and Senate resolutions authorized for introduction under Senate Rule 40(b) or House Rule 31.

(11) Bills:

a. Revising the Senate districts and the apportionment of senators among those districts.

b. Revising the Representative districts and the apportionment of representatives among those districts.

c. Revising the districts for the election of members of the House of Representatives of the Congress of the United States and the apportionment of representatives among those districts.

d. Bills responding to actions related to the Voting Rights Act of 1965.

e. Bills responding to actions related to litigation concerning Congressional, State House, or State Senate districts.

(12) Bills returned by the Governor with objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(13) Any bills relating to election laws.

(14) Bills to disapprove rules under G.S. 150B-21.3.

(15) A joint resolution adjourning the 2015 Regular Session, sine die.

SECTION 3. The Speaker of the House of Representatives or the President Pro Tempore of the Senate may authorize appropriate committees or subcommittees of their respective houses to meet during the interims between sessions to (i) review matters related to the State budget for the 2015-2017 fiscal biennium; (ii) prepare reports, including revised

budgets; or (iii) consider any other matters as the Speaker of the House of Representatives or the President Pro Tempore of the Senate deems appropriate. A conference committee may meet in the interim upon approval by the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

SECTION 4. This resolution is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 279
Second Edition Engrossed 4/2/15
House Committee Substitute Favorable 9/15/15
Fourth Edition Engrossed 9/16/15
Proposed Conference Committee Substitute S279-CCSTH-1 [v.8]

9/28/2015 9:00:39 PM

Short Title: Amend Qual./Counseling/Local Preemption. (Public)

Sponsors:

Referred to:

March 16, 2015

A BILL TO BE ENTITLED

AN ACT AMENDING THE PROFESSIONAL COUNSELORS ACT TO MODIFY EDUCATIONAL QUALIFICATIONS FOR THE PRACTICE OF COUNSELING, TO REQUIRE LOCAL BOARDS OF EDUCATION TO ADDRESS SEX TRAFFICKING PREVENTION AND AWARENESS, AND AMENDING VARIOUS LAWS TO PROVIDE THAT STATE LAW PREEMPTS CERTAIN ORDINANCES AND RESOLUTIONS ADOPTED BY LOCAL GOVERNMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-336 reads as rewritten:

"**§ 90-336. Title and qualifications for licensure.**

(a) Each person desiring to be a licensed professional counselor associate, licensed professional counselor, or licensed professional counselor supervisor shall make application to the Board upon such forms and in such manner as the Board shall prescribe, together with the required application fee.

(b) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or before March 1, 2016, and meets all of the following criteria:

(1) Has earned a ~~minimum of 48 semester hours or 72 quarter~~specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or a related field from ~~a regionally accredited institution of higher education~~an institution of higher education that is regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation and (ii) the applicant meets one of the following criteria:

a. ~~if~~If the applicant enrolled in the master's program before July 1, ~~2009;~~2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit ~~hours~~hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours. ~~of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009; or a minimum of 60 semester hours or 90 quarter credit hours of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program after June 30, 2013.~~

(2) Repealed by Session Laws 2009-367, s. 6, effective October 1, 2009.

(3) Has passed an examination in accordance with rules adopted by the Board.

(b1) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies after March 1, 2016, through June 30, 2022, and meets all of the following criteria:

(1) Has earned a specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or related field from an institution of higher education that is either regionally accredited or accredited by an organization both recognized by the Council for Higher Education Accreditation and accredited by the Council for Accreditation of Counseling and Related Educational Programs and (ii) the applicant meets one of the following criteria:

a. If the applicant enrolled in the master's program before July 1, 2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours.

(2) Has passed an examination in accordance with rules adopted by the Board.

(b2) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs or a regional accreditation agency recognized by the Council for Higher Education Accreditation.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed professional counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under ~~subsection (b)~~subsection (b), (b1), or (b2) of this ~~section.~~section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised professional practice as determined by the Board.

(d) A licensed professional counselor may apply to the Board for recognition as a "licensed professional counselor supervisor" and receive the credential "licensed professional counselor supervisor" upon meeting all of the following criteria:

(1) Has met all of the requirements under subsection (c) of this section.

(2) Has one of the following:
a. At least five years of full-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact;
b. At least eight years of part-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact; or
c. A combination of full-time and part-time professional counseling experience, including a minimum of 2,500 hours of direct client contact as determined by the Board.

(3) Has completed minimum education requirements in clinical supervision as approved by the Board.

(4) Has an active license in good standing as a licensed professional counselor approved by the Board."

SECTION 2. G.S. 90-345(a)(1) reads as rewritten:

"(1) Applicant. – A person applying for licensure as a licensed professional counselor associate pursuant to ~~G.S. 90-336(b)~~G.S. 90-336(b), ~~90-336(b1),~~ or 90-336(b2) or licensed professional counselor pursuant to G.S. 90-336(c)."

SECTION 3. G.S. 115C-81(e1)(4) reads as rewritten:

"(4) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade that includes the following instruction:
a. Teaches that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.
b. Presents techniques and strategies to deal with peer pressure and offering positive reinforcement.
c. Presents reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.
d. Teaches that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems.
e. Teaches that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.
f. Teaches the positive benefits of abstinence until marriage and the risks of premarital sexual activity.
g. Provides opportunities that allow for interaction between the parent or legal guardian and the student.
h. Provides factually accurate biological or pathological information that is related to the human reproductive system.
i. Teaches about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology,

behavioral counseling, medicine, human anatomy, biology, ethics, or health education."

SECTION 4. G.S. 115C-81(e1)(4a) reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with a diverse group of outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 5. G.S. 115C-81(e1)(4a), as amended by Section 4 of this act, reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 6. G.S. 95-25.1 reads as rewritten:

"**§ 95-25.1. Short title and legislative ~~purpose.~~ purpose; local governments preempted.**

(a) This Article shall be known and may be cited as the "Wage and Hour Act."

(b) The public policy of this State is declared as follows: The wage levels of employees, hours of labor, payment of earned wages, and the well-being of minors are subjects of concern requiring legislation to promote the general welfare of the people of the State without

jeopardizing the competitive position of North Carolina business and industry. The General Assembly declares that the general welfare of the State requires the enactment of this law under the police power of the State.

(c) The provisions of this Article supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement upon a business pertaining to compensation of employees, such as the wage levels of employees, hours of labor, payment of earned wages, benefits, leave, or well-being of minors in the workforce. This subsection shall not apply to any of the following:

(1) A local government regulating, compensating, or controlling its own employees.

(2) Economic development incentives awarded under Part 2H of Article 10 of Chapter 143B of the General Statutes.

(3) Economic development incentives awarded under Article 1 of Chapter 158 of the General Statutes.

(4) A requirement of federal community development block grants.

(5) Programs established under G.S. 153A-376 or G.S. 160A-456."

SECTION 7.(a) G.S. 41A-2 reads as rewritten:

"**§ 41A-2. ~~Purpose.~~ Purpose; local governments preempted.**

(a) The purpose of this Chapter is to provide fair housing throughout the State of North Carolina.

(b) The provisions in this Chapter supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement upon a business pertaining to housing practices. This subsection shall not apply to any of the following:

(1) A local government adopting any policy or practice with respect to property owned by the local government entity.

(2) An ordinance adopted under G.S. 160A-499.2.

(3) A requirement of federal community development block grants.

(4) Redevelopment projects under Article 22 of Chapter 160A of the General Statutes."

SECTION 7.(b) Article 1 of Chapter 42 is amended by adding a new section to read:

"**§ 42-14.5. Local government preemption.**

Except as provided in Part 4 of Article 18 of Chapter 153A of the General Statutes and Part 5 of Article 19 of Chapter 160A of the General Statutes, the provisions of this Chapter supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose upon a business any requirement pertaining to the rights and duties of a landlord and tenant. Nothing in this Chapter shall be construed to limit the authority of a local government to adopt any policy or practice with respect to property owned by the local government entity."

SECTION 7.(c) G.S. 42A-2 reads as rewritten:

"**§ 42A-2. Purpose and scope of act.**

(a) The General Assembly finds that the growth of the tourism industry in North Carolina has led to a greatly expanded market of privately owned residences that are rented to tourists for vacation, leisure, and recreational purposes. Rental transactions conducted by the owners of these residences or licensed real estate brokers acting on their behalf present unique situations not normally found in the rental of primary residences for long terms, and therefore make it necessary for the General Assembly to enact laws regulating the competing interests of landlords, real estate brokers, and tenants.

(b) Except as provided in Part 4 of Article 18 of Chapter 153A of the General Statutes and Part 5 of Article 19 of Chapter 160A of the General Statutes, the provisions of this Chapter

supersede and preempt any ordinance or resolution adopted by a city or county that purports to regulate or impose any requirement pertaining to the rights and duties of a landlord or tenant."

SECTION 8.(a) G.S. 153A-121 reads as rewritten:

"**§ 153A-121. General ordinance-making power.**

(a) A county may by ordinance define, regulate, prohibit, or abate acts, omissions, or conditions detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the county; and may define and abate nuisances.

(b) ~~This section does not authorize a county to~~No county shall have the authority to regulate by ordinance any of the following:

(1) ~~regulate~~Regulate or control vehicular or pedestrian traffic on a street or highway under the control of the Board of ~~Transportation,~~Transportation.

(2) ~~nor to regulate~~Regulate or control any right-of-way or right-of-passage belonging to a public utility, electric or telephone membership corporation, or public agency of the State.

(3) ~~In addition, no county ordinance may regulate~~Regulate or control a highway right-of-way in a manner inconsistent with State law or an ordinance of the Board of Transportation.

(4) Regulate or control the employment practices of nongovernmental businesses in the jurisdiction of the county. This subsection shall not apply to any of the following:

a. Regulation of sexually oriented businesses, as provided in G.S. 160A-181.1

b. Regulation of solicitation campaigns, flea markets, and itinerant merchants, as provided in G.S. 153A-125.

c. A requirement of federal community development block grants.

(5) Mandate or prohibit the provision of goods, services, or accommodation to any member of the public by nongovernmental businesses in the county, except as provided in G.S. 158-7.1, G.S. 160A-458.3, G.S. 160A-503, and G.S. 160A-400.8.

(c) This section does not impair the authority of local boards of health to adopt rules and regulations to protect and promote public health."

SECTION 8.(b) G.S. 160A-174 reads as rewritten:

"**§ 160A-174. General ordinance-making power.**

(a) A city may by ordinance define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the city, and may define and abate nuisances.

(b) A city ordinance shall be consistent with the Constitution and laws of North Carolina and of the United States. An ordinance is not consistent with State or federal law when:

(1) The ordinance infringes a liberty guaranteed to the people by the State or federal Constitution;

(2) The ordinance makes unlawful an act, omission or condition which is expressly made lawful by State or federal law;

(3) The ordinance makes lawful an act, omission, or condition which is expressly made unlawful by State or federal law;

(4) The ordinance purports to regulate a subject that cities are expressly forbidden to regulate by State or federal law;

(5) The ordinance purports to regulate a field for which a State or federal statute clearly shows a legislative intent to provide a complete and integrated regulatory scheme to the exclusion of local regulation;

(6) The elements of an offense defined by a city ordinance are identical to the elements of an offense defined by State or federal law.

The fact that a State or federal law, standing alone, makes a given act, omission, or condition unlawful shall not preclude city ordinances requiring a higher standard of conduct or condition.

(c) No city shall have the authority to do any of the following:

(1) Regulate or control the employment practices of non-governmental businesses in the jurisdiction of the city. This subsection shall not apply to any of the following:

a. Regulation of sexually oriented businesses, as provided in G.S. 160A-181.1

b. Regulation of solicitation campaigns, flea markets, and itinerant merchants, as provided in G.S. 160A-178.

c. Regulation of taxis, as provided in G.S. 160A-304.

d. A requirement of federal community development block grants.

(2) Mandate or prohibit the provision of goods, services, or accommodation to any member of the public by nongovernmental businesses in the city, except as provided in G.S. 158-7.1, G.S. 160A-458.3, G.S. 160A-503, and G.S. 160A-400.8."

SECTION 9. Sections 1 and 2 of this act become effective October 1, 2015. Section 3 of this act is effective when the act becomes law and applies beginning with the 2016-2017 school year. Section 4 of this act is effective when the act becomes law and applies beginning with the spring semester of the 2015-2016 school year. Section 5 of this act is effective January 1, 2016, and applies beginning with the 2016-2017 school year. Sections 6, 7, and 8 of this act are effective when the act becomes law, and any pending enforcement of any ordinance in violation of this section shall cease upon the effective date. The remainder of this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **119** **(CS#1)** GSC Technical Corrections 2015.

Draft Number:	S119-PCS15286-SU-37
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB JOINT RESOLUTION, UNFAVORABLE ORIGINAL JOINT RESOLUTION

SJR **721** Adjournment Resolution.

Draft Number:	S721-PCS15285-MM-26
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SB **519** **(HCS#1)** Amend Child Custody Laws.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **694** **(CS#1)** Employee Misclassification Reform.

Draft Number:	S694-PCS45418-MM-25
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	To be determined

TOTAL REPORTED: 2

Committee Sergeants at Arms

NAME OF COMMITTEE HOUSE COMM ON RULES

DATE: 09/29/15 Room: ~~648~~ 544

House Sgt-At Arms:

1. Name: [redacted] BILL BASS
2. Name: [redacted] CHARLES GODWIN
3. Name: [redacted]
4. Name: DEAN MARSHBOURNE
5. Name: REY COOKE

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hayden Burgess	FSP
Jonathan Babalas	Babalas + Assoc
Nathan Batts	NCBA
Alan Miller	KCG
Sam Gu[illegible]	NCHC
[illegible]	[illegible]
TIM KENT	NC BEER & WINE
Butch Gunnells	NC Bev.
Adam Pendleton	NCASA
Suzanne Prather	SEANC
Flint [illegible]	SEANC

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris Dillon	WAKE C.
Nina Hasser	TH/CG
JARRET BURR	NC DPS
Marcia Jenkins	~~NC~~ DNCR
Steve Mange	NCRLA
Rachel Beal	NCSU
Skip David	DPI
Ben Popkin	DOI
Sarah Bales	Brubaker & Assoc
Chris Agan	DOJ
Jean Kilbourne	Parker Poe

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
MacNeil Chestnut	for RLNC
Sarah McMillan	SCGNC
Scott Laster	SCGNC
Penny Knight	School of Law
JEFF BARNHART	MWC
Cami Burke	NCGOP
Sarah Wolfe	NCGOP
Kaylie Trevillian	Fed Ex
AJ Sain	Fed Ex
Carl McLamb	TSJ
Chris McDaniel	TSJ

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Cassie Yanni	Sierra Club
Lynette Z	NCAHD
David Heinen	NC Center for Nonprofits
Tom West	NCJCN

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joanna Spruill	NCAFP
Bill Hoard	1ST POINT
Jon Carr	Jordan Price Law Firm
Hugh Johnson	NCACC
Mark Teixeria	NYY
Trey Rabon	AT&T
Sammy Robinson	TWC
Chris McClure	Brooks Pierce

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
PEYTON MAYNARD	GPM
[illegible]	NCC
[illegible]	BSA
[illegible]	NCBA
DAVID BAUM	TROUTMAN SANDERS
[illegible]	[illegible]
[illegible]	[illegible]
Kenny Jones	Fedex Procurement
Allison Stewart	Cardinal
Erica [illegible]	NCHA
TJ Burpee	NP
[illegible]	[illegible]

VISITOR REGISTRATION SHEET

HOUSE COMM ON RULES — 09/29/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Susan Vick	Duke Energy
Kathy Hawkins	" "
Harold Brubaker	Brubaker & Assoc.
Starnes	Treasurer
Watts	Treasurer
[signature]	NCAEC
Wendy Kelly	Focus Carolina
Carolyn Hardmon	ETHOR
JGOODMAN	N'C CHAMBER
Isabel Villa-Garcia	UCAR
Cady Thomas	Focus Carolina

House Committee on Rules, Calendar, and Operations of the House
Wednesday, April 27, 2016 at 2:00 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 2:00 PM on April 27, 2016 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Reives, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

Meeting came to order at 2:00 PM

HB 982 Confirm Robert Schurmeier/SBI Director
Rep. Boles moves favorable report. Motion carries

HJR 978 Bill Daughtridge/Industrial Commission
Rep. Stam moves favorable report. Motion carries.

HJR 980 Linda Cheatham/Industrial Commission
Rep. Stam moves favorable report. Motion carries.

The following bills were considered:

The meeting adjourned at 2:20 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, April 27, 2016
TIME: **2:00 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **The Committee will consider the confirmations of Mr. Bill Daughtridge to the Industrial Commission, Mrs. Linda Cheatham to the Industrial Commission, and Mr. Robert Schurmeier to the State Bureau of Investigation.**

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:50 AM on Tuesday, May 31, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

THE GOVERNOR'S

NOMINATIONS FOR CONFIRMATION

PAT MCCRORY

GOVERNOR

THE STATE OF NORTH CAROLINA

AS OF APRIL 22, 2016

Biographies & Résumés of Nominations

Judicial Appointment	Michael Robinson	pg. 1
Judicial Appointment	Casey Visor	pg. 3
Judicial Appointment	Gregory McGuire	pg. 5

MICHAEL LINDSAY ROBINSON

Date of Birth: September 21, 1955

Education:

1973 Woodberry Forest School, Woodberry Forest, Virginia

1977 Davidson College, Bachelor of Arts in Economics

Letter: Swimming and Diving

1980 University of North Carolina at Chapel Hill, Juris Doctor with Honors

Order of the Coif

Moot Court Board

Work History:

2008 – Present	*Partner*, Robinson & Lawing, LLP
1997 - 2007	*Partner*, litigation section, Robinson & Lawing, LLP (emphasis on complex civil litigation, intellectual property matters, and corporate litigation planning and loss prevention)
1992 - 1997	*Partner*, litigation section, Robinson Maready Lawing & Comerford, LLP (emphasis on complex civil litigation including intellectual property matters)
1980 - 1986	*Associate*, litigation section, Petree Stockton & Robinson (and predecessor firms)(emphasis on civil and insurance defense litigation)
1987 - 1992	*Partner*, litigation section, Petree Stockton & Robinson (emphasis on complex civil litigation and medical malpractice defense)

Memberships and Service:

State Bar Council, Elected Member (2009 – present)

Vice-Chair, Grievance Committee (Sub-Committee II)(December 1, 2014 to Present)

Chair, Special Litigation Committee (January 1, 2014 – December 1, 2014)

Member, Executive Committee (January 1, 2013 to Present)

Member, Board of Visitors, Duke University Divinity School

President, Winston-Salem Downtown Rotary Club (July 1, 2013 – June 30, 2014)

Certified Mediator, North Carolina Dispute Resolution Commission

Legal Aid of Northwest North Carolina, volunteer attorney providing pro bono advice to Legal Aid clients.

Past Chair of Board of Directors: Hospice and Palliative CareCenter, Inc., Winston-Salem, North Carolina

Past Member, Board of Directors, DataMax Corporation and Charitable Foundation

Past Chair, Board of Directors, Arbor Acres Retirement Community of the United Methodist Church, currently member Building and Grounds Committee

Former Chair: American Cancer Society, Forsyth County Chapter

Former Chair and Member, Committee on the Episcopacy, Advisor to the Bishop, Western North Carolina Conference of the United Methodist Church (1997 - 2004)

Centenary Methodist Church, Winston-Salem, North Carolina

- Former Chair Staff Parish Relations Committee (1996 - 2000)
- Former Lay Leader, Youth Department (1998 - 2000)
- Former Chair: Administrative Board (2000 – 2002)
- Former Chair: Board of Trustees (1994 – 1996)

Former Board Member and Newsletter Editor, North Carolina Association of Defense Attorneys

Member, North Carolina Business Court Rules Committee

Casey Viser

125 Altondale Avenue
Charlotte, NC 28207
caseyviser@gmail.com
(704) 608-2143

Judge Casey Viser is a native Charlottean, husband, and devoted father of three children at Trinity Episcopal School who is committed to serving the Bar, and the people of Mecklenburg County.

Judge Viser grew up in Foxcroft, and was a member of the first Kindergarten class at Charlotte Latin School. After graduating from Charlotte Latin School in 1990, he went on to Hampden-Sydney College, where he was a member of the soccer team, the Honor Court, the Student Senate, and Omicron Delta Kappa Honor Society, and graduated with a BA in Economics and Spanish in 1994. Judge Viser travelled to Colorado upon leaving Hampden-Sydney, fortuitously ending up in the employment of two real estate developers from Los Angeles who were developing commercial properties in the ski resort town of Aspen. They encouraged him to become active politically, and he eventually went to work for Governor Pete Wilson who, at that time, was running for the Republican nomination for President. Judge Viser returned to North Carolina to work for Richard Vinroot's first gubernatorial bid in 1996, and then travelled the country as a member of Vice-Presidential nominee Jack Kemp's staff during the Bob Dole for President campaign of 1996.

Judge Viser entered law school at Campbell University in 1997, and was elected President of the Student Bar Association in 1999. Upon graduation, he returned to his home of Charlotte and married the former Carol Biggers Dabbs. He began his legal career as an associate at James, McElroy & Diehl, PA. in 2000, and became a partner in the firm in 2005. He was elected by the Mecklenburg County Bar in May 2013 and then appointed by Governor Pat McCrory to fill the unexpired term of former Chief District Court Judge Lisa Bell. Prior to joining the bench, Judge Viser spent thirteen years practicing civil litigation and criminal law in State and Federal courts at James, McElroy & Diehl, PA. He has argued cases before the North Carolina Supreme Court, the North Carolina Court of Appeals, and the Fourth Circuit Court of Appeals. He has been named to: *Charlotte Business Journal's* "40 Under 40;" *Business North Carolina* Magazine's "Legal Elite" for Criminal Defense; *Superlawyers* Magazine, as a "Rising Star" in the areas of Business Litigation and Criminal Defense; and *Best Lawyers in America*, as "Lawyer of the Year" in 2013 for DWI Defense.

Judge Casey Viser has a diverse background and experience as both a civil litigator and criminal trial attorney, and is uniquely qualified to preside over any trial proceeding. Judge Viser knows the challenges faced by attorneys and litigants, and his background, temperament, and knowledge of not only the law and procedure, but also people, enables him to serve effectively as a District Court Judge.

Bar memberships:

North Carolina State Bar
Mecklenburg County Bar
Western, Middle, and Eastern Districts of North Carolina
Fourth Circuit Court of Appeals

Education:

Campbell University School of Law, JD 2000
Hampden-Sydney College, BA Economics/Spanish 1994
Charlotte Latin School, 1990

Casey Viser

125 Altondale Avenue
Charlotte, NC 28207
caseyviser@gmail.com
(704) 608-2143

Community Involvement:

Christ Episcopal Church -- Lector, Sunday School teacher, Stewardship Committee member

Youth Soccer, Basketball Coach

Volunteer Truancy Court Judge, Charlotte-Mecklenburg Schools

Board Member, Eastover Homeowner's Association

Member, Legal Advisory Committee, Myers Park Country Club

Founding Member, The May 20th Society

Impact Fund Member, Foundation for the Carolinas

Grants Committee Member, Arts & Science Council

Member, Professionalism Committee, Mecklenburg County Bar Association

Member, Technology and Bench-Bar Liaison Committees of the North Carolina Bar Association

Member, Civil Courts Committee for Mecklenburg County District Court

Judge Gregory McGuire

Biographical Information

Judge McGuire was appointed a Special Superior Court Judge by Governor Pat McCrory on September 30, 2014, to fill the unexpired term of Special Superior Court Judge Lisa Bell. Judge McGuire was subsequently assigned to the North Carolina Business Court for Complex Business Cases in Raleigh, North Carolina by Chief Justice Mark Martin.

Since October 10, 2014, Judge McGuire has been responsible for all aspects of the complex business lawsuits assigned to the Raleigh location of the North Carolina Business Court, as well as managing two full time law clerks and a Trial Court Coordinator.

Prior to his appointment to the bench, Judge McGuire was a shareholder with Ogletree Deakins Nash Smoak & Stewart, one of the nation's leading workplace law firms, where he spent over 26 years as a counselor and litigator for large, medium and small companies across a wide variety of industries. He litigated in and obtained favorable jury trial verdicts in state and federal courts throughout the United States, including courts in North Carolina, South Carolina, Virginia, Florida and Michigan.

Judge McGuire was recognized by Best Lawyers in America from 2010 – 2014, and has been recognized as a North Carolina Super Lawyer.

Judge McGuire obtained his B.S. degree from Cornell University in 1984, and his Juris Doctor from the University of North Carolina, Chapel Hill, in 1987.

Biographies & Résumés of Nominations

SBI Director	Robert Schurmeier, Jr.	pg. 1
Industrial Commission	Bill Daughtridge	pg. 3
Industrial Commission	Christopher Loutit	pg. 5
Industrial Commission	Linda Cheatham	pg. 6
Utilities Commission	Lyons Gray	pg. 9
Board of Education	J. Todd Chasteen	pg.10
Board of Education	Patricia Head	pg.12
State Controller	Linda Combs	pg.14
Commissioner of Banks	Ray Grace	pg.15
Board of Agriculture	Anne Faircloth	pg.17
Board of Agriculture	Faylene Whitaker	pg.18
Board of Agriculture	Donald Lambeth	pg.19

Robert L Schurmeier, Jr.
185 Carlton Drive
Mooresville, NC 28117
704 621-1014
bschurme@bellsouth.net

Education
BA, Political Science (1975) UNC – Chapel Hill

Work History – Law Enforcement
1975 – 2004 Retired Deputy Chief, Charlotte Police Department & Charlotte-Mecklenburg Police Department
Joined the Charlotte Police Department right after college graduation. During the first four years gained street experience as a patrol officer, field training officer (with less than a year on the street), team investigator, DA's Office investigator and undercover vice officer. Became one of the youngest sergeants (just over 4 years on the job) and captains (7 years experience) with the Charlotte Police Department. Spent 7 years as captain, 2 years as major, 2 years as division commander and 11 years plus as deputy chief (second highest rank). Held senior command positions for 22 years of a 29 year career and gained experience in all four major divisions (Patrol, Investigations, Support Services and Administration). Was appointed interim police chief in 1999 for 6 months. I did not seek the position of chief and subsequently retired as one of the longest tenured deputy chiefs. Never took a sick day, never had a chargeable accident or sustained complaint in nearly 30 years of service with the City of Charlotte.

Professional Training
Over 3,000 hours of law enforcement and executive leadership training
FBI National Academy graduate (1989) 159th session
Senior Management Institute for Police (1983) 2nd class – affiliated with Harvard and PERF
Leadership Charlotte graduate
Municipal Administration Course (UNC- Chapel Hill) graduate
U.S. Secret Service Dignitary Protection School graduate
Post graduate studies at the University of Virginia and University of North Carolina at Charlotte

Accomplishments
Past President and former board member of the North Carolina Police Executives Association (2200 members)
Past President and former board member of the North Carolina Chapter of the FBI National Academy Associates (350 members)
First CPD executive to be awarded the Community Relations Committee (CRC) Community Policing Award
Founded and stood up the unpaid volunteer CMPD Cold Case Squad that received national recognition

Work History – Private Sector

2004 – Present **President, U.S. ISS Agency, LLC (ISS)**

Co-founded and became the first and only president of ISS, a Charlotte-area based licensed private investigative (licensed in NC and SC) and security consulting firm. Grew business from one client to dozens that include government agencies as well as Fortune 500 businesses. Approved Federal GSA Schedule contract holder that supports the Department of Homeland Security on a national security program (for almost 7 years). Have offices in Huntersville, NC and Miami, FL and are opening an office in Charleston, SC. Leadership team includes four retired CMPD deputy chiefs, three of whom were interim chiefs, a retired deputy director of the US Secret Service and a former police chief of Coconut Creek, FL. Have handled a wide variety of confidential internal investigations including some that involved issues of public trust and corruption. We provide a wider array of security related consulting services including but not limited to:

- Internal investigations and litigation support
- Pre-employment screening
- Biometric fingerprinting
- High volume recurrent criminal backgrounds
- Due diligence investigations and pre-employment backgrounds
- Risk and threat assessments
- TSCM sweeps
- Forensics – computer, DNA, fingerprint, serology, handwriting

Successfully moved some of our prominent clients towards an intelligence-based security model. Selected clients included the US Department of Homeland Security, Burger King Global, Anthem, Lowes, Benefitfocus, Mecklenburg County Sheriff, City of Charlotte, Columbia, SC PD, NC Medical Board, Robinson, Bradshaw & Hinson and other law firms.

Community Service (Current)

McLeod Drug Treatment Center Board of Directors – past president and board member since 1986

Lowe's (Mooresville) YMCA Board of Directors – finance chair and board member since 2012

About the Secretary:

Bill Daughtridge, Jr.
Secretary

Bill Daughtridge served as Secretary for the NC Department of Administration (DOA) and was often referred to as the "business manager" of state government. Secretary Daughtridge brought experience in both the private and public sectors to the Department of Administration.

The Department of Administration has 20 Divisions that are broadly grouped into two categories: Government Operations and Internal Services and Programs. Under its "Gov Ops" banner, DOA provides numerous services for state government agencies, such as building construction, purchasing and contracting for goods and services, maintaining facilities, managing state vehicles, acquiring and disposing of real property and operating auxiliary services such as courier mail delivery and the sale of state and federal surplus property. The board umbrella of Internal Services and Programs covers a wide range of other services and provides staff support to several councils and commission which advocate for the special needs of North Carolina's citizens.

Secretary Daughtridge served as president of Daughtridge Gas and Oil Company, the fuel oil company his grandfather began in 1929 based in Rocky Mount, N.C. Daughtridge Gas and Oil provides propane and fuel oil for customers across Eastern North Carolina and operates a transportation company, a distribution company, Patio & Hearth Shop, Dunkin' Donut's locations, retail stores in the convenience and auto care markets.

A three-term member of the North Carolina House of Representatives, Secretary Daughtridge has an impressive education and pro-business legislative record serving on Education and Education Subcommittee on Universities. He was appointed Commerce Chairman, Small Business and Entrepreneurship Vice Chair, and assignments to include Joint Select Committee UNC Board of Governors and Economic Growth Development Co-Chair. His extensive service to our state has not been limited to the General Assembly, as he has given his time and talents in service on several statewide boards and commissions. He has focused his efforts on higher education and fostering economic growth and development, serving on the Executive Committee of the NC Economic Development Board, the NC Travel and Tourism Board and the University of North Carolina Board of Governors.

Secretary Daughtridge attended UNC Chapel Hill as a Morehead Scholar where he was inducted into Phi Beta Kappa and received the IFC Outstanding Senior Award. He then received his MBA from UNC – Chapel Hill where he was Student Association Vice President of Finance.

After graduation he worked as a financial analyst and engineer for Continental Oil Company in Houston, Texas, where he also coordinated the recruitment and training of financial analysts.

Secretary Daughtridge's lifelong commitment to community service and civic leadership were values instilled as an Eagle Scout earning him the Silver Beaver and Silver Antelope and Rocky Mount area Distinguished Citizen Award. He served as President of Boy Scouts of America's NC and VA area and currently serves as Boy Scouts of America Vice President of marketing for the Southern Region. He has served as First Vice President of the UNC General Alumni Association, UNC Lineberger Cancer Center Board of Visitors, and as a member of the UNC-Chapel Hill Board of Visitors.

Secretary Daughtridge's previous civic and professional interests included; North Carolina Symphony Society – Board of Trustees and Chairman of Marketing Committee, President Rocky Mount Area United Way, President North Carolina Petroleum Marketers Association, President of National Association of Unocal 76 Marketers, and President of National Pure Oil Jobbers Co-Op.

Secretary Daughtridge is married to Partha Council Daughtridge and they have two children, Gray and Meredith.

CHRISTOPHER CAMERON LOUTIT

1709 Knox Road, Raleigh, North Carolina 27608
(910) 524.9176 Loutit@aol.com

QUALIFICATIONS SUMMARY

- Chief Deputy Commissioner, North Carolina Industrial Commission; Substitute Commissioner for conflict cases
- Former civil and criminal litigation attorney, representing Plaintiffs and Defendants; former Investment Banking analyst
- Exceptional leadership, analytical, communication, and interpersonal skills

PROFESSIONAL EXPERIENCE

North Carolina Industrial Commission, Raleigh, North Carolina — June 2013 - Present

Chief Deputy Commissioner — ***January 2014 – Present***

- Chief trial court judge managing ~5,000 annual hearings statewide and presiding over workers' compensation trials and other claims
- Supervision and management of North Carolina's 20 Deputy Commissioners across 6 regional offices with support staff totaling 34 employees
- Reduced timeline of claims by implementing stricter internal controls, limiting continuances, and shortening deadlines for the filing of decisions
- Decreased agency costs by re-purposing legal assistants, regionalizing offices, promoting an "electronic" environment, and adopting best practices
- Substitute Commissioner for conflict cases, presiding over and authoring decisions for the Full Commission

Administrator / Chief Operating Officer — ***June 2013 – December 2013***

- Head of daily operations for the agency's judicial and personnel functions, overseeing 160 employees and a $15.5 million annual budget
- Executive administrator of the agency's budget and human resources efforts, and liaison to the General Assembly and public

Johnson, Lambeth & Brown, Attorneys at Law, Wilmington, North Carolina — March 2006 – June 2013

Partner — ***January 2009 – June 2013***

- General civil and criminal litigation practice in State Court, representing Plaintiffs, Defendants, and New Hanover County
- Assistant County Attorney, New Hanover County Child Support Enforcement Agency
- Advised, managed, and facilitated parties and witnesses in District Court totaling hundreds of cases per week
- Successfully defended 2 cases before The North Carolina Court of Appeals, including:
  - New Hanover County o/b/o Beatty v. Greenfield, No. COA11-1086 (2012)
- Obtained "Not Guilty" verdicts on all Felony-related charges in a jury trial for client further charged with Felony Possession of a Firearm

Associate Attorney — ***March 2006 – January 2009***

- Advised and assisted clients and firm partners in all stages of civil and criminal litigation, and drafted Memorandums of Law and Briefs
- Successfully defended and assisted partners in the following case before The North Carolina Court of Appeals:
  - New Hanover County o/b/o Dillon v. Rains, No. COA07-1286 (2008)

Summer Associate — ***Summers 2003, 2004***

- Researched Statutory and Case Law and drafted corresponding Memorandums of Law and Briefs for firm partners
- Analyzed Discovery and assisted in building trial notebooks

The Bank Street Group, LLC, New York, New York — August 2001 – July 2002

Analyst, Investment Banking

- Built, analyzed, and managed complex financial models for clients including Budget Rent a Car, Inc. and Bath & Body Works
- Assembled, presented, and advised on sophisticated presentations to Fortune 500 CEOs, CFOs, and senior management

UBS Investment Banking Division, New York, New York — July 2000 – August 2001

Analyst, Global Industrial Group

- Assisted global team of Investment Bankers in analyzing, advising, and presenting corporate finance opportunities to Fortune 500 clients worldwide
- Participated in deal transactions and proposals for clients including Arvin Meritor, Inc., Goodyear Tire & Rubber Co., and General Motors

EDUCATION

American University
Juris Doctor, 2005
Judge: National High School Moot Court Competition

Trinity College
Bachelor of Arts, 2000 | Major: History
Alumni Class President; Senior Class Secretary; Independent Study: "Crime in Hartford"

The Lawrenceville School / Cape Fear Academy
Diploma, 1996 | Student Body Vice-President; Appointed Senior Prefect; Robert Ainspac Award; Squash; Tennis; Tennis Coach; House Football

Linda Cheatham

1200 Kings Grant Drive • Raleigh, North Carolina 27614
Telephone: 919/847-6226 or 919/413-5680 (cell)
lindawohlers@bellsouth.net

Reputation

- Exceptional persuasive abilities and a reputation for motivating people in groups towards solutions
- Combines quick and thorough grasp of complicated issues with ability to explain them to stakeholders at various levels of proficiency
- Proficient in regulatory policy, law and regulation
- Excellent analytical skills, renowned work ethic and highly organized
- Firmly linked through networks with people of governmental and corporate influence in North Carolina's regulated arena
- Understanding of executive, legislative and judicial processes

Educational Background

Bachelor's Degree in Mathematics from Stetson University

Professional Experience

North Carolina Industrial Commission **July 2010 – current**
Commissioner

- Adjudicate appeals of Workers' Compensation and Tort Claim cases
- Draft Full Commission decisions in Workers' Compensation and Tort cases
- Draft dissents as appropriate
- Lead efforts on various projects assigned by the Commission Chair including, but not limited to:
    - Educational outreach initiatives relative to employers' responsibilities to carry workers' compensation insurance including joint agency informational mailings to businesses through the Secretary of State and the Department of Revenue, ensuring departmental participation in educational seminars to targeted employer groups sponsored by the Department of Revenue and the North Carolina Institute of Minority Economic Development, development of educational video for Commission website, etc.
    - Development and implementation of more efficient processes to hear and resolve appeals of expedited medical motions at the Full Commission level
    - Development and initiation of improvements to the Commission's telephone system to better serve the public

BellSouth Telecommunications/AT&T **1973 - 2008**
Executive Director, Regulatory Group: 1993 - 2008
Raleigh, North Carolina
Retired with 35 years service in November of 2008

- Negotiated and implemented changes to the Company's Price Regulation plan – achieved $10M in pricing flexibility in 2005 and an additional $5M in pricing flexibility in 2007.
- Managed all North Carolina regulatory personnel, including those who interfaced with the North Carolina Utilities Commission (NCUC)
- Managed the North Carolina Customer Complaint Bureau for AT&T/BellSouth
- Prepared draft legal filings in conjunction with the development and execution of regulatory strategy for AT&T/BellSouth in North Carolina – managed all dockets involving AT&T/BellSouth and the NCUC
- Responsible for all written correspondence from the Company to customers and the NCUC
- Personally resolved particularly sensitive and challenging complaints from customers and prepared written responses
- Established and maintained strong, principled working relationships with the NCUC, Attorney General, and the NC Public Staff.
- Served as Company spokesperson for all Commission agenda items involving BellSouth/AT&T; testified in various hearings
- Served on the Boards of the Frankie Lemmon Foundation and the North Carolina Telecommunications Industry Association

Prior to 1993, I managed various groups responsible for rate and cost development both in support of Company provided services and in support of antitrust cases involving the former Bell System.

Significant Regional Accomplishments

- Outside Plant Engineer - Designed placements, rearrangements, and maintenance of cable facilities and conduit for Southern Bell's entire Colonial District in Orlando, Florida.

- One of four Southern Bell Outside Plant engineering personnel pulled from 9-state region to Atlanta headquarters to perform the Company's first restructured private line cost study.

- Ultimately managed a variety of groups responsible for developing regional rates and costs for central office services and features, private line services, access services, operator services, directory assistance services, Special Assemblies and Contract Services Arrangements (for large customers).

- Selected for a several month assignment in New York to develop supporting data for the AT&T cost witness in the DOJ antitrust case. Served as "back-up" witness for cost and rate design witness for all regional access charge state cases which were conducted as part of the breakup of the Bell System.

- Fulfilled special assignment to develop regional cost data to support corporate position in anti-trust cases brought against the Bell System by MCI and a Sprint predecessor. Later transferred to Bellcore to complete the studies and to provide support for the Company witness. Both cases were "wins" for AT&T.

- Assumed responsibility for all NC regulatory functions for BellSouth in 1993, which included, in part: strategy development; interface with the Attorney General's Office/Public Staff/Utilities Commission; testimony before the NCUC; and settlement negotiation with opposing parties with respect to hearings.

LYONS GRAY BIO

Lyons Gray, a businessman from Winston-Salem, was sworn in as Secretary of Revenue on January 5, 2013 by Governor Pat McCrory. Prior to this appointment, he spent a year as the Senior Advisor to the President of the University of North Carolina system, which comprises 17 campuses across North Carolina.

From 2005-2009, Gray served as the Chief Financial Officer of the United States Environmental Protection Agency. Nominated by President George W. Bush, and confirmed unanimously by the US Senate, he served as the principal agency representative to Congress, the Office of Management and Budget, and to the various states. His experience in Washington gave him an insider's look at the way in which Washington works (or doesn't work). Prior to his service in the Bush administration, he served as the President and CEO of the Downtown Winston-Salem Partnership. He initiated a number of projects that have revitalized the downtown core.

From 1989 to 2002, Gray served six consecutive terms in the NC General Assembly, serving as Chairman of the House Finance Committee from 1995 to 1999. He was also Vice Chairman of the House Ethics Committee. Gray was President and Owner of Salem Systems, Inc. and Triangle Campers, Inc. both of Winston-Salem, and served as Vice President of Intercontinental Consultants Corporation. Gray spent approximately 12 years working in Sales and Marketing for R.J. Reynolds Tobacco Company.

He currently serves on the board of the Lettie Pate Whitehead Foundation, Inc., has previously served on the boards of UNC-Chapel Hill's General Alumni Association, Salem Academy and College, the UNC School of the Arts Foundation, and the Piedmont Triad Partnership. Gray has also served on the boards of visitors of the Winston-Salem State University Foundation and the Bowman Gray School of Medicine at Wake Forest University. Gray has held leadership roles in multiple civic and philanthropic organizations, including AIDS Care Service of Winston-Salem, the North Carolina Nature Conservancy, Leadership Winston-Salem, the American Red Cross, and the Salvation Army Boys Club.

He and his wife, Connie, live in Winston-Salem.

J. Todd Chasteen – General Bio

Education

LL.M - Taxation, University of Florida School of Law, Gainesville, FL
J.D., ***with honors***, University of Florida School of Law, Gainesville, FL
B.B.A, Accounting, ***magna cum laude***, James Madison University, Harrisonburg, VA

Work Experience

Samaritan's Purse – Currently serve as Corporate Counsel for international disaster relief charity based in Boone, North Carolina. Served in various roles of executive management with Samaritan's Purse (SP) including as Vice President of Administration, Human Resources and General Counsel. Samaritan's Purse is an international Christian relief organization with offices in Australia, Canada, Kenya, the United Kingdom, and the United States and over $600 million in contributions. SP ranked one in North Carolina in private contributions. Of over one million Section 501(c)(3) organizations, Samaritan's Purse ranked 39th in 2013 in private contributions as listed in *Chronicle of Philanthropy's, Philanthropy 400.*
[With Samaritan's Purse from 1994 to Present except for one year teaching law at Liberty University School of Law in 2007-2008]

While serving at Samaritan's Purse, he became involved in nonprofit reform initiatives on a national level participating on the Independent Sector's, Panel on the Nonprofit Sector, *Advisory Committee on Self-Regulation of the Charitable Sector* and the *Government Oversight and Self-Regulation Work Group* making recommendations to Congress. The Advisory Committee members consisted of academics from Harvard, Duke, Stanford, New York University, Northwestern and leaders from private foundations and charities. Also served on the ECFA Panel of Legal Experts for the *Commission on Accountability and Policy for Religious Organizations*, ECFA *Ad Hoc Legislative Committee, The Faith and Giving Coalition* and *The Trust Coalition* to educate Congress regarding nonprofit reform proposals.

Other Legal Roles

Prior to serving with Samaritan's Purse, worked as a Senior Attorney Advisor for the Honorable Lawrence Wright at the United States Tax Court in Washington, D.C. drafting tax court memorandum opinions and responses to motions. After leaving the tax court, he practiced nonprofit, corporate, tax and business law and taught legal seminars to banking institutions in Charlotte, North Carolina. Earlier in his career he was a Certified Public Accountant licensed in the State of Florida.

Educational Experience

While earning a Master of Laws after law school, he confirmed his passion for teaching as an Adjunct Professor at the University of Florida, Warrington College of Business, teaching business law courses. Later served as an Associate Professor of Law at Liberty University. Prior to attending law school, taught accounting and business law for two years at Lake City Community College in Lake City, Florida.

Memberships

He has held memberships in a range of professional organizations, including the Christian Leadership Association, Association of Corporate Counsel, North Carolina Corporate Counsel Section, American Bar Association, North Carolina Bar Association, The North Carolina State Bar, and the American Institute of Certified Public Accountants. Licensed to practice law in North Carolina.

Patricia R. "Patti" Head Biographical Information

Education

1968 Graduate of Wake Forest University, B.S. Biology
Teaching Certificate, Wake Forest University
Former Teacher, Forsyth County Schools

Experience

28 years Wake County Public School community volunteer prior to being elected to the Wake County Public School System Board of Education in 2001

School based:

- President, Broughton PTSA
- Chair, Broughton Advisory Council
- Guidance Support Committee - BHS
- Booster Clubs - Choral and CAPS
- PTSA officer at Jeffrey's Grove, Underwood, Daniels & Martin
- Citizens Advisory Committee WCPSS Student Assignment Committee
- Wake County Board of Education - 2001-2009
  - Chair: 2005-07
  - Vice-chair: 2003-2005

Community based:

- Wake Education Partnership Board of Directors- 7 years (1998-2005)
  - Chair, Teacher Grants Committee
  - Chair, Standards and Accountability
  - Chair, Jewell/Jenrette Awards Committee
  - Board of Trustees (2005-2007)
- Character Education Community Involvement Committee - 6 years
- Certified CPR Instructor, American Red Cross - 1978-present
- White Memorial Presbyterian Church - 1974-present
  - Elder, Sunday School Teacher, Choir Member, Senior High Youth Advisor and Moderator of Presbyterian Women
- Board of Directors, Community in Schools 2003- present
  - Chair, Board Resource Development Committee 2012-2013
- Board of Directors, Greater Raleigh Chamber of Commerce 2005-07

Discipline Hearing Commission for the NC State Bar 2009- present

Family

Husband: Allan B. Head, Executive Director, North Carolina Bar Association
Children: David (BHS graduate, 1984; WFU graduate, 1988), wife Marti and daughters Carlyn, Charli, Clara and Chandler

Darryl (BHS graduate, 1990; UNC graduate, 1994), wife Karin , son Reed and daughter Hayden

Jayme (BHS graduate, 1994; WFU graduate, 1998, Graduate degree, Bush School of Government and Public Service, Texas A&M, 2000), husband Arturo Sanchez, son Arturo IV and daughter Danielle

Dr. Linda Morrison Combs

Dr. Linda Morrison Combs was unanimously confirmed by the General Assembly as North Carolina's State Controller in June 2014. She is the sixth State Controller and the first woman to hold this independent office.

From 2005-2007 she was Controller of the United States. As Controller, Executive Office of the President, Office of Management and Budget, she worked on the widest possible range of issues at the highest levels of government. She routinely briefed the President of the United States on the status of financial management in the Federal departments, and frequently testified before numerous Congressional oversight committees. She led Sarbanes-Oxley compliance for the entire Federal government. Dr. Combs headed the Chief Financial Officers Council for the entire Federal government and was responsible for establishing financial management policies and requirements for the Executive branch of the Federal government, totaling $2.7 trillion in revenue.

Key selected accomplishments as Controller of the United States included:

1. Reduced audit completion time (from five months) to 45 days from end of fiscal year for the entire Federal Government – first time in history.
2. Reduced improper payments by $9 billion.
3. Disposed of $4.5 billion of unneeded real property.

During her career she has worked for three U. S. Presidents and has earned five U. S. Senate confirmations. In previous positions, Combs has been the Chief Financial Officer at the Environmental Protection Agency ($8 billion budget) where she led that agency to obtain a clean audit opinion with no material weaknesses, and received the highest honor awarded—the prestigious Crystal Eagle Award from the President. As Assistant Secretary of the Department of Transportation ($58 billion budget), she led that agency to be the first Federal Department to install a single core financial system Department-wide, resulting in the Department of Transportation being designated a Federal Financial Center of Excellence. Dr. Combs also held Assistant Secretary or equivalent COO roles at the Departments of Treasury, Veterans Affairs, and Education.

Not only does Dr. Combs understand government on the inside, she knows first-hand its impact on the private sector. In the private sector Combs' achievement record is equally significant. She founded three successful companies and took their products to worldwide distribution. She held line management positions with significant profit and loss responsibilities at a large southeastern bank.

She has a doctor's degree from Virginia Tech, undergraduate and master's degrees from Appalachian State University, and is a graduate of the Program for Senior Managers at Harvard University.

Numerous organizations have honored Combs for her excellence in leadership, exemplary performance and outstanding service. These awards include three from the President of the United States, and nine awards from various Members of the President's Cabinet. Other recognitions include over one hundred and fifty awards, citations, and honors by non-profit, volunteer organizations, higher education institutions and corporations.

Linda was born in Caldwell County and resides in Winston-Salem, North Carolina.

RAY GRACE

EMPLOYMENT HISTORY

2012 – Present	North Carolina Acting Commissioner of Banks North Carolina Office of the Commissioner of Banks Raleigh, North Carolina Leader of the agency of North Carolina state government that supervises or regulates state-chartered banks, savings banks and savings and loan associations; mortgage bankers, mortgage brokers, mortgage servicers and mortgage loan originators; consumer finance companies, check cashers, money transmitters, reverse mortgage lenders and refund anticipation loan facilitators.
2010 – 2012	Chief Deputy Commissioner of Banks
2009 – 2010	Deputy Commissioner of Banks
1992 – 2009	Director of Bank Applications
1990 – 1992	Special Supervisory Examiner (Responsible for supervision of troubled banks during a deep recession)
1985 – 1990	Director of Bank Applications
1974 – 1985	Commercial Bank Examiner (Helped establish and led the formation of an Electronic Data Processing (EDP) (later, IT) examination team and program for the state during 1978, and worked as both commercial and EDP bank examiner from 1978 to 1985.)

Accomplishments during terms of office include the following:

<u>Banking, Mortgage and Consumer Lending Regulation</u>

- Assets under supervision are more than $235 billion at September 30, 2012.
- Guided state-chartered banks during worst economic crisis since the Depression.
- Implemented technology to automate certain areas of the examination processes of regulated entities to increase efficiencies in supervision.
- Issued over 340 decisions and orders in administrative actions involving the licensure of companies and individuals not meeting the NC SAFE Act's standards for character, fitness or financial responsibility.
- Helped establish 95 *de novo* North Carolina state banks.
- Helped form the North Carolina Bank Directors' College in 1998.

Other Initiatives

- Upon former Commissioner Joseph A. Smith's departure from the agency, testified before the Joint Legislative Study Commission on the Modernization of North Carolina Banking Laws, and led the implementation of the first substantive revision and modernization of North Carolina's banking law since 1931.
- Agency is a member of the task force to increase small business lending by North Carolina banks.
- Agency is a member of the Taskforce on Fraud Against Older Adults (created by the General Assembly in 2012), the Senior Fraud Taskforce (facilitated by the NC Office of the Attorney General), and the Wake County Elder Abuse Taskforce.
- Agency is a member of the Financial Literacy Council and the NC JumpStart Coalition.

EDUCATION AND MILITARY SERVICE

Graduated from LaSalle High School, Niagara Falls, New York, 1966.

Served in the U.S. Marine Corps, 1966 to 1969 (honorable discharge, September 1969).

Service in the Republic of Viet Nam, March 1967 through April 1968.

B.S. in Commerce, Niagara University, Niagara Falls, New York, December 1973.

AFFILIATIONS

Conference of State Bank Supervisors

- Incoming Vice Chairman, CSBS District III (Southeastern Region)
- Vice Chairman, CSBS Performance Standards Committee (Establishes agency performance standards and administers agency accreditation program for state banking departments nationally)
- Incoming Chairman, CSBS Performance Standards Committee (Establishes agency performance standards for CSBS state banking department accreditation).

ADDITIONAL PERSONAL INFORMATION

Born April 5, 1948, in Niagara Falls, New York.

Resides in Raleigh, North Carolina with wife of over 20 years, Joan Grace. Father of two sons and a daughter; three grandchildren, all of Raleigh.

Anne B. Faircloth
207 N. Chestnutt Street
Clinton, NC 28328
(910) 592-3593
beaucloth@yahoo.com

Anne Faircloth owns and manages multiple agricultural and real estate businesses in Clinton, NC including Lafayette Farms, a contract swine operation with 55,000 finishing spaces and 4000 sows; a 1000-head beef cattle farm; and various commercial properties.

Anne currently serves on the Preservation NC board and is chairman of the board of trustees of the NC Museum of Art. She is a past trustee of the Madeira School, NC Pork Council, the Sampson Community College Foundation, the United Way of Sampson County, and is a former deacon of Graves Memorial Presbyterian Church.

Anne graduated from Duke University, cum laude, in 1991. She received an MA in English and Creative Writing from Hollins University in 2000, where she served on the board of trustees from 2003-2013.

She worked as an editorial assistant at the International Herald Tribune in Paris from 1991-1994. From 1994-1999 she was a writer-reporter for Fortune Magazine in New York.

Anne is married to Frederick Beaujeu-Dufour and they have two children: Nancy (14) and Julian (11).

Faylene Whitaker
2991 Providence Church Road
Climax, NC 27233
(336) 215-2274
whitakerfarm@northstate.net

Professional Experience

Co-Owner of Whitaker Farms

Faylene and Richard Whitaker started Whitaker Farms in 1975. The farm consist of 250 acres of Organic tobacco, 6 acres of strawberries, 30 acres of vegetables, a greenhouse operation, two garden centers, and a landscape and waterscape division. Two sons are also part of the operation.

Present Boards

North Carolina Rules Review Commission 2011-present
NC Farm Bureau State Women's Committee
NC Commissioner of Agriculture circle
NC Farm Bureau Horticulture Advisory committee

Past Boards

Farm Service Agency State Board Committee for 8 years
North Carolina Tobacco Growers Board 8 years
Chair of North Carolina Agriculture Consortium for 6 years
President of NC Greenhouse Vegetables
NC Strawberry Board Member
NC State and A&T Univesity CARROT representative

Donald James Lambeth
332 McCall Road
Ellerbe, NC 28338
Home (910) 652-5088
Mobile (910) 417-0438
Email: jimlambeth25@gmail.com

Education:	Bachelor of Science in Forestry North Carolina State University December 1973
Experience:	Triple L Farms, Inc. Owner and President 1974 until present Acme Wood Company Timber Procurement January 1974 – April 1974
Other Interests:	Ruling Elder, Norman Presbyterian Church, PCA Commissioner's Circle Richmond County Farm Bureau, Secretary NC Pine Needle Association NC Farm Bureau Fruit and Vegetable Advisory Board Richmond County Planning Board Founder and volunteer firefighter Derby VFD

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 26, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Ms. P. Linda Cheatham**
North Carolina Industrial Commission

Dear Governor McCrory:

Our office is in receipt of **Ms. P. Linda Cheatham's** 2016 Statement of Economic Interest member of the **North Carolina Industrial Commission ("the Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The North Carolina Industrial Commission is responsible for the administration of the Workers' Compensation Act, Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Acts, and the Childhood Vaccine-Related Injury Act. The Commission processes workers' compensation claims, oversees and provides for the trial of contested cases, approves settlement agreements and administers non-contested cases. The Commission also adjudicates claims made pursuant to the State Tort Claims Act.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Ms. Cheatham disclosed that her spouse is employed by IBM, and that she and members of her immediate family own threshold amounts of interest in multiple publicly-owned companies, including IBM. As such, she has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should her spouse or his employer, or any entity in which she or her family has a financial interest, come before the Commission for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Ms. P. Linda Cheatham
Mr. Charlton Allen, Chairman
Ms. Beth Onyenwoke, Ethics Liaison

Attachment: Ethics Education Flyer

NORTH CAROLINA STATE ETHICS COMMISSION
2016 STATEMENT OF ECONOMIC INTEREST

919-814-3600 www.ethicscommission.nc.gov

2016 MAR 29 PM 1:14

FOR ETHICS COMMISSION USE ONLY
Date Received:

Checked for completion
Scanned Date
Incomplete ?s
Supp. Sent Date By
Supp. Received Date
Entered in database 3/29 By JEL

THIS ENTIRE FORM MUST BE COMPLETED TO FULFILL YOUR SEI FILING OBLIGATION

FILER'S NAME (FIRST, MIDDLE, LAST)

Prefix	First Name	Middle Name	Last Name	Suffix
	P.	Linda	Cheatham	

CURRENT EMPLOYER: State of NC

JOB TITLE: Commissioner

NATURE OR TYPE OF BUSINESS: Industrial Commission

REASON FOR FILING (SELECT ALL THAT APPLY)

☑ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered): NCIC

☑ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered): NCIC

☐ JUDICIAL OFFICER (Please specify the office you hold)

☐ LEGISLATOR (Please specify House or Senate)

A. Do other Immediate Family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate Family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household.**

List the full name of **all adults** and **emancipated minors** in your household. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Carl H. Wohlers	spouse	IBM	consultant	info. tech.
Michael R Wohlers	child	student		

B. List **ONLY the initials** of all **unemancipated minors** in your household below. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

Note: You must list the full name of each minor child on the Confidential Form available at the end of this document.

INITIALS FOR UNEMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS

PROPERTY INTERESTS

1. As of December 31, 2015, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☒ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Carl + Linda Wohlers (Creation)	joint	Raleigh	Wake

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☒ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2014 or 2015, did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☒ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2015, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☒ Yes ☐ No

▶ Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)
See attached	See attached

B. Stock Options in a company or business?

☐ Yes ☒ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☐ Yes ☒ No - If "No," proceed to question 4.

Owner of Interest	Name of Company or Business Entity

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known*.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☐ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ None or Not Known	

4. As of December 31, 2015, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled *by you*?

Do not list assets held in blind trusts. See 2016 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."

☐ Yes ☒ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

5. As of December 31, 2015, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.

☒ Yes ☐ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)
Carl H. Wohlers (spouse)	Franklin American Mortgage Co
Co-signer on child's home loan	Bank of North Georgia

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2015. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do *not* include income received from the following sources:

- ▶ **Capital gains**
- ▶ **Federal government retirement**
- ▶ **Military retirement**
- ▶ **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2015.			
Carl H. Wohlers	IBM	info tech	salary
P. Linda Chewning	NC St. Gov	NCIC	salary
Carl H. Wohlers	IBM	info tech	dividends

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2015, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☐ Yes ☒ No - If "No," proceed to question 8.

► Do not list State boards or entities, or entities created by a political subdivision of the State.
► Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☐ None or Not Known	

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☒ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

►Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2015.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☒ No Business Associations – If "No," proceed to question 10			

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2015, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☒ Not applicable (No entities listed on #9a) ☐ No relationship / Not known	

10. Are you a practicing attorney?

☐ Yes ☒ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2015.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2015, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☐ Yes ☒ No

Type of Business	Nature of Services Rendered

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☒ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Are you, your spouse or a member of your immediate family currently registered as a lobbyist or lobbyist principal, or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☒ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2015 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

- receive any "gift(s)" exceeding $200 per quarter from a person or group of persons acting together, **and**
- when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**
- the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☒ No

▶ Do not report gifts given by members of your extended family.

▶ Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

- accept a "scholarship" exceeding $200 from a person or group of persons acting together **and**
- those person(s) were outside North Carolina **and**
- the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☒ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

► Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

► Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- ► Governor
- ► Lt. Governor
- ► Secretary of State
- ► State Auditor
- ► State Treasurer
- ► Superintendent of Public Instruction
- ► Attorney General
- ► Commissioner of Agriculture
- ► Commissioner of Labor
- ► Commissioner of Insurance

☒ Yes ☐ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

►Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☒ No contribution(s) with a cumulative total of more than $1,000		

17. Are you an appointee or prospective appointee to:	
a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☒ **Yes** ☐ **No** **If "No," proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☒ **Yes** ☐ **No** **If "No," proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position:	
i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ **Yes** ☒ **No**
ii. Hosted a fundraiser at your residence or place of business?	☐ **Yes** ☒ **No**
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ **Yes** ☒ **No**

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☒ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☒ No If yes, please provide such information below.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

> § 138A-26. Concealing or failing to disclose material information.
>
> A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.
>
> § 138A-27. Penalty for false information.
>
> A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☒ I Agree

Signature

3/15/16

Date

P. Linda Cheatham

Printed Name

Submit SIGNED, ORIGINAL documents only. Do not fax or email this form.

Interests (>$10,000) in publicly owned corporations (as of 12/31/2015)

Owner of Interest	Name of Company
Carl & Linda Wohlers	IBM
Michael R. Wohlers	IBM Southern Company
Carl Wohlers	IBM Occidental Petroleum Ford
Linda Cheatham	AIG Bonds Bank of America Bonds Citigroup Bonds Hartford Financial Bond Merrill Lynch Bonds Kemper Bonds Chevron Corporation Tupperware Brands Caterpillar Newmont Mining Emerson Electric Nucor AT&T Inc Qualcomm Inc. Cummins Inc. GlaxoSmithKline PLC Parker-Hannafin Corp Dow Chemical Monsanto BB&T Corporation

HOUSE JOINT RESOLUTION 980:
Linda Cheatham/Industrial Commission.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	April 27, 2016
Introduced by:	Rep. Lewis	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	Filed Edition		

SUMMARY: House Joint Resolution 980 provides for the confirmation of the appointment of Linda Cheatham to the North Carolina Industrial Commission for a term of six years. Her term will expire June 30, 2022.

CURRENT LAW: G.S. 97-77 creates a six member North Carolina Industrial Commission. Members are appointed by the Governor for six-year terms, subject to confirmation by the General Assembly.

BILL ANALYSIS: House Joint Resolution 980 confirms the Governor's appointment of Linda Cheatham to the Industrial Commission for a term beginning July 1, 2016, and expiring June 30, 2022.

EFFECTIVE DATE: The resolution becomes effective upon ratification.

Karen Cochrane-Brown
Director

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.J.R. 980
Apr 26, 2016
HOUSE PRINCIPAL CLERK

H D

HOUSE JOINT RESOLUTION DRHJR40554-LG-154 (04/25)

Sponsors: Representative Lewis.

Referred to:

A JOINT RESOLUTION CONFIRMING THE APPOINTMENT OF LINDA CHEATHAM TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.

Whereas, G.S. 97-77(a1) provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and

Whereas, the Governor has reappointed Linda Cheatham to a new term on the North Carolina Industrial Commission; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of Linda Cheatham to the North Carolina Industrial Commission, for a term beginning July 1, 2016, and expiring June 30, 2022, is confirmed.

SECTION 2. This resolution is effective upon ratification.

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 26, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest for Mr. Robert L. Schurmeier, Jr.
Director, NC State Bureau of Investigation

Dear Governor McCrory:

Our office is in receipt of **Mr. Robert L. Schurmeier, Jr.'s** 2016 Statement of Economic Interest as the prospective **Director** of the **NC State Bureau of Investigation**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Schurmeier is the co-owner and President of US ISS Agency, LLC, a security and investigation consulting company, which could seek to conduct business with state agencies. He disclosed that his company was previously awarded non-exclusive privilege to compete for NC Department of Transportation business (internal auditing and investigative work); however ISS was never awarded any contracts. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should US ISS Agency, LLC come before him in his official capacity or otherwise seek to conduct business with NC State Bureau of Investigation.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning this evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Robert L. Schurmeier, Jr.

STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT MCCRORY
GOVERNOR

April 22, 2016

The Honorable Tim Moore
Speaker of the House
2304 Legislative Building
Raleigh, North Carolina 27601-1096

Dear Speaker Moore:

Pursuant to North Carolina General Statute §143B-926, I am pleased to nominate Mr. Robert Schurmeier, Jr. to serve as the Director of the North Carolina State Bureau of Investigation. Mr. Schurmeier is a law enforcement veteran with nearly 30 years of experience.

Please feel free to contact my staff for any additional information.

Sincerely,

Pat McCrory
Governor

Cc: Ms. Sarah Lang
Ms. Denise Weeks

Read
Denise Weeks
APR 25 2016

Received
Denise Weeks
4/25/16

Referred to Rules

20301 MAIL SERVICE CENTER • RALEIGH, NC 27699-0301 • TELEPHONE: 919-814-2000
WWW.GOVERNOR.STATE.NC.US

ROBERT (BOB) L. SCHURMEIER, JR.

Nominated Director

North Carolina State Bureau of Investigation

On April 13th 2016, Governor Pat McCrory nominated Robert Schurmeier, Jr. to an 8 year term as the Director of the North Carolina State Bureau of Investigation (SBI). Schurmeier is a law enforcement veteran with nearly 30 years of experience with the Charlotte-Mecklenburg Police Department, retiring in 2004 as deputy chief over Investigations.

"The State Bureau of Investigation has remained an important part of protecting the security and safety of all citizens of North Carolina, the number one priority of my administration. As a law enforcement veteran and proven executive, Robert Schurmeier will be a strong leader for the SBI and our state." – **Governor Pat McCrory.**

During Schurmeier's 30 year tenure with the Charlotte-Mecklenburg Police Department, he served in **Patrol, Investigations, Support Services and Administration divisions**. He established Charlotte-Mecklenburg Police Department's innovative Volunteer Homicide Cold Case Unit and pioneered initiatives that have become models for other law enforcement agencies, including forging partnerships to establish procedures and training to better preserve forensic evidence. Since 2004, Schurmeier has served as president of a private investigative and security consulting firm that has supported businesses and government agencies including the United States Department of Homeland Security. **Schurmeier's combined experience in both law enforcement and small business has shaped his perspective on:**

- Being fiscally responsible and accountable (to both investors and taxpayers)
- Developing and forging a strong bond of trust and respect with clients
- Commitment to providing exceptional customer service
- Emphasis on continuous improvement
- Understands the value of partnerships in both the public and private sector

Schurmeier was raised in Charlotte and currently resides in Iredell County with his wife Tricia and daughter. He is a graduate of the University of North Carolina at Chapel Hill where he earned his Bachelor of Arts in Political Science. Schurmeier is a past president and current a member of the Board of Directors for McLeod Drug Treatment Center and currently serves as the finance chair and member of the Lowe's (Mooresville) YMCA Board of Directors.

Schurmeier is a graduate of the FBI National Academy, a professional senior management leadership course for U.S. and international law enforcement leaders. The Academy's mission is "to support, promote, and enhance the personal and professional development of law enforcement leaders by preparing them for complex, dynamic, and contemporary challenges through innovative techniques, facilitating excellence in education and research, and forging partnerships throughout the world." He is also a graduate of the Secret Service's Dignitary Protection School and the Senior Management Institute for Police. Schurmeier has served as a past president of the North Carolina Chapter of the FBI National Academy Associates and the North Carolina Police Executives Association.

Printed in-house

ROBERT (BOB) L. SCHURMEIER, JR

PROFESSIONAL EXPERIENCE

U.S. ISS Agency, LLC (ISS) **2004-Present**

President

- As Co-founder, Schurmeier became the first and only president of ISS, a Charlotte-based licensed private investigative (licens in NC and SC) and security consulting firm. ISS now services dozens of clients including government agencies as well as fortun 500 businesses. ISS is an approved federal GSA schedule contract holder that supports the Department of Homeland Security or a national security program for almost 8 years. ISS has offices in Huntersville, NC and Miami, FL and is currently opening an office in Charleston, SC. The leadership team includes four retired CMPD deputy chiefs (three of whom were interim chiefs), a retired deputy director of the U.S. Secret Service and a former police chief of Coconut Creek, FL. ISS handles a wide variety of confidential internal investigations including some that involved issues of public trust and corruption. ISS provides a wide array of security services including but not limited to:
  - Internal Investigations and Litigation Support
  - Pre-employment screening
  - Biometric fingerprinting
  - High volume recurrent background checks
  - TSCM Sweeps
  - Due diligence investigations and pre-employment backgrounds
  - Risk and threat assessments
  - Forensics –computer, DNA, fingerprints, serology, and handwriting
- As president, Schurmeier successfully moved prominent clients toward an intelligence-based security model. Selected clients include the U.S. Department of Homeland Security, Burger King Global, Anthem, Lowes, Benefitfocus, Mecklenburg County Sheriff, City of Charlotte, Columbia Police Department (SC), NC Medical Board, Robinson, Bradshaw & Hinson and other law firms.

Charlotte-Mecklenburg Police Department (CMPD), *Previously Charlotte City Police Department* **1975-2004**

Interim Chief **1999**

- Selected to command one of the largest and most complex police departments in the United States. CMPD employs approximately 2300 and serves approximately 1 million residents coving over 430 square miles. Despite the request, Schurmeier declined to submit his name for the permanent chiefs position, due to his daughters age at the time.

Deputy Chief **1993-2004**

- Commanded 3 out of the 4 groups within CMPD, Field, Support, and Investigative Services Groups. A majority of that time, he commanded the Field Services Group. He helped managed the consolidation and reorganization of the Charlotte Police Department and the Mecklenburg County Police Department. He navigated the intricacies and sensitivities of merging two law enforcement agencies into one. During Schurmeier's last two years, he commanded over 200 detectives while managing the most complex division within CMPD, the Investigative Services Group. This division investigated all types of crimes includin murder, rape, fraud, terrorism, etc.

Division Commander **1991-1992**

- Commanded the entire patrol division, the largest operational unit within the department.

Major **1989-1991**

- Commanded Charlotte's west side, the most active and dangerous patrol division.

Captain **1982-1989**

- After being promoted at the age of 28, Schurmeier spent 7 years as Captain. Throughout this rank he was selected to command the Administrative Services Bureau (Human Resources, Budget, etc.), Staff Inspections Section (internal auditing), Planning Bureau (developed and wrote policies, budget justifications, drafted grant responses), Patrol District, and Vice and Narcotics Section working closely with SBI & ALE. While commanding the Planning Bureau, Schurmeier was assigned as the interim Charlotte Park Police Chief for 18 months. As interim chief he was credited for increasing morale and professionalism.

Sergeant **1979-1982**

- After only 4.5 years, Schurmeier became one of the youngest Sergeants (patrol district and personnel section).

Patrol Officer **1975-1979**

- After graduating the police academy, Schurmeier chose the most active and dangerous district for his first duty assignment. With less than one year on the job, Schurmeier was promoted to Field Training Officer where he supervised and trained rookie officers. During his time as a patrol officer, Schurmeier was chosen to be the first Charlotte PD Investigator assigned to the District Attorney's Office and was selected to serve as one of the seven Vice and Narcotics officers which worked closely with ALE, SBI, DEA, FBI, and other agencies.

EDUCATION

University of North Carolina at Chapel Hill **1975**

Bachelor of Arts in Political Science

PROFESSIONAL TRAINING

Over 3,000 hours of law enforcement and executive leadership training • FBI National Academy, 1989 (159th session) • Senior Management Institute for Police, 1983 (Associated with Harvard and PERF) • Leadership Charlotte Academy • Municipa Administrative Course (UNC–Chapel Hill) • US Secret Service Dignitary Protection School

ACCOMPLISHMENTS

Past President and former board member of the North Carolina Police Executive Association (2200 members) • Past President and former board member of the North Carolina Chapter of FBI National Academy Associates (350 members) • First CPD executive to be awarded the Community Relations Committee (CRC) Community Policing Award • Founded and implemented the volunteer CMPD Cold Case Squad that received national recognition

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

CONTACT INFORMATION

This contact information page will not be available on the Commission's website, but it is a public document.

919-814-3600 www.ethicscommission.nc.gov

FILER'S NAME (FIRST, MIDDLE, LAST)				
Prefix	**First Name**	**Middle Name**	**Last Name**	**Suffix**
	Robert	Lindeke	Schurmeier	Jr.

MAILING ADDRESS			
Address	**City**	**State**	**ZIP**
185 Carlton Drive	Mooresville	NC	28117-0000

DAYTIME PHONE NUMBER	ALTERNATE PHONE NUMBER
704-621-1014	704-525-5221

E-MAIL ADDRESS
rschurmeier@isecureus.com

HOME ADDRESS:

PROVIDE YOUR HOME ADDRESS ONLY IF YOU ARE HOLDING OR SEEKING AN ELECTED OFFICE WITH A RESIDENCY REQUIREMENT. This requirement does not apply to Judicial Officers.

Judicial officer means Justice or Judge of the General Court of Justice, District Attorney, or Clerk of Court, or any individual elected or appointed to any of these positions prior to taking office.

☑ Same As Mailing Address

Address	**City**	**State**	**ZIP**

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

919-814-3600 www.ethicscommission.nc.gov

FILER'S NAME (FIRST, MIDDLE, LAST)				
Prefix	**First Name**	**Middle Name**	**Last Name**	**Suffix**
	Robert	Lindeke	Schurmeier	Jr.

CURRENT EMPLOYER	JOB TITLE
US ISS Agency, LLC	President
NATURE OR TYPE OF BUSINESS	
Security/Investigative Consultants	
REASON FOR FILING (SELECT ALL THAT APPLY)	
☑ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered)	☐ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered)
Governor, Office of the	
☐ JUDICIAL OFFICER (Please specify the office you hold)	☐ LEGISLATOR (Please specify House or Senate)

A. Do other immediate family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household**.

List the full name of **all adults** and **emancipated minors** in your household. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Patricia Cook Schurmeier	Spouse	N/A	N/A	N/A

B. List **ONLY the initials** of all **emancipated minors** in your household below. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

Note: You must list the full name of each minor child on the Confidential Form available at the end of this document.

INITIALS FOR UNEMANCIPATED CHILDREN	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
ELS	Daughter	US ISS Agency, LLC	Parttime Analyst	Records Analyst

PROPERTY INTERESTS

1. As of December 31, 2015, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☑ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Robert & Patricia Schurmeier	100	Mooresville	Iredell

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2014 or 2015 , did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2015, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☑ Yes ☐ No

- Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)
Robert L Schurmeier	Minnesota Mining and Manufacturing

B. Stock Options in a company or business?

☑ Yes ☐ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)
Robert L Schurmeier	US ISS Agency, LLC

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☑ Yes ☐ No **If "No", proceed to question 4.**

Owner of Interest	Name of Company or Business Entity
Robert L Schurmeier	US ISS Agency, LLC

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known.*

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☑ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ None or Not Known	
US ISS Agency, LLC	Licensed and regulated as Private Investigative agency

4. As of December 31, 2015, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled by you?
Do not list assets held in blind trusts. See 2016 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."

☐ Yes ☑ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

5. As of December 31, 2015, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.

☑ Yes ☐ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)
Robert L Schurmeier	Commercial Bank

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2015. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do not include income received from the following sources:

- **Capital gains**
- **Federal government retirement**
- **Military retirement**
- **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2015.			
Robert L Schurmeier	US ISS Agency, LLC	Security/Private Investigative Agency	Salary
Robert L Schurmeier	Local Government Retirement	Government	Pension
Robert L Schurmeier	City of Charlotte	Government	Separation Supplement for Law Enforcement

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2015, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☑ Yes ☐ No **If "No", proceed to question 8.**

- Do not list State boards or entities, or entities created by a political subdivision of the State.
- Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization
Robert L Schurmeier	Board Member	McLeod Drug Treatment Center	Drug treatment and counseling
Robert L Schurmeier	Board Member	Lowe's YMCA	Charitable, philanthropic Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☐ None or Not Known	
McLeod Drug Treatment Center	Receives non-exclusive funding for drug treatment

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

▸ Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2015.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations			
Robert L Schurmeier	Self	US ISS Agency	Co-owner, president

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2015, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ Not applicable (No entities listed on #9a) ☐ No relationship / Not known	
US ISS Agency	Firm was regulated by NC PPS Board

10. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2015.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2015, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☑ Yes ☐ No

Type of Business	Nature of Services Rendered
Licensed Private Investigator	Private investigations

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Are you, your spouse, or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2015 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

• receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, **and**

• when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**

• the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

- Do not report gifts given by members of your extended family.
- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☑ Yes ☐ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☑ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

Governor, Office of the

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☐ Yes ☑ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☐ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☐ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☐ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☐ No

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☑ Yes ☐ No If yes, please provide such information below.

A few years ago US ISS Agency, LLC was among several investigative and auditing firms that were awarded non-exclusive privilege to compete for NC DOT business (internal auditing and investigative work). ISS was never awarded any contracts and has never been compensated for any such work.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree. It is my intention that this check box constitutes my electronic signature. By checking this box I certify that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

Filed Electronically — Signature

4/25/2016 — Date

Robert Lindeke Schurmeier, Jr. — Printed Name

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

CONFIRMATION

Your SEI was successfully submitted at 4/25/2016 6:16:58 PM.

Your confirmation number is 8007-c7437570f195.

HOUSE JOINT RESOLUTION 982: Confirm Robert Schurmeier/SBI Director.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	April 27, 2016
Introduced by:	Rep. Boles	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	PCS to Filed Edition H982-CSSU-38		

SUMMARY: House Joint Resolution 982 provides for the confirmation by the General Assembly of the appointment of Robert Schurmeier as Director of the State Bureau of Investigation.

[The PCS makes the bill a joint resolution, makes technical corrections, and changes the term of office from July 1, 2016 – June 30, 2024, to eight years beginning on the date of confirmation.]

CURRENT LAW: G.S. 143B-926 provides that the Director of the State Bureau of Investigation shall be appointed by the Governor for a term of eight years, subject to confirmation by the General Assembly by joint resolution.

BILL ANALYSIS: House Joint Resolution 982 confirms the appointment by the Governor of Robert Schurmeier as the Director of the State Bureau of Investigation for a term beginning on the effective date of the resolution and expiring eight years from that date.

EFFECTIVE DATE: The resolution becomes effective upon ratification.

Karen Cochrane-Brown
Director

H982-SMSU-125 CSSU-38 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE JOINT RESOLUTION 982
PROPOSED COMMITTEE SUBSTITUTE H982-CSSU-38 [v.2]
04/27/2016 01:12:14 PM

Sponsors:

Referred to:

April 27, 2016

A JOINT RESOLUTION CONFIRMING THE APPOINTMENT OF ROBERT L. SCHURMEIER, JR., AS DIRECTOR OF THE STATE BUREAU OF INVESTIGATION.

Whereas, under the provisions of G.S. 143B-926, the appointment made by the Governor of the Director of the State Bureau of Investigation is subject to confirmation by the General Assembly; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee, Robert L. Schurmeier, Jr., as Director of the State Bureau of Investigation; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly confirms the appointment of Robert L. Schurmeier, Jr., of Iredell County, as Director of the State Bureau of Investigation, for a term beginning on the effective date of this resolution and expiring eight years from that date.

SECTION 2. This resolution is effective upon ratification.

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

February 17, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. William G. Daughtridge, Jr.**
Prospective Appointee - North Carolina Industrial Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. William G. Daughtridge, Jr.'s** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Industrial Commission ("the Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The North Carolina Industrial Commission is responsible for the administration of the Workers' Compensation Act, Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Acts, and the Childhood Vaccine-Related Injury Act. The Commission processes workers' compensation claims, oversees and provides for the trial of contested cases, approves settlement agreements and administers non-contested cases. The Commission also adjudicates claims made pursuant to the State Tort Claims Act.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Daughtridge will fill the role of a representative of employers on the Commission. He is the former Secretary of the Department of Administration. His spouse is the owner of Daughtridge Designs, LLC, and he is an owner of interest in Daughtridge Gas & Oil and Safari Foods, Inc. He disclosed that he recently resigned as President of Daughtridge Gas & Oil Company and as Director of Safari Foods. In addition, he serves on the Marketing Board of the Boy Scouts of America. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his spouse, Daughtridge Designs, LLC, Daughtridge Gas & Oil, Safari Foods, Inc., or the employees of these entities come before the Commission for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. William G. Daughtridge, Jr.

Attachment: Ethics Education Flyer

HOUSE JOINT RESOLUTION 978: Bill Daughtridge/Industrial Commission.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	April 27, 2016
Introduced by:	Rep. Lewis	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	Filed Edition		

SUMMARY: ***House Joint Resolution 978 provides for the confirmation of the appointment of William "Bill" Daughtridge to the North Carolina Industrial Commission. His term will expire April 30, 2019.***

CURRENT LAW: G.S. 97-77 creates a six member North Carolina Industrial Commission. Members are appointed by the Governor for six-year terms, subject to confirmation by the General Assembly.

BILL ANALYSIS: House Joint Resolution 978 confirms the Governor's appointment of William "Bill" Daughtridge to the Industrial Commission to fill a vacancy on the Commission left by the resignation of Drew Heath. The appointment is for a term beginning February 18, 2016, and expiring April 30, 2019.

EFFECTIVE DATE: The resolution becomes effective upon ratification.

Karen Cochrane-Brown
Director

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.J.R. 978
Apr 26, 2016
HOUSE PRINCIPAL CLERK

H D

HOUSE JOINT RESOLUTION DRHJR40553-LG-154A (04/25)

Sponsors: Representative Lewis.

Referred to:

A JOINT RESOLUTION CONFIRMING THE APPOINTMENT OF WILLIAM "BILL" DAUGHTRIDGE, JR., TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.

Whereas, G.S. 97-77(a1) provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and

Whereas, a vacancy has occurred due to the resignation of Drew Heath; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee, William "Bill" Daughtridge, Jr., to a term on the North Carolina Industrial Commission; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of William "Bill" Daughtridge, Jr., to the North Carolina Industrial Commission for a term beginning February 18, 2016, and expiring April 30, 2019, is confirmed.

SECTION 2. This resolution is effective upon ratification.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE COM SUB JOINT RESOLUTION, UNFAVORABLE ORIGINAL BILL

HB **982** Confirm Robert Schurmeier/SBI Director.

Draft Number:	H982-PCS10487-SU-38
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Boles

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

HJR **978** Bill Daughtridge/Industrial Commission.

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

HJR **980** Linda Cheatham/Industrial Commission.

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

TOTAL REPORTED: 2

Committee Sergeants at Arms

NAME OF COMMITTEE Rules

DATE: 4-27-2016 Room: 1228/1327

House Sgt-At Arms:

1. Name: Bill Bass
2. Name: Dean Marshbourne
3. Name: Malachi McCullough , Jr.
4. Name: Bill Rilley
5. Name: Randy Wall

Senate Sgt-At Arms:

1. Name: Isiah Facemire
2. Name: James Fitz-Henley
3. Name: Jacob Jeffries
4. Name: Madison Joines Jones
5. Name:

VISITOR REGISTRATION SHEET

Rules — 4-27-2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McClure	BP
Kristin Parks	DRNK
Whitney Christenson	Ward&Smith

VISITOR REGISTRATION SHEET

Rules — 4-27-2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ken Melton	K.M.A.
[signature]	NCFPC
[illegible]	[illegible]
Jaden Geer	NSJ
Angello Dunston	SAS
Mia Bailey	ElectriCities
Peter Bolac	NC State Bar
David Collins	SEANC
Andy Chase	KMA
Penny Griffin	School of Gov.
Emerson Hill	Duke Energy

VISITOR REGISTRATION SHEET

Rules — 4-27-2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tracy Kimbrell	Parker Poe
Ashley Jones	NCDOC
Heather Robinson	NCRMA
Lexi Arthur	NCRMA
Elizabeth Biser	Brooks Pierce
Fred Baker	Baker Assoc
Lee Teague	NC PCSA
Chris Emanuel	Emanuel Group
Julie Robinson	NCSEA
Miller Nichols	Jordan Price
Will Berry-Hess	NCHFA

VISITOR REGISTRATION SHEET

Rules — 4-27-2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rodney T Beckom	NC ALE
CHIP HUGHES	NC ALE
MARK SENTER	ALCOHOL LAW ENFORCEMENT
BRENT CULBERTSON	SBI
Brian C. Neil	SBI
Phoebe Landon	mwc llc
Mark Bibbs	LLR
Steve Mange	NCRLA
Tom West	NCJCL
Todd Barlow	NC Advocates for Justice
Mike Pross	NC Advocates for Justice

VISITOR REGISTRATION SHEET

Rules — 4-27-2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JERRY COHEN	Nelson Mullins
Bruce Ueldenf	NCSBA

VISITOR REGISTRATION SHEET

Rules — Name of Committee

4-27-2016 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Fred Steen	Gov's office
JARRET BURR	NCDPS
Bob Schurmeier	
Leah Burns	Gov's office
Bill Daughtridge	Industrial Commission
[illegible]	Industrial Comm.
Mark Carruth	NCDOA
Ashley Moore	Industrial Commission
Kendall Bourdon	Industrial Commission
Jamie P. Sutton	NCSBI
Chris Laws	NCSBI

House Committee on Rules, Calendar, and Operations of the House
Tuesday, May 3, 2016 at 3:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 3:30 PM on May 3, 2016 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Hanes, Hastings, Lewis, Reives, Szoka, Tine, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The meeting came to order at 4:28 PM

The following bills were considered:

HJR 1018 Confirm Commissioner of Banks
Rep. Daughtry moves favorable report. Motion carries.

SJR 749 Confirm Lyons Gray/Utilities Commission
Rep. Stam moves favorable report. Motion carries.

SJR 750 Confirm Chris Loutit/Industrial Commission
Rep. Szoka moves favorable report. Motion carries.

The meeting adjourned at 4:34 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, May 3, 2016
TIME: **3:30 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **The Committee will consider the nominations of:**
Lyons Gray, Utilities Commission
Christopher Loutit, Industrial Commission
Ray Grace, Commissioner of Banks

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 4:52 PM on Monday, May 02, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

Rules 4:28 PM

Lyons Gray - Daughtry Moves
Christopher Loutit - Stam Moves
Raymond Grace - Szoka Moves

4:34 PM

1. Lyons Gray - See packet

2. Christopher Loutit - Cheif Deputy Commissioner
Partner @ Johnson, Lambeth & Brown in Wilmington &
has worked in investment banking.
3. Ray Grace - [Szoka makes motion]
Acting Commissioner of Banks

Peter Gattuso
Pres CEO ne Bank
Acct

Nathan Betts

S 1

SENATE JOINT RESOLUTION 749

Sponsors:	Senator Apodaca (Primary Sponsor).
Referred to:	Select Committee on Nominations

April 26, 2016

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF THE APPOINTMENT OF LYONS GRAY TO THE UTILITIES COMMISSION.

Whereas, under the provisions of G.S. 62-10, appointments made by the Governor to membership on the North Carolina Utilities Commission are subject to confirmation by the General Assembly by joint resolution; and

Whereas, a vacancy has occurred on the North Carolina Utilities Commission due to the expiration of the term of Susan Warren Rabon; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the appointment of Lyons Gray to serve on the North Carolina Utilities Commission; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The appointment of Lyons Gray to the North Carolina Utilities Commission for a term that expires on June 30, 2021, is confirmed.

SECTION 2. This resolution is effective upon ratification.

SENATE JOINT RESOLUTION 749: Confirm Lyons Gray/Utilities Commission.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	May 3, 2016
Introduced by:	Sen. Apodaca	**Prepared by:**	Wendy Ray Staff Attorney
Analysis of:	First Edition		

SUMMARY: ***Senate Joint Resolution 749 confirms the appointment of Lyons Gray to the North Carolina Utilities Commission.***

CURRENT LAW: The North Carolina Utilities Commission consists of seven commissioners who are appointed for six-year terms. Terms are staggered. G.S. 62-10 provides that commissioners are appointed by the Governor and must be confirmed by the General Assembly by joint resolution.

BILL ANALYSIS: Senate Joint Resolution 749 confirms the Governor's appointment of Lyons Gray to the Utilities Commission for a term expiring June 30, 2021.

EFFECTIVE DATE: The resolution is effective upon ratification.

Karen Cochrane-Brown
Director

S749-SMSU-126 E1 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

January 21, 2016

REVISED EVALUATION

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. Lyons Gray**
Prospective Appointee - Utilities Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. Lyons Gray's** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Utilities Commission ("Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest or the potential for a conflict of interest.

The North Carolina Utilities Commission is responsible for regulating the rates and services of all public utilities in North Carolina, including, in part, electric, telephone, natural gas, and water. In addition, the Commission regulates, to a limited degree, electric membership corporations, small power producers and electric merchant plants, and administers programs to ensure the safety of natural gas pipelines. The Commission also conducts hearings, issues orders, and investigates complaints and incidents involving public utilities.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Gray disclosed that the stock interests in AT&T and Verizon held by his spouse were sold or divested as of January 21, 2016.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Lyons Gray

Attachment: Ethics Education Flyer

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

January 21, 2016

REVISED EVALUATION

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. Lyons Gray**
Prospective Appointee - Utilities Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. Lyons Gray's** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Utilities Commission ("Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest or the potential for a conflict of interest.

The North Carolina Utilities Commission is responsible for regulating the rates and services of all public utilities in North Carolina, including, in part, electric, telephone, natural gas, and water. In addition, the Commission regulates, to a limited degree, electric membership corporations, small power producers and electric merchant plants, and administers programs to ensure the safety of natural gas pipelines. The Commission also conducts hearings, issues orders, and investigates complaints and incidents involving public utilities.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Gray disclosed that the stock interests in AT&T and Verizon held by his spouse were sold or divested as of January 21, 2016.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Lyons Gray

Attachment: Ethics Education Flyer

	NORTH CAROLINA STATE ETHICS COMMISSION **SUPPLEMENT TO THE 2016 STATEMENT OF ECONOMIC INTEREST**	For Office Use Only 2016 JAN 12 PM 2:18

Name of Person Filing Supplement: LYONS GRAY

Name of Agency or Board: UTILITIES COMMISSION

Date: JANUARY 12, 2016

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☒ Yes ☐ No If yes, please provide such information below.

I confirm that the common stock of

1. Duke Energy Corp.
2. Spectra Corp.

were sold in their entirety on January 6, 2016. There are now no holdings of either of these two stocks in our portfolio.

Lyons Gray

1-12-16

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

> § 138A-26. Concealing or failing to disclose material information.
>
> A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.
>
> § 138A-27. Penalty for false information.
>
> A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☒ **I Agree**

Lyons Gray
Signature

01-12-2016
Date

LYONS GRAY
Printed Name

Submit SIGNED, ORIGINAL documents only. Do not fax or email this form.

This entire document and any attachments are public record.

NORTH CAROLINA STATE ETHICS COMMISSION

SUPPLEMENT TO THE
2016 STATEMENT OF ECONOMIC INTEREST

For Office Use Only
JAN 21 PM 1:58

Name of Person Filing Supplement: LYONS GRAY

Name of Agency or Board: UTILITIES COMMISSION

Date: JANUARY 21, 2016

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☒ Yes ☐ No If yes, please provide such information below.

I confirm that common stock of

① AT+T Corp.
② Verizon Corp.

have been sold or divested as of January 21, 2016.

Lyons Gray
1-21-16

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

> § 138A-26. Concealing or failing to disclose material information.
>
> A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.
>
> § 138A-27. Penalty for false information.
>
> A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☒ **I Agree**

Lyons Gray — **Signature**

1-21-16 — **Date**

LYONS GRAY — **Printed Name**

Submit SIGNED, ORIGINAL documents only. Do not fax or email this form.

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

919-814-3600 www.ethicscommission.nc.gov

COMPLETE THIS FORM AND MAIL SIGNED, ORIGINAL TO
STATE ETHICS COMMISSION, 1324 MAIL SERVICE CENTER, RALEIGH, NC 27699-1324

FILER'S NAME (FIRST, MIDDLE, LAST)				
Prefix	**First Name**	**Middle Name**	**Last Name**	**Suffix**
	Lyons		Gray	

CURRENT EMPLOYER	JOB TITLE
NC Department of Revenue	Secretary

NATURE OR TYPE OF BUSINESS
State agency

REASON FOR FILING (SELECT ALL THAT APPLY)	
☐ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered)	☑ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered)
	Utilities Commission;
☐ JUDICIAL OFFICER (Please specify the office you hold)	☐ LEGISLATOR (Please specify House or Senate)

A. Do other immediate family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household.**

List the full name of **all adults** and **emancipated minors** in your household. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Constance F. Gray	Spouse	N/A	N/A	N/A

B. List **ONLY the initials** of all **emancipated minors** in your household below. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

Note: You must list the full name of each minor child on the Confidential Form available at the end of this document.

INITIALS FOR UNEMANCIPATED CHILDREN	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS

PROPERTY INTERESTS

1. As of December 31, 2015, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☑ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Lyons Gray	100	Winston-Salem, NC	Forsyth
Constance F. Gray	100	Roaring Gap	Alleghany
Lyons Gray	100	Winston-Salem	Forsyth

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2014 or 2015 , did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2015, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☑ Yes ☐ No

- Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)
Lyons Gray	International Business Machines
Lyons Gray	Branch Banking and Trust
Constance F. Gray	Apple
Constance F. Gray	Duke Energy
Constance F. Gray	Ameren
Constance F. Gray	American Telephone & Telegraph
Constance F. Gray	Exxon Mobile
Constance F. Gray	International Business Machines
Constance F. Gray	Physicians Realty Trust
Constance F. Gray	Verizon

B. Stock Options in a company or business?

☐ Yes ☑ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☑ Yes ☐ No **If "No", proceed to question 4.**

Owner of Interest	Name of Company or Business Entity
Lyons Gray	Lyons Gray Realty LLC

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known*.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☑ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☑ None or Not Known	

4. As of December 31, 2015, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled by you?
Do not list assets held in blind trusts. See 2016 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."
☐ Yes ☑ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

5. As of December 31, 2015, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.
☐ Yes ☑ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2015. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do not include income received from the following sources:

- **Capital gains**
- **Federal government retirement**
- **Military retirement**
- **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2015.			
Lyons Gray	State of NC	State Government	Salary
Lyons Gray	L.P. Whitehead	Charitable Foundation	Trustee Fee
Lyons Gray LLC	Rentors	Private	Rental Income
Constance F. Gray	The Duke Endowment	Charitable Foundation	Trustee Fee

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2015, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☑ Yes ☐ No **If "No", proceed to question 8.**

- Do not list State boards or entities, or entities created by a political subdivision of the State.
- Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization
Lyons Gray	Director	Semans Art Fund	Educational Support
Lyons Gray	Trustee	LP Whitehead Foundation	Educational Support
Constance F. Gray	Trustee	The Duke Endowment	Charitable Support

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☑ None or Not Known	

Please answer the following question as it pertains to the following board/agency:

Utilities Commission

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

- Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2015.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations			
Lyons Gray	Filer	Lyons Gray Realty LLC	Member

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2015, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ Not applicable (No entities listed on #9a) ☑ No relationship / Not known	

10. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2015.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2015, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☐ Yes ☑ No

Type of Business	Nature of Services Rendered

Please answer the following question as it pertains to the following board/agency:

Utilities Commission

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Are you, your spouse, or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2015 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

- receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, **and**
- when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**
- the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

- Do not report gifts given by members of your extended family.
- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Utilities Commission

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Utilities Commission

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☑ Yes ☐ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☑ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

Utilities Commission

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☑ Yes ☐ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☑ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☑ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☑ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☑ No

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☑ No If yes, please provide such information below.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree. It is my intention that this check box constitutes my electronic signature. By checking this box I certify that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

Filed Electronically	1/11/2016
Signature	Date
Lyons Gray	
Printed Name	

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 1

SENATE JOINT RESOLUTION 750

Sponsors:	Senator Apodaca (Primary Sponsor).
Referred to:	Select Committee on Nominations

April 26, 2016

A JOINT RESOLUTION TO CONFIRM THE APPOINTMENT OF CHRISTOPHER LOUTIT TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.

Whereas, G.S. 97-77(a1) provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and

Whereas, a vacancy has occurred on the North Carolina Industrial Commission due to the expiration of the term of Danny Lee McDonald; and

Whereas, the Governor has appointed Christopher Loutit to the North Carolina Industrial Commission; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The appointment of Christopher Loutit to a term on the North Carolina Industrial Commission that expires on April 30, 2021, is confirmed.

SECTION 2. This resolution is effective upon ratification.

SENATE JOINT RESOLUTION 750: Confirm Chris Loutit/Industrial Commission.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	May 3, 2016
Introduced by:	Sen. Apodaca	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	First Edition		

SUMMARY: ***Senate Joint Resolution 750 provides for the confirmation of the appointment of Christopher Loutit to the North Carolina Industrial Commission.***

CURRENT LAW: G.S. 97-77 creates a six member North Carolina Industrial Commission. Members are appointed by the Governor for six year terms, subject to confirmation by the General Assembly.

BILL ANALYSIS: Senate Joint Resolution 750 confirms the Governor's appointment of Christopher Loutit to the Industrial Commission for a term expiring on April 30, 2021.

EFFECTIVE DATE: The resolution becomes effective upon ratification.

Karen Cochrane-Brown
Director

S750-SMSU-127 E1 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 25, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. Christopher C. Loutit**
Prospective Appointee - North Carolina Industrial Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. Christopher C. Loutit's** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Industrial Commission ("the Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The North Carolina Industrial Commission is responsible for the administration of the Workers' Compensation Act, Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Acts, and the Childhood Vaccine-Related Injury Act. The Commission processes workers' compensation claims, oversees and provides for the trial of contested cases, approves settlement agreements and administers non-contested cases. The Commission also adjudicates claims made pursuant to the State Tort Claims Act.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Loutit will fill the role of a representative of employees on the Commission. He is a Chief Deputy Commissioner for the Industrial Commission. His spouse is employed by Bank of America. In addition, he is President of the Board of Directors of the Figure Eight Island Yacht Club ("Club"). As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his spouse, her employer, the Club or its employees come before the Commission for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Christopher C. Loutit

Attachment: Ethics Education Flyer

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 25, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. Christopher C. Loutit**
Prospective Appointee - North Carolina Industrial Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. Christopher C. Loutit's** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Industrial Commission ("the Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The North Carolina Industrial Commission is responsible for the administration of the Workers' Compensation Act, Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Acts, and the Childhood Vaccine-Related Injury Act. The Commission processes workers' compensation claims, oversees and provides for the trial of contested cases, approves settlement agreements and administers non-contested cases. The Commission also adjudicates claims made pursuant to the State Tort Claims Act.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Loutit will fill the role of a representative of employees on the Commission. He is a Chief Deputy Commissioner for the Industrial Commission. His spouse is employed by Bank of America. In addition, he is President of the Board of Directors of the Figure Eight Island Yacht Club ("Club"). As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his spouse, her employer, the Club or its employees come before the Commission for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Christopher C. Loutit

Attachment: Ethics Education Flyer

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

April 25, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest Filed By **Mr. Christopher C. Loutit**
Prospective Appointee - North Carolina Industrial Commission

Dear Governor McCrory:

Our office is in receipt of **Mr. Christopher C. Loutit's** 2016 Statement of Economic Interest as a prospective appointee to the **North Carolina Industrial Commission ("the Commission")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The North Carolina Industrial Commission is responsible for the administration of the Workers' Compensation Act, Law Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Acts, and the Childhood Vaccine-Related Injury Act. The Commission processes workers' compensation claims, oversees and provides for the trial of contested cases, approves settlement agreements and administers non-contested cases. The Commission also adjudicates claims made pursuant to the State Tort Claims Act.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Mr. Loutit will fill the role of a representative of employees on the Commission. He is a Chief Deputy Commissioner for the Industrial Commission. His spouse is employed by Bank of America. In addition, he is President of the Board of Directors of the Figure Eight Island Yacht Club ("Club"). As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his spouse, her employer, the Club or its employees come before the Commission for official action.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Pursuant to N.C.G.S. 138A-15(c), when an actual or potential conflict of interest is cited by the Commission under N.C.G.S. 138A-24(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the State Government Ethics Act.

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Christopher C. Loutit

Attachment: Ethics Education Flyer

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

919-814-3600 www.ethicscommission.nc.gov

FILER'S NAME (FIRST, MIDDLE, LAST)				
Prefix	**First Name**	**Middle Name**	**Last Name**	**Suffix**
	Christopher	Cameron	Loutit	

CURRENT EMPLOYER	JOB TITLE
North Carolina Industrial Commission	Chief Deputy Commissioner

NATURE OR TYPE OF BUSINESS
Quasi-judicial state agency

REASON FOR FILING (SELECT ALL THAT APPLY)	
☐ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered)	☑ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered)
	Industrial Commission;
☐ JUDICIAL OFFICER (Please specify the office you hold)	☐ LEGISLATOR (Please specify House or Senate)

A. Do other immediate family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household**.

List the full name of **all adults** and **emancipated minors** in your household. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Lauren B. Loutit	Wife	U.S. Trust / Bank of America	Senior Vice-President	Banking

B. List **ONLY the initials** of all **emancipated minors** in your household below. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

Note: You must list the full name of each minor child on the Confidential Form available at the end of this document.

INITIALS FOR UNEMANCIPATED CHILDREN	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
ASL	Daughter	N/A	N/A	N/A

PROPERTY INTERESTS

1. As of December 31, 2015, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☑ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Christopher C. Loutit	100	Raleigh	Wake
Christopher C. Loutit	100	Wilmington	New Hanover

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2014 or 2015 , did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2015, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☐ Yes ☑ No

- Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)

B. Stock Options in a company or business?

☐ Yes ☑ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☑ Yes ☐ No **If "No", proceed to question 4.**

Owner of Interest	Name of Company or Business Entity
Christopher C. Loutit	Green Source Energy, LLC
Christopher C. Loutit	Highbridge Mezzanine Partners Fund, LP
Christopher C. Loutit	Goldentree Partners Fund, LP
Christopher C. Loutit	Loutit Family LLC
Christopher C. Loutit	KHC, LLC
Christopher C. Loutit	WB Associates, LLC

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known*.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☑ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☑ None or Not Known	

4. As of December 31, 2015, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled by you?

Do not list assets held in blind trusts. See 2016 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."

☑ Yes ☐ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust
Christopher C. Loutit c/o Northern Trust Bank 1 International Place, Suite 1600 Boston, MA 02110-0000	Revocable Living Trust	Trustee and Beneficiary

5. As of December 31, 2015, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.

☑ Yes ☐ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)
Christopher C. Loutit	Credit Card (1); Car Lease; Commercial Bank (3)
Lauren B. Loutit	Credit Card (2)

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2015. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do not include income received from the following sources:

- **Capital gains**
- **Federal government retirement**
- **Military retirement**
- **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2015.			
Christopher C. Loutit	State of North Carolina	State Agency	Salary
Christopher C. Loutit	Trusts & related accounts - Northern Trust Co.	Bank	Interest, Dividends, and Distributions
Christopher C. Loutit	Highbridge Mezzanine Partners Fund, LP	Limited Partnership	Interest and Dividends
Lauren B. Loutit	Bank of America	Bank	Salary

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2015, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☐ Yes ☑ No **If "No", proceed to question 8.**

- Do not list State boards or entities, or entities created by a political subdivision of the State.
- Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding

☐ None or Not Known

Please answer the following question as it pertains to the following board/agency:

Industrial Commission

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☑ Yes ☐ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

▸ Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)
Christopher C. Loutit	Figure Eight Island Yacht Club	President, Board of Directors

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2015.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations			
Christopher C. Loutit	Filer	Loutit Family LLC	Member
Lauren B. Loutit	Wife	U.S. Trust / Bank of America	Employee

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2015, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ Not applicable (No entities listed on #9a) ☑ No relationship / Not known	

10. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2015.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2015, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☐ Yes ☑ No

Type of Business	Nature of Services Rendered

Please answer the following question as it pertains to the following board/agency:

Industrial Commission

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☑ Yes ☐ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)
Lauren B. Loutit	Bank of America	Regulatory

13. Are you, your spouse, or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2015 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

• receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, **and**

• when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**

• the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

- Do not report gifts given by members of your extended family.
- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Industrial Commission

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Industrial Commission

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☑ Yes ☐ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☑ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

Industrial Commission

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☑ Yes ☐ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☑ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☑ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☑ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☑ No

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☑ No If yes, please provide such information below.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree. It is my intention that this check box constitutes my electronic signature. By checking this box I certify that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

Filed Electronically — Signature

4/15/2016 — Date

Christopher Cameron Loutit — Printed Name

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.J.R. 1018
May 2, 2016
HOUSE PRINCIPAL CLERK

H D

HOUSE JOINT RESOLUTION DRHJR40564-LG-62B (03/10)

Sponsors: Representative Lewis.

Referred to:

A JOINT RESOLUTION CONFIRMING THE GOVERNOR'S REAPPOINTMENT OF RAYMOND E. GRACE TO THE OFFICE OF COMMISSIONER OF BANKS.

Whereas, G.S. 53C-2-2(a) directs the Governor to quadrennially appoint a Commissioner of Banks, subject to confirmation by the General Assembly by joint resolution; and

Whereas, the term of the current Commissioner of Banks, Raymond E. Grace, expired on March 31, 2015; and

Whereas, the Governor wishes to reappoint Raymond E. Grace to the office of Commissioner of Banks to serve until March 31, 2019; and

Whereas, the Governor has submitted the name of Raymond E. Grace to the General Assembly by February 1, 2015, as required by G.S. 53C-2-2(a); Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The Governor's reappointment of Raymond E. Grace to the office of Commissioner of Banks for a term beginning on April 1, 2015, and expiring on March 31, 2019, is confirmed.

SECTION 2. This resolution is effective upon ratification.

HOUSE JOINT RESOLUTION 1018: Confirm Commissioner of Banks.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	May 3, 2016
Introduced by:	Rep. Lewis	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	Filed Edition		

SUMMARY: ***House Joint Resolution 1018 provides for the confirmation of the reappointment of Raymond E. Grace to the office of Commissioner of Banks.***

CURRENT LAW: G.S. 53C-2-2 directs the Governor to appoint a Commissioner of Banks, subject to confirmation by the General Assembly by joint resolution. The term of office for the Commissioner is four years.

BILL ANALYSIS: House Joint Resolution 1018 confirms the Governor's reappointment of Raymond E. Grace as Commissioner of Banks for a term beginning on April 1, 2015, and expiring on March 31, 2019.

EFFECTIVE DATE: The resolution becomes effective upon ratification.

Karen Cochrane-Brown
Director

H1018-SMSU-128 FILED -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

STATE ETHICS COMMISSION

1324 MAIL SERVICE CENTER
RALEIGH, NC 27699-1324
WWW.ETHICSCOMMISSION.NC.GOV

GEORGE L. WAINWRIGHT, JR.
CHAIRMAN

PERRY Y. NEWSON
EXECUTIVE DIRECTOR

May 3, 2016

The Honorable Patrick L. McCrory
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Via email

Re: Evaluation of Statement of Economic Interest filed by Mr. Raymond E. Grace
Commissioner of Banks

Dear Governor McCrory:

Our office is in receipt of **Mr. Raymond E. Grace's** 2016 Statement of Economic Interest as the **Commissioner of Banks**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act.

We did not find an actual conflict of interest or the potential for a conflict of interest.

The State Government Ethics Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. §138A-31 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. §138A-36(a) prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

In addition to the conflicts standards noted above, N.C.G.S. §138A-32 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. §138A-32(e).

Finally, the State Government Ethics Act mandates that all public servants attend an ethics and lobbying education presentation. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning this evaluation or the ethical standards governing public servants under the State Government Ethics Act.

Sincerely,

Beth Carpenter

Beth Carpenter
SEI Unit

cc: Mr. Raymond E. Grace
Ms. Ha Nguyen, Ethics Liaison

Attachment: Ethics Education Flyer

NORTH CAROLINA STATE ETHICS COMMISSION

2016 STATEMENT OF ECONOMIC INTEREST

919-814-3600 www.ethicscommission.nc.gov

COMPLETE THIS FORM AND MAIL SIGNED, ORIGINAL TO
STATE ETHICS COMMISSION, 1324 MAIL SERVICE CENTER, RALEIGH, NC 27699-1324

FILER'S NAME (FIRST, MIDDLE, LAST)				
Prefix	**First Name**	**Middle Name**	**Last Name**	**Suffix**
	Raymond	Edward	Grace	

CURRENT EMPLOYER	JOB TITLE
Office of the Commissioner of Banks	Commissioner of Banks

NATURE OR TYPE OF BUSINESS
Financial regulation

REASON FOR FILING (SELECT ALL THAT APPLY)	
☑ STATE GOVERNMENT JOB (Please specify the agency for which you work or are being considered)	☑ BOARD/COMMISSION (Please list complete name of all State boards on which you are serving or are being considered)
Banking Commission Employees	ABLE Program Board of Trustees;
☐ JUDICIAL OFFICER (Please specify the office you hold)	☐ LEGISLATOR (Please specify House or Senate)

A. Do other immediate family members reside in your household?

☑ Yes ☐ No

When used throughout this form, the term **Immediate family** includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) **who reside in your household.**

List the full name of **all adults** and **emancipated minors** in your household. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

FULL NAME OF ADULTS & EMANCIPATED MINORS	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS
Joan Mary Grace	Spouse	Reichhold, Inc.	Corporate Paralegal and Special Assistant to the CEO	International chemical company

B. List **ONLY the initials** of all **emancipated minors** in your household below. A minor is a child under 18 years old. Minors are emancipated by marriage, enlistment in the US military or court order for emancipation.

Note: You must list the full name of each minor child on the Confidential Form available at the end of this document.

INITIALS FOR UNEMANCIPATED CHILDREN	RELATIONSHIP	EMPLOYER	JOB TITLE	NATURE OF BUSINESS

PROPERTY INTERESTS

1. As of December 31, 2015, did you, your spouse, or members of your immediate family:

A. Have an ownership interest in North Carolina real estate (including your residence) with a market value of $10,000 or more?

☑ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County
Raymond E. and Joan M. Grace	100	Raleigh	Wake
Raymond E. and Joan M. Grace	100	Tuckasegee	Jackson

B. Lease or rent real estate or personal property to or from the State of North Carolina with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2014 or 2015 , did you, your spouse, or members of your immediate family sell to or buy from the State of North Carolina personal property with a market value of $10,000 or more?

☐ Yes ☑ No

Name of Purchaser	Name of Seller	Type of Property

FINANCIAL INTERESTS

3. As of December 31, 2015, did you, your spouse, or members of your immediate family own any of the following financial interests valued at $10,000 or more?

A. Stock in a publicly owned company?

☐ Yes ☑ No

- Do not list ownership interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if: (i) the fund is publicly traded or its assets are widely diversified; and (ii) neither you nor an immediate family member are able to control the assets held in the mutual fund, investment company, or pension or deferred compensation plan.

Owner of Interest	Full Name of Company (Do not use a ticker symbol)

B. Stock Options in a company or business?

☐ Yes ☑ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity (including interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations)?

☐ Yes ☑ No **If "No", proceed to question 4.**

Owner of Interest	Name of Company or Business Entity

C (1). For each non-publicly owned company or business entity (the "primary company") identified in question 3.C above, please list the names of *any other companies or business entities* in which the primary company owns securities or equity interests valued at over $10,000, *if known*.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
☐ None or Not Known	

C (2). If you know that any company or business entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts *with the State of North Carolina*, or is *regulated by the State*, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ None or Not Known	

4. As of December 31, 2015, were you, your spouse, or members of your immediate family the beneficiaries of a vested trust with a value of $10,000 or more that was created, established, or controlled by you?
Do not list assets held in blind trusts. See 2016 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."
☐ Yes ☑ No

Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust

5. As of December 31, 2015, did you, your spouse, or members of your immediate family have liabilities of $10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt.
☐ Yes ☑ No

Name of Debtor (You, Spouse, Immediate Family Member)	Type of Creditor (Commercial Bank, Credit Union, Individual, etc.)

6. List each source of income (not specific amounts) of more than $5,000 received by you, your spouse, or members of your immediate family during 2015. Include salary, wages, state/local government retirement, professional fees, honoraria, interest, dividends, rental income, business income, and other types of income required to be reported on your State and federal tax returns.

Do not include income received from the following sources:

- **Capital gains**
- **Federal government retirement**
- **Military retirement**
- **Social security income/SSDI**

Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
☐ I had no reportable income over $5,000 in 2015.			
Raymond E. Grace	NC State Government	Financial regulation	Salary
Joan Mary Grace	Reichhold, Inc.	International chemical company	Salary

PROFESSIONAL AND CIVIC RELATIONSHIPS

7(a). During 2015, were you, your spouse or members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☐ Yes ☑ No **If "No", proceed to question 8.**

- Do not list State boards or entities, or entities created by a political subdivision of the State.
- Do not list organizations of which you are a mere member.

Name of Person	His/Her Position	Name of Nonprofit Corporation or Organization	Nature of Business or Purpose of Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, please provide a brief description of the nature of that business, if known or with which due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business or State Funding
☐ None or Not Known	

Please answer the following question as it pertains to the following board/agency:

ABLE Program Board of Trustees

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

- Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

Please answer the following question as it pertains to the following board/agency:

Banking Commission Employees

8. During 2015, were you, your spouse, or members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to those offices.

- Do not list organizations of which you are only a member (not serving in a leadership role).

Name of Person	Name of Society, Organization or Advocacy Group	Leadership Position (Director, Officer, Board Member)

9(a). List the name of each company or business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2015.

Name of Person	Relationship to Filer	Name of Company	Role of Person
☐ No Business Associations			
Joan Mary Grace	Spouse	Reichhold, Inc.	Employee

9(b). If you know that any company or business entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2015, provide a brief description of that business activity.

Name of Company or Business Entity	Description of Business Activity with the State
☐ Not applicable (No entities listed on #9a) ☑ No relationship / Not known	

10. Are you a practicing attorney?

☐ Yes ☑ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than $10,000 during 2015.

☐ Administrative	☐ Admiralty	☐ Corporate	☐ Criminal
☐ Decedent's Estates	☐ Environmental	☐ Insurance	☐ Labor
☐ Local Government	☐ Real Property	☐ Securities	☐ Tax
☐ Tort litigation (including negligence)	☐ Utilities Regulation	☐ Other category not listed.	

11. During 2015, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over $10,000?

☐ Yes ☑ No

Type of Business	Nature of Services Rendered

Please answer the following question as it pertains to the following board/agency:

ABLE Program Board of Trustees

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

Please answer the following question as it pertains to the following board/agency:

Banking Commission Employees

12. Are you or your employer, your spouse or members of your immediate family, or their employer currently:

- Licensed by the State board or employing entity with which you are or will be associated **or**
- Regulated by the State board or employing entity with which you are or will be associated **or**
- Have a business relationship with the State board or employing entity with which you are or will be associated?

☐ Yes ☑ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer ("judicial officer" is defined in the SEI Helpful Tips) or you are filing as an appointee to those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Are you, your spouse, or a member of your immediate family currently registered as a lobbyist or lobbyist principal or were you registered as such within the 12 months preceding your filing of this form?

☐ Yes ☑ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

OTHER DISCLOSURES

14. During any calendar quarter in 2015 (but only the time period after you were appointed, employed or filed or were nominated as a candidate), did you

• receive any gift(s) exceeding $200 per quarter from a person or group of persons acting together, **and**

• when both you and those person(s) were outside North Carolina at the time you accepted the gift(s), **and**

• the gift(s) were given under circumstances that would lead a reasonable person to conclude that they were given for lobbying?

☐ Yes ☑ No

- Do not report gifts given by members of your extended family.
- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

ABLE Program Board of Trustees

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

Banking Commission Employees

15. During 2015 (but only the time period after you were appointed, employed, or filed or were nominated as a candidate) did you

• accepted a "scholarship" exceeding $200 from a person or group of persons acting together **and**

• those person(s) were outside North Carolina **and**

• the scholarship was related to your public position? **A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.**

☐ Yes ☑ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- Do not report gifts that have previously been reported by you to the Department of the Secretary of State on the "Expense Report for Exempted Persons."
- Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member or participant or an affiliate of that organization.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

Please answer the following question as it pertains to the following board/agency:

ABLE Program Board of Trustees

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☐ Yes ☑ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☐ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

Banking Commission Employees

16. Were you appointed or are you being considered for an appointment to a covered board by the **Governor** or another Council of State member?

Council of State members are:

- Governor
- Lt. Governor
- Secretary of State
- State Auditor
- State Treasurer
- Superintendent of Public Instruction
- Attorney General
- Commissioner of Agriculture
- Commissioner of Labor
- Commissioner of Insurance

☐ Yes ☑ No

If "Yes", list all contributions you (NOT immediate family members) made during 2015 with a cumulative total of more than $1,000 to the Governor or other Council of State member who appointed you.

- Contributions are defined in N.C.G.S. 163-278.6(6) and include, but are not limited to, "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
☐ No contribution(s) with a cumulative total of more than $1,000		

Please answer the following question as it pertains to the following board/agency:

ABLE Program Board of Trustees

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☐ Yes ☑ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☐ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☐ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☐ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☐ No

Please answer the following question as it pertains to the following board/agency:

Banking Commission Employees

17. Are you an appointee or prospective appointee to:

a. the head of a principal state department (e.g. cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission	☐ Yes ☑ No **If "No", proceed to question 18.**
d. If so, were you appointed or are you being considered for appointment to that public position by a Council of State member? Council of State members are listed in question 16.	☐ Yes ☐ No **If "No", proceed to question 18.**
e. If so, you must indicate whether during 2015 you (not immediate family members) engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you to your public position: i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee? Contributions are defined in question 16.	☐ Yes ☐ No
ii. Hosted a fundraiser at your residence or place of business?	☐ Yes ☐ No
iii. Volunteered for campaign-related activities, which include, but are not limited to, phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?	☐ Yes ☐ No

18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon of innocence; or (ii) an order of expungement regarding that conviction?

☐ Yes ☑ No

Offense	Date of Conviction	County of Conviction	State of Conviction

19. Are you aware of any other information that *you believe* may assist the State Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?

☐ Yes ☑ No If yes, please provide such information below.

AFFIRMATION

I affirm that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

I also certify that I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments or supplements thereto (with the exception of the Confidential Form regarding Unemancipated Children) are public record.

I acknowledge that I have read and understand N.C.G.S. 138A-26 regarding concealing or failing to disclose material information and N.C.G.S. 138A-27 regarding providing false information:

§ 138A-26. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest under this Article shall be guilty of a Class 1 misdemeanor and shall be subject to disciplinary action under G.S. 138A-45.

§ 138A-27. Penalty for false information.

A filing person who provides false information on a statement of economic interest as required under this Article knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 138A-45.

☑ I Agree. It is my intention that this check box constitutes my electronic signature. By checking this box I certify that the information provided in this Statement of Economic Interest and any attachments hereto are true, complete, and accurate to the best of my knowledge and belief.

Filed Electronically — Signature

4/18/2016 — Date

Raymond Edward Grace — Printed Name

THE GOVERNOR'S

NOMINATIONS FOR CONFIRMATION

PAT MCCRORY

GOVERNOR

THE STATE OF NORTH CAROLINA

AS OF APRIL 22, 2016

BIOGRAPHIES & RÉSUMÉS OF NOMINATIONS

JUDICIAL APPOINTMENT	MICHAEL ROBINSON	PG. 1
JUDICIAL APPOINTMENT	CASEY VISOR	PG. 3
JUDICIAL APPOINTMENT	GREGORY MCGUIRE	PG. 5

MICHAEL LINDSAY ROBINSON

Date of Birth: September 21, 1955

Education:

1973 Woodberry Forest School, Woodberry Forest, Virginia

1977 Davidson College, Bachelor of Arts in Economics

Letter: Swimming and Diving

1980 University of North Carolina at Chapel Hill, Juris Doctor with Honors

Order of the Coif

Moot Court Board

Work History:

2008 – Present	*Partner*, Robinson & Lawing, LLP
1997 - 2007	*Partner*, litigation section, Robinson & Lawing, LLP (emphasis on complex civil litigation, intellectual property matters, and corporate litigation planning and loss prevention)
1992 - 1997	*Partner*, litigation section, Robinson Maready Lawing & Comerford, LLP (emphasis on complex civil litigation including intellectual property matters)
1980 - 1986	*Associate*, litigation section, Petree Stockton & Robinson (and predecessor firms)(emphasis on civil and insurance defense litigation)
1987 - 1992	*Partner*, litigation section, Petree Stockton & Robinson (emphasis on complex civil litigation and medical malpractice defense)

Memberships and Service:

State Bar Council, Elected Member (2009 – present)

Vice-Chair, Grievance Committee (Sub-Committee II)(December 1, 2014 to Present)

Chair, Special Litigation Committee (January 1, 2014 – December 1, 2014)

Member, Executive Committee (January 1, 2013 to Present)

Member, Board of Visitors, Duke University Divinity School

President, Winston-Salem Downtown Rotary Club (July 1, 2013 – June 30, 2014)

Certified Mediator, North Carolina Dispute Resolution Commission

Legal Aid of Northwest North Carolina, volunteer attorney providing pro bono advice to Legal Aid clients.

Past Chair of Board of Directors: Hospice and Palliative CareCenter, Inc., Winston-Salem, North Carolina

Past Member, Board of Directors, DataMax Corporation and Charitable Foundation

Past Chair, Board of Directors, Arbor Acres Retirement Community of the United Methodist Church, currently member Building and Grounds Committee

Former Chair: American Cancer Society, Forsyth County Chapter

Former Chair and Member, Committee on the Episcopacy, Advisor to the Bishop, Western North Carolina Conference of the United Methodist Church (1997 - 2004)

Centenary Methodist Church, Winston-Salem, North Carolina

- Former Chair Staff Parish Relations Committee (1996 - 2000)
- Former Lay Leader, Youth Department (1998 - 2000)
- Former Chair: Administrative Board (2000 – 2002)
- Former Chair: Board of Trustees (1994 – 1996)

Former Board Member and Newsletter Editor; North Carolina Association of Defense Attorneys

Member, North Carolina Business Court Rules Committee

Casey Viser

125 Altondale Avenue
Charlotte, NC 28207
caseyviser@gmail.com
(704) 608-2143

Judge Casey Viser is a native Charlottean, husband, and devoted father of three children at Trinity Episcopal School who is committed to serving the Bar, and the people of Mecklenburg County.

Judge Viser grew up in Foxcroft, and was a member of the first Kindergarten class at Charlotte Latin School. After graduating from Charlotte Latin School in 1990, he went on to Hampden-Sydney College, where he was a member of the soccer team, the Honor Court, the Student Senate, and Omicron Delta Kappa Honor Society, and graduated with a BA in Economics and Spanish in 1994. Judge Viser travelled to Colorado upon leaving Hampden-Sydney, fortuitously ending up in the employment of two real estate developers from Los Angeles who were developing commercial properties in the ski resort town of Aspen. They encouraged him to become active politically, and he eventually went to work for Governor Pete Wilson who, at that time, was running for the Republican nomination for President. Judge Viser returned to North Carolina to work for Richard Vinroot's first gubernatorial bid in 1996, and then travelled the country as a member of Vice-Presidential nominee Jack Kemp's staff during the Bob Dole for President campaign of 1996.

Judge Viser entered law school at Campbell University in 1997, and was elected President of the Student Bar Association in 1999. Upon graduation, he returned to his home of Charlotte and married the former Carol Biggers Dabbs. He began his legal career as an associate at James, McElroy & Diehl, PA. in 2000, and became a partner in the firm in 2005. He was elected by the Mecklenburg County Bar in May 2013 and then appointed by Governor Pat McCrory to fill the unexpired term of former Chief District Court Judge Lisa Bell. Prior to joining the bench, Judge Viser spent thirteen years practicing civil litigation and criminal law in State and Federal courts at James, McElroy & Diehl, PA. He has argued cases before the North Carolina Supreme Court, the North Carolina Court of Appeals, and the Fourth Circuit Court of Appeals. He has been named to: *Charlotte Business Journal's* "40 Under 40;" *Business North Carolina* Magazine's "Legal Elite" for Criminal Defense; *Superlawyers* Magazine, as a "Rising Star" in the areas of Business Litigation and Criminal Defense; and *Best Lawyers in America*, as "Lawyer of the Year" in 2013 for DWI Defense.

Judge Casey Viser has a diverse background and experience as both a civil litigator and criminal trial attorney, and is uniquely qualified to preside over any trial proceeding. Judge Viser knows the challenges faced by attorneys and litigants, and his background, temperament, and knowledge of not only the law and procedure, but also people, enables him to serve effectively as a District Court Judge.

Bar memberships:

North Carolina State Bar
Mecklenburg County Bar
Western, Middle, and Eastern Districts of North Carolina
Fourth Circuit Court of Appeals

Education:

Campbell University School of Law, JD 2000
Hampden-Sydney College, BA Economics/Spanish 1994
Charlotte Latin School, 1990

Casey Viser

125 Altondale Avenue
Charlotte, NC 28207
caseyviser@gmail.com
(704) 608-2143

Community Involvement:

Christ Episcopal Church -- Lector, Sunday School teacher, Stewardship Committee member

Youth Soccer, Basketball Coach

Volunteer Truancy Court Judge, Charlotte-Mecklenburg Schools

Board Member, Eastover Homeowner's Association

Member, Legal Advisory Committee, Myers Park Country Club

Founding Member, The May 20th Society

Impact Fund Member, Foundation for the Carolinas

Grants Committee Member, Arts & Science Council

Member, Professionalism Committee, Mecklenburg County Bar Association

Member, Technology and Bench-Bar Liaison Committees of the North Carolina Bar Association

Member, Civil Courts Committee for Mecklenburg County District Court

Judge Gregory McGuire

Biographical Information

Judge McGuire was appointed a Special Superior Court Judge by Governor Pat McCrory on September 30, 2014, to fill the unexpired term of Special Superior Court Judge Lisa Bell. Judge McGuire was subsequently assigned to the North Carolina Business Court for Complex Business Cases in Raleigh, North Carolina by Chief Justice Mark Martin.

Since October 10, 2014, Judge McGuire has been responsible for all aspects of the complex business lawsuits assigned to the Raleigh location of the North Carolina Business Court, as well as managing two full time law clerks and a Trial Court Coordinator.

Prior to his appointment to the bench, Judge McGuire was a shareholder with Ogletree Deakins Nash Smoak & Stewart, one of the nation's leading workplace law firms, where he spent over 26 years as a counselor and litigator for large, medium and small companies across a wide variety of industries. He litigated in and obtained favorable jury trial verdicts in state and federal courts throughout the United States, including courts in North Carolina, South Carolina, Virginia, Florida and Michigan.

Judge McGuire was recognized by Best Lawyers in America from 2010 – 2014, and has been recognized as a North Carolina Super Lawyer.

Judge McGuire obtained his B.S. degree from Cornell University in 1984, and his Juris Doctor from the University of North Carolina, Chapel Hill, in 1987.

BIOGRAPHIES & RÉSUMÉS OF NOMINATIONS

SBI DIRECTOR	ROBERT SCHURMEIER, JR.	PG. 1
INDUSTRIAL COMMISSION	BILL DAUGHTRIDGE	PG. 3
INDUSTRIAL COMMISSION	CHRISTOPHER LOUTIT	PG. 5
INDUSTRIAL COMMISSION	LINDA CHEATHAM	PG. 6
UTILITIES COMMISSION	LYONS GRAY	PG. 9
BOARD OF EDUCATION	J. TODD CHASTEEN	PG.10
BOARD OF EDUCATION	PATRICIA HEAD	PG.12
STATE CONTROLLER	LINDA COMBS	PG.14
COMMISSIONER OF BANKS	RAY GRACE	PG.15
BOARD OF AGRICULTURE	ANNE FAIRCLOTH	PG.17
BOARD OF AGRICULTURE	FAYLENE WHITAKER	PG.18
BOARD OF AGRICULTURE	DONALD LAMBETH	PG.19

Robert L Schurmeier, Jr.
185 Carlton Drive
Mooresville, NC 28117
704 621-1014
bschurme@bellsouth.net

Education

BA, Political Science (1975) **UNC – Chapel Hill**

Work History – Law Enforcement

1975 – 2004 **Retired Deputy Chief, Charlotte Police Department & Charlotte-Mecklenburg Police Department**

Joined the Charlotte Police Department right after college graduation. During the first four years gained street experience as a patrol officer, field training officer (with less than a year on the street), team investigator, DA's Office investigator and undercover vice officer. Became one of the youngest sergeants (just over 4 years on the job) and captains (7 years experience) with the Charlotte Police Department. Spent 7 years as captain, 2 years as major, 2 years as division commander and 11 years plus as deputy chief (second highest rank). Held senior command positions for 22 years of a 29 year career and gained experience in all four major divisions (Patrol, Investigations, Support Services and Administration). Was appointed interim police chief in 1999 for 6 months. I did not seek the position of chief and subsequently retired as one of the longest tenured deputy chiefs. Never took a sick day, never had a chargeable accident or sustained complaint in nearly 30 years of service with the City of Charlotte.

Professional Training

Over 3,000 hours of law enforcement and executive leadership training
FBI National Academy graduate (1989) 159th session
Senior Management Institute for Police (1983) 2nd class – affiliated with Harvard and PERF
Leadership Charlotte graduate
Municipal Administration Course (UNC- Chapel Hill) graduate
U.S. Secret Service Dignitary Protection School graduate
Post graduate studies at the University of Virginia and University of North Carolina at Charlotte

Accomplishments

Past President and former board member of the North Carolina Police Executives Association (2200 members)
Past President and former board member of the North Carolina Chapter of the FBI National Academy Associates (350 members)
First CPD executive to be awarded the Community Relations Committee (CRC) Community Policing Award
Founded and stood up the unpaid volunteer CMPD Cold Case Squad that received national recognition

Work History – Private Sector

2004 – Present **President, U.S. ISS Agency, LLC (ISS)**

Co-founded and became the first and only president of ISS, a Charlotte-area based licensed private investigative (licensed in NC and SC) and security consulting firm. Grew business from one client to dozens that include government agencies as well as Fortune 500 businesses. Approved Federal GSA Schedule contract holder that supports the Department of Homeland Security on a national security program (for almost 7 years). Have offices in Huntersville, NC and Miami, FL and are opening an office in Charleston, SC. Leadership team includes four retired CMPD deputy chiefs, three of whom were interim chiefs, a retired deputy director of the US Secret Service and a former police chief of Coconut Creek, FL. Have handled a wide variety of confidential internal investigations including some that involved issues of public trust and corruption. We provide a wider array of security related consulting services including but not limited to:

- Internal investigations and litigation support
- Pre-employment screening
- Biometric fingerprinting
- High volume recurrent criminal backgrounds
- Due diligence investigations and pre-employment backgrounds
- Risk and threat assessments
- TSCM sweeps
- Forensics – computer, DNA, fingerprint, serology, handwriting

Successfully moved some of our prominent clients towards an intelligence-based security model. Selected clients included the US Department of Homeland Security, Burger King Global, Anthem, Lowes, Benefitfocus, Mecklenburg County Sheriff, City of Charlotte, Columbia, SC PD, NC Medical Board, Robinson, Bradshaw & Hinson and other law firms.

Community Service (Current)

McLeod Drug Treatment Center Board of Directors – past president and board member since 1986
Lowe's (Mooresville) YMCA Board of Directors – finance chair and board member since 2012

About the Secretary:

Bill Daughtridge, Jr.
Secretary

Bill Daughtridge served as Secretary for the NC Department of Administration (DOA) and was often referred to as the "business manager" of state government. Secretary Daughtridge brought experience in both the private and public sectors to the Department of Administration.

The Department of Administration has 20 Divisions that are broadly grouped into two categories: Government Operations and Internal Services and Programs. Under its "Gov Ops" banner, DOA provides numerous services for state government agencies, such as building construction, purchasing and contracting for goods and services, maintaining facilities, managing state vehicles, acquiring and disposing of real property and operating auxiliary services such as courier mail delivery and the sale of state and federal surplus property. The board umbrella of Internal Services and Programs covers a wide range of other services and provides staff support to several councils and commission which advocate for the special needs of North Carolina's citizens.

Secretary Daughtridge served as president of Daughtridge Gas and Oil Company, the fuel oil company his grandfather began in 1929 based in Rocky Mount, N.C. Daughtridge Gas and Oil provides propane and fuel oil for customers across Eastern North Carolina and operates a transportation company, a distribution company, Patio & Hearth Shop, Dunkin' Donut's locations, retail stores in the convenience and auto care markets.

A three-term member of the North Carolina House of Representatives, Secretary Daughtridge has an impressive education and pro-business legislative record serving on Education and Education Subcommittee on Universities. He was appointed Commerce Chairman, Small Business and Entrepreneurship Vice Chair, and assignments to include Joint Select Committee UNC Board of Governors and Economic Growth Development Co-Chair. His extensive service to our state has not been limited to the General Assembly, as he has given his time and talents in service on several statewide boards and commissions. He has focused his efforts on higher education and fostering economic growth and development, serving on the Executive Committee of the NC Economic Development Board, the NC Travel and Tourism Board and the University of North Carolina Board of Governors.

Secretary Daughtridge attended UNC Chapel Hill as a Morehead Scholar where he was inducted into Phi Beta Kappa and received the IFC Outstanding Senior Award. He then received his MBA from UNC – Chapel Hill where he was Student Association Vice President of Finance.

After graduation he worked as a financial analyst and engineer for Continental Oil Company in Houston, Texas, where he also coordinated the recruitment and training of financial analysts.

Secretary Daughtridge's lifelong commitment to community service and civic leadership were values instilled as an Eagle Scout earning him the Silver Beaver and Silver Antelope and Rocky Mount area Distinguished Citizen Award. He served as President of Boy Scouts of America's NC and VA area and currently serves as Boy Scouts of America Vice President of marketing for the Southern Region. He has served as First Vice President of the UNC General Alumni Association, UNC Lineberger Cancer Center Board of Visitors, and as a member of the UNC-Chapel Hill Board of Visitors.

Secretary Daughtridge's previous civic and professional interests included; North Carolina Symphony Society – Board of Trustees and Chairman of Marketing Committee, President Rocky Mount Area United Way, President North Carolina Petroleum Marketers Association, President of National Association of Unocal 76 Marketers, and President of National Pure Oil Jobbers Co-Op.

Secretary Daughtridge is married to Partha Council Daughtridge and they have two children, Gray and Meredith.

CHRISTOPHER CAMERON LOUTIT

1709 Knox Road, Raleigh, North Carolina 27608
(910) 524.9176 | Loutit@aol.com

QUALIFICATIONS SUMMARY

- Chief Deputy Commissioner, North Carolina Industrial Commission; Substitute Commissioner for conflict cases
- Former civil and criminal litigation attorney, representing Plaintiffs and Defendants; former Investment Banking analyst
- Exceptional leadership, analytical, communication, and interpersonal skills

PROFESSIONAL EXPERIENCE

North Carolina Industrial Commission, Raleigh, North Carolina — **June 2013 - Present**

Chief Deputy Commissioner — ***January 2014 – Present***

- Chief trial court judge managing ~5,000 annual hearings statewide and presiding over workers' compensation trials and other claims
- Supervision and management of North Carolina's 20 Deputy Commissioners across 6 regional offices with support staff totaling 34 employees
- Reduced timeline of claims by implementing stricter internal controls, limiting continuances, and shortening deadlines for the filing of decisions
- Decreased agency costs by re-purposing legal assistants, regionalizing offices, promoting an "electronic" environment, and adopting best practices
- Substitute Commissioner for conflict cases, presiding over and authoring decisions for the Full Commission

Administrator / Chief Operating Officer — ***June 2013 – December 2013***

- Head of daily operations for the agency's judicial and personnel functions, overseeing 160 employees and a $15.5 million annual budget
- Executive administrator of the agency's budget and human resources efforts, and liaison to the General Assembly and public

Johnson, Lambeth & Brown, Attorneys at Law, Wilmington, North Carolina — **March 2006 – June 2013**

Partner — ***January 2009 – June 2013***

- General civil and criminal litigation practice in State Court, representing Plaintiffs, Defendants, and New Hanover County
- Assistant County Attorney, New Hanover County Child Support Enforcement Agency
- Advised, managed, and facilitated parties and witnesses in District Court totaling hundreds of cases per week
- Successfully defended 2 cases before The North Carolina Court of Appeals, including:
  - New Hanover County o/b/o Beatty v. Greenfield, No. COA11-1086 (2012)
- Obtained "Not Guilty" verdicts on all Felony-related charges in a jury trial for client further charged with Felony Possession of a Firearm

Associate Attorney — ***March 2006 – January 2009***

- Advised and assisted clients and firm partners in all stages of civil and criminal litigation, and drafted Memorandums of Law and Briefs
- Successfully defended and assisted partners in the following case before The North Carolina Court of Appeals:
  - New Hanover County o/b/o Dillon v. Rains, No. COA07-1286 (2008)

Summer Associate — ***Summers 2003, 2004***

- Researched Statutory and Case Law and drafted corresponding Memorandums of Law and Briefs for firm partners
- Analyzed Discovery and assisted in building trial notebooks

The Bank Street Group, LLC, New York, New York — **August 2001 – July 2002**

Analyst, Investment Banking

- Built, analyzed, and managed complex financial models for clients including Budget Rent a Car, Inc. and Bath & Body Works
- Assembled, presented, and advised on sophisticated presentations to Fortune 500 CEOs, CFOs, and senior management

UBS Investment Banking Division, New York, New York — **July 2000 – August 2001**

Analyst, Global Industrial Group

- Assisted global team of Investment Bankers in analyzing, advising, and presenting corporate finance opportunities to Fortune 500 clients worldwide
- Participated in deal transactions and proposals for clients including Arvin Meritor, Inc., Goodyear Tire & Rubber Co., and General Motors

EDUCATION

American University
Juris Doctor, 2005
Judge: National High School Moot Court Competition

Trinity College
Bachelor of Arts, 2000 | Major: History
Alumni Class President; Senior Class Secretary; Independent Study: "Crime in Hartford"

The Lawrenceville School / Cape Fear Academy
Diploma, 1996 | Student Body Vice-President; Appointed Senior Prefect; Robert Ainspac Award; Squash; Tennis; Tennis Coach; House Football

Linda Cheatham

1200 Kings Grant Drive • Raleigh, North Carolina 27614
Telephone: 919/847-6226 or 919/413-5680 (cell)
lindawohlers@bellsouth.net

Reputation

- Exceptional persuasive abilities and a reputation for motivating people in groups towards solutions
- Combines quick and thorough grasp of complicated issues with ability to explain them to stakeholders at various levels of proficiency
- Proficient in regulatory policy, law and regulation
- Excellent analytical skills, renowned work ethic and highly organized
- Firmly linked through networks with people of governmental and corporate influence in North Carolina's regulated arena
- Understanding of executive, legislative and judicial processes

Educational Background

Bachelor's Degree in Mathematics from Stetson University

Professional Experience

North Carolina Industrial Commission **July 2010 – current**
Commissioner

- Adjudicate appeals of Workers' Compensation and Tort Claim cases
- Draft Full Commission decisions in Workers' Compensation and Tort cases
- Draft dissents as appropriate
- Lead efforts on various projects assigned by the Commission Chair including, but not limited to:
    - Educational outreach initiatives relative to employers' responsibilities to carry workers' compensation insurance including joint agency informational mailings to businesses through the Secretary of State and the Department of Revenue, ensuring departmental participation in educational seminars to targeted employer groups sponsored by the Department of Revenue and the North Carolina Institute of Minority Economic Development, development of educational video for Commission website, etc.
    - Development and implementation of more efficient processes to hear and resolve appeals of expedited medical motions at the Full Commission level
    - Development and initiation of improvements to the Commission's telephone system to better serve the public

BellSouth Telecommunications/AT&T **1973 - 2008**
Executive Director, Regulatory Group: 1993 - 2008
Raleigh, North Carolina
Retired with 35 years service in November of 2008

- Negotiated and implemented changes to the Company's Price Regulation plan – achieved $10M in pricing flexibility in 2005 and an additional $5M in pricing flexibility in 2007.
- Managed all North Carolina regulatory personnel, including those who interfaced with the North Carolina Utilities Commission (NCUC)
- Managed the North Carolina Customer Complaint Bureau for AT&T/BellSouth
- Prepared draft legal filings in conjunction with the development and execution of regulatory strategy for AT&T/BellSouth in North Carolina – managed all dockets involving AT&T/BellSouth and the NCUC
- Responsible for all written correspondence from the Company to customers and the NCUC
- Personally resolved particularly sensitive and challenging complaints from customers and prepared written responses
- Established and maintained strong, principled working relationships with the NCUC, Attorney General, and the NC Public Staff.
- Served as Company spokesperson for all Commission agenda items involving BellSouth/AT&T; testified in various hearings
- Served on the Boards of the Frankie Lemmon Foundation and the North Carolina Telecommunications Industry Association

Prior to 1993, I managed various groups responsible for rate and cost development both in support of Company provided services and in support of antitrust cases involving the former Bell System.

Significant Regional Accomplishments

- Outside Plant Engineer - Designed placements, rearrangements, and maintenance of cable facilities and conduit for Southern Bell's entire Colonial District in Orlando, Florida.

- One of four Southern Bell Outside Plant engineering personnel pulled from 9-state region to Atlanta headquarters to perform the Company's first restructured private line cost study.

- Ultimately managed a variety of groups responsible for developing regional rates and costs for central office services and features, private line services, access services, operator services, directory assistance services, Special Assemblies and Contract Services Arrangements (for large customers).

- Selected for a several month assignment in New York to develop supporting data for the AT&T cost witness in the DOJ antitrust case. Served as "back-up" witness for cost and rate design witness for all regional access charge state cases which were conducted as part of the breakup of the Bell System.

- Fulfilled special assignment to develop regional cost data to support corporate position in anti-trust cases brought against the Bell System by MCI and a Sprint predecessor. Later transferred to Bellcore to complete the studies and to provide support for the Company witness. Both cases were "wins" for AT&T.

- Assumed responsibility for all NC regulatory functions for BellSouth in 1993, which included, in part: strategy development; interface with the Attorney General's Office/Public Staff/Utilities Commission; testimony before the NCUC; and settlement negotiation with opposing parties with respect to hearings.

LYONS GRAY BIO

Lyons Gray, a businessman from Winston-Salem, was sworn in as Secretary of Revenue on January 5, 2013 by Governor Pat McCrory. Prior to this appointment, he spent a year as the Senior Advisor to the President of the University of North Carolina system, which comprises 17 campuses across North Carolina.

From 2005-2009, Gray served as the Chief Financial Officer of the United States Environmental Protection Agency. Nominated by President George W. Bush, and confirmed unanimously by the US Senate, he served as the principal agency representative to Congress, the Office of Management and Budget, and to the various states. His experience in Washington gave him an insider's look at the way in which Washington works (or doesn't work). Prior to his service in the Bush administration, he served as the President and CEO of the Downtown Winston-Salem Partnership. He initiated a number of projects that have revitalized the downtown core.

From 1989 to 2002, Gray served six consecutive terms in the NC General Assembly, serving as Chairman of the House Finance Committee from 1995 to 1999. He was also Vice Chairman of the House Ethics Committee. Gray was President and Owner of Salem Systems, Inc. and Triangle Campers, Inc. both of Winston-Salem, and served as Vice President of Intercontinental Consultants Corporation. Gray spent approximately 12 years working in Sales and Marketing for R.J. Reynolds Tobacco Company.

He currently serves on the board of the Lettie Pate Whitehead Foundation, Inc., has previously served on the boards of UNC-Chapel Hill's General Alumni Association, Salem Academy and College, the UNC School of the Arts Foundation, and the Piedmont Triad Partnership. Gray has also served on the boards of visitors of the Winston-Salem State University Foundation and the Bowman Gray School of Medicine at Wake Forest University. Gray has held leadership roles in multiple civic and philanthropic organizations, including AIDS Care Service of Winston-Salem, the North Carolina Nature Conservancy, Leadership Winston-Salem, the American Red Cross, and the Salvation Army Boys Club.

He and his wife, Connie, live in Winston-Salem.

J. Todd Chasteen – General Bio

Education

LL.M - Taxation, University of Florida School of Law, Gainesville, FL
J.D., ***with honors***, University of Florida School of Law, Gainesville, FL
B.B.A, Accounting, ***magna cum laude***, James Madison University, Harrisonburg, VA

Work Experience

Samaritan's Purse – Currently serve as Corporate Counsel for international disaster relief charity based in Boone, North Carolina. Served in various roles of executive management with Samaritan's Purse (SP) including as Vice President of Administration, Human Resources and General Counsel. Samaritan's Purse is an international Christian relief organization with offices in Australia, Canada, Kenya, the United Kingdom, and the United States and over $600 million in contributions. SP ranked one in North Carolina in private contributions. Of over one million Section 501(c)(3) organizations, Samaritan's Purse ranked 39th in 2013 in private contributions as listed in *Chronicle of Philanthropy's, Philanthropy 400.*
[With Samaritan's Purse from 1994 to Present except for one year teaching law at Liberty University School of Law in 2007-2008]

While serving at Samaritan's Purse, he became involved in nonprofit reform initiatives on a national level participating on the Independent Sector's, Panel on the Nonprofit Sector, *Advisory Committee on Self-Regulation of the Charitable Sector* and the *Government Oversight and Self-Regulation Work Group* making recommendations to Congress. The Advisory Committee members consisted of academics from Harvard, Duke, Stanford, New York University, Northwestern and leaders from private foundations and charities. Also served on the ECFA Panel of Legal Experts for the *Commission on Accountability and Policy for Religious Organizations*, ECFA *Ad Hoc Legislative Committee, The Faith and Giving Coalition* and *The Trust Coalition* to educate Congress regarding nonprofit reform proposals.

Other Legal Roles

Prior to serving with Samaritan's Purse, worked as a Senior Attorney Advisor for the Honorable Lawrence Wright at the United States Tax Court in Washington, D.C. drafting tax court memorandum opinions and responses to motions. After leaving the tax court, he practiced nonprofit, corporate, tax and business law and taught legal seminars to banking institutions in Charlotte, North Carolina. Earlier in his career he was a Certified Public Accountant licensed in the State of Florida.

Educational Experience

While earning a Master of Laws after law school, he confirmed his passion for teaching as an Adjunct Professor at the University of Florida, Warrington College of Business, teaching business law courses. Later served as an Associate Professor of Law at Liberty University. Prior to attending law school, taught accounting and business law for two years at Lake City Community College in Lake City, Florida.

Memberships

He has held memberships in a range of professional organizations, including the Christian Leadership Association, Association of Corporate Counsel, North Carolina Corporate Counsel Section, American Bar Association, North Carolina Bar Association, The North Carolina State Bar, and the American Institute of Certified Public Accountants. Licensed to practice law in North Carolina.

Patricia R. "Patti" Head Biographical Information

Education

1968 Graduate of Wake Forest University, B.S. Biology
Teaching Certificate, Wake Forest University
Former Teacher, Forsyth County Schools

Experience

28 years Wake County Public School community volunteer prior to being elected to the Wake County Public School System Board of Education in 2001

School based:

- President, Broughton PTSA
- Chair, Broughton Advisory Council
- Guidance Support Committee - BHS
- Booster Clubs - Choral and CAPS
- PTSA officer at Jeffrey's Grove, Underwood, Daniels & Martin
- Citizens Advisory Committee WCPSS Student Assignment Committee
- Wake County Board of Education - 2001-2009
  - Chair: 2005-07
  - Vice-chair: 2003-2005

Community based:

- Wake Education Partnership Board of Directors- 7 years (1998-2005)
  - Chair, Teacher Grants Committee
  - Chair, Standards and Accountability
  - Chair, Jewell/Jenrette Awards Committee
  - Board of Trustees (2005-2007)
- Character Education Community Involvement Committee - 6 years
- Certified CPR Instructor, American Red Cross - 1978-present
- White Memorial Presbyterian Church - 1974-present
  - Elder, Sunday School Teacher, Choir Member, Senior High Youth Advisor and Moderator of Presbyterian Women
- Board of Directors, Community in Schools 2003- present
  - Chair, Board Resource Development Committee 2012-2013
- Board of Directors, Greater Raleigh Chamber of Commerce 2005-07

Discipline Hearing Commission for the NC State Bar 2009- present

Family

Husband: Allan B. Head, Executive Director, North Carolina Bar Association
Children: David (BHS graduate, 1984; WFU graduate, 1988), wife Marti and daughters Carlyn, Charli, Clara and Chandler

Darryl (BHS graduate, 1990; UNC graduate, 1994), wife Karin , son Reed and daughter Hayden

Jayme (BHS graduate, 1994; WFU graduate, 1998, Graduate degree, Bush School of Government and Public Service, Texas A&M, 2000), husband Arturo Sanchez, son Arturo IV and daughter Danielle

Dr. Linda Morrison Combs

Dr. Linda Morrison Combs was unanimously confirmed by the General Assembly as North Carolina's State Controller in June 2014. She is the sixth State Controller and the first woman to hold this independent office.

From 2005-2007 she was Controller of the United States. As Controller, Executive Office of the President, Office of Management and Budget, she worked on the widest possible range of issues at the highest levels of government. She routinely briefed the President of the United States on the status of financial management in the Federal departments, and frequently testified before numerous Congressional oversight committees. She led Sarbanes-Oxley compliance for the entire Federal government. Dr. Combs headed the Chief Financial Officers Council for the entire Federal government and was responsible for establishing financial management policies and requirements for the Executive branch of the Federal government, totaling $2.7 trillion in revenue.

Key selected accomplishments as Controller of the United States included:

1. Reduced audit completion time (from five months) to 45 days from end of fiscal year for the entire Federal Government – first time in history.
2. Reduced improper payments by $9 billion.
3. Disposed of $4.5 billion of unneeded real property.

During her career she has worked for three U. S. Presidents and has earned five U. S. Senate confirmations. In previous positions, Combs has been the Chief Financial Officer at the Environmental Protection Agency ($8 billion budget) where she led that agency to obtain a clean audit opinion with no material weaknesses, and received the highest honor awarded—the prestigious Crystal Eagle Award from the President. As Assistant Secretary of the Department of Transportation ($58 billion budget), she led that agency to be the first Federal Department to install a single core financial system Department-wide, resulting in the Department of Transportation being designated a Federal Financial Center of Excellence. Dr. Combs also held Assistant Secretary or equivalent COO roles at the Departments of Treasury, Veterans Affairs, and Education.

Not only does Dr. Combs understand government on the inside, she knows first-hand its impact on the private sector. In the private sector Combs' achievement record is equally significant. She founded three successful companies and took their products to worldwide distribution. She held line management positions with significant profit and loss responsibilities at a large southeastern bank.

She has a doctor's degree from Virginia Tech, undergraduate and master's degrees from Appalachian State University, and is a graduate of the Program for Senior Managers at Harvard University.

Numerous organizations have honored Combs for her excellence in leadership, exemplary performance and outstanding service. These awards include three from the President of the United States, and nine awards from various Members of the President's Cabinet. Other recognitions include over one hundred and fifty awards, citations, and honors by non-profit, volunteer organizations, higher education institutions and corporations.

Linda was born in Caldwell County and resides in Winston-Salem, North Carolina.

RAY GRACE

EMPLOYMENT HISTORY

2012 – Present	North Carolina Acting Commissioner of Banks North Carolina Office of the Commissioner of Banks Raleigh, North Carolina Leader of the agency of North Carolina state government that supervises or regulates state-chartered banks, savings banks and savings and loan associations; mortgage bankers, mortgage brokers, mortgage servicers and mortgage loan originators; consumer finance companies, check cashers, money transmitters, reverse mortgage lenders and refund anticipation loan facilitators.
2010 – 2012	Chief Deputy Commissioner of Banks
2009 – 2010	Deputy Commissioner of Banks
1992 – 2009	Director of Bank Applications
1990 – 1992	Special Supervisory Examiner (Responsible for supervision of troubled banks during a deep recession)
1985 – 1990	Director of Bank Applications
1974 – 1985	Commercial Bank Examiner (Helped establish and led the formation of an Electronic Data Processing (EDP) (later, IT) examination team and program for the state during 1978, and worked as both commercial and EDP bank examiner from 1978 to 1985.)

Accomplishments during terms of office include the following:

Banking, Mortgage and Consumer Lending Regulation

- Assets under supervision are more than $235 billion at September 30, 2012.
- Guided state-chartered banks during worst economic crisis since the Depression.
- Implemented technology to automate certain areas of the examination processes of regulated entities to increase efficiencies in supervision.
- Issued over 340 decisions and orders in administrative actions involving the licensure of companies and individuals not meeting the NC SAFE Act's standards for character, fitness or financial responsibility.
- Helped establish 95 *de novo* North Carolina state banks.
- Helped form the North Carolina Bank Directors' College in 1998.

Other Initiatives

- Upon former Commissioner Joseph A. Smith's departure from the agency, testified before the Joint Legislative Study Commission on the Modernization of North Carolina Banking Laws, and led the implementation of the first substantive revision and modernization of North Carolina's banking law since 1931.
- Agency is a member of the task force to increase small business lending by North Carolina banks.
- Agency is a member of the Taskforce on Fraud Against Older Adults (created by the General Assembly in 2012), the Senior Fraud Taskforce (facilitated by the NC Office of the Attorney General), and the Wake County Elder Abuse Taskforce.
- Agency is a member of the Financial Literacy Council and the NC JumpStart Coalition.

EDUCATION AND MILITARY SERVICE

Graduated from LaSalle High School, Niagara Falls, New York, 1966.

Served in the U.S. Marine Corps, 1966 to 1969 (honorable discharge, September 1969).

Service in the Republic of Viet Nam, March 1967 through April 1968.

B.S. in Commerce, Niagara University, Niagara Falls, New York, December 1973.

AFFILIATIONS

Conference of State Bank Supervisors

- Incoming Vice Chairman, CSBS District III (Southeastern Region)
- Vice Chairman, CSBS Performance Standards Committee (Establishes agency performance standards and administers agency accreditation program for state banking departments nationally)
- Incoming Chairman, CSBS Performance Standards Committee (Establishes agency performance standards for CSBS state banking department accreditation).

ADDITIONAL PERSONAL INFORMATION

Born April 5, 1948, in Niagara Falls, New York.

Resides in Raleigh, North Carolina with wife of over 20 years, Joan Grace. Father of two sons and a daughter; three grandchildren, all of Raleigh.

Anne B. Faircloth
207 N. Chestnutt Street
Clinton, NC 28328
(910) 592-3593
beaucloth@yahoo.com

Anne Faircloth owns and manages multiple agricultural and real estate businesses in Clinton, NC including Lafayette Farms, a contract swine operation with 55,000 finishing spaces and 4000 sows; a 1000-head beef cattle farm; and various commercial properties.

Anne currently serves on the Preservation NC board and is chairman of the board of trustees of the NC Museum of Art. She is a past trustee of the Madeira School, NC Pork Council, the Sampson Community College Foundation, the United Way of Sampson County, and is a former deacon of Graves Memorial Presbyterian Church.

Anne graduated from Duke University, cum laude, in 1991. She received an MA in English and Creative Writing from Hollins University in 2000, where she served on the board of trustees from 2003-2013.

She worked as an editorial assistant at the International Herald Tribune in Paris from 1991-1994. From 1994-1999 she was a writer-reporter for Fortune Magazine in New York.

Anne is married to Frederick Beaujeu-Dufour and they have two children: Nancy (14) and Julian (11).

Faylene Whitaker
2991 Providence Church Road
Climax, NC 27233
(336) 215-2274
whitakerfarm@northstate.net

Professional Experience

Co-Owner of Whitaker Farms

Faylene and Richard Whitaker started Whitaker Farms in 1975. The farm consist of 250 acres of Organic tobacco, 6 acres of strawberries, 30 acres of vegetables, a greenhouse operation, two garden centers, and a landscape and waterscape division. Two sons are also part of the operation.

Present Boards

North Carolina Rules Review Commission 2011-present
NC Farm Bureau State Women's Committee
NC Commissioner of Agriculture circle
NC Farm Bureau Horticulture Advisory committee

Past Boards

Farm Service Agency State Board Committee for 8 years
North Carolina Tobacco Growers Board 8 years
Chair of North Carolina Agriculture Consortium for 6 years
President of NC Greenhouse Vegetables
NC Strawberry Board Member
NC State and A&T Univesity CARROT representative

Donald James Lambeth
332 McCall Road
Ellerbe, NC 28338
Home (910) 652-5088
Mobile (910) 417-0438
Email: jimlambeth25@gmail.com

Education:	Bachelor of Science in Forestry North Carolina State University December 1973
Experience:	Triple L Farms, Inc. Owner and President 1974 until present Acme Wood Company Timber Procurement January 1974 – April 1974
Other Interests:	Ruling Elder, Norman Presbyterian Church, PCA Commissioner's Circle Richmond County Farm Bureau, Secretary NC Pine Needle Association NC Farm Bureau Fruit and Vegetable Advisory Board Richmond County Planning Board Founder and volunteer firefighter Derby VFD

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HJR **1018** Confirm Commissioner of Banks.

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

SJR **749** Confirm Lyons Gray/Utilities Commission.

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

SJR **750** Confirm Chris Loutit/Industrial Commission.

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

TOTAL REPORTED: 3

VISITOR REGISTRATION SHEET

House Rules Committee Meeting — May 03 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	NMRS
Ray Grace	NCCOB
McNeil Clontz	RLNC
Fred Steen	Gov's office
Lyons Gray	NCUC
Ken Kaylor	Kaylor Law Firm
Susan Fein	Duke Energy
Tom Minder	NC Home Builders
[illegible]	School of Gov
Rowe Campbell	NCCOB
Mia Bailey	Electricities
Butch Gunnells	NC Bev
Mark Bibbs Charlton Allen Lexi Arthur	LLPC NC Ind. Comm. NCRMA
Kendall Bourdon NCIC SUMIT GUPTA NCIC	

House Committee on Rules, Calendar, and Operations of the House
Tuesday, May 24, 2016 at Immediately After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at Immediately After Session on May 24, 2016 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Daughtry, Davis, Goodman, L. Hall, Hanes, Hastings, Jackson, Lewis, Reives, Robinson, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The meeting came to order at 5:18 PM

The following bills were considered:

HJR 1141 Observance of Memorial Day. (Representatives Blust, G. Martin, Cleveland, L. Hall)

Rep. Blust moves approval. Motion carries.

SB 71 Stagger RRC Member Terms.

Rep. Stam moves favorable report to the PCS, unfavorable to the original with a referral to Appropriations. The motion carries.

The meeting adjourned at 6:17 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, May 24, 2016
TIME: **4:00 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HJR 1141	Observance of Memorial Day.	Representative Blust Representative G. Martin Representative Cleveland Representative L. Hall

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:46 PM on Tuesday, May 24, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

Rules - 5/24/15 - 5:18

- Blust move to approve JR 1141
- SB 71 (PCS) - McGrady
  - Counsel to McCrory → all 3 commissions are unconstitutional b/c of the way they were structured or created. Governor must have adequate control if commissions wish to perform executive duties. → Urge to change the way the commissions are set up to avoid a lawsuit like 2014.
  - Bart + Othur Staff → disagrees with counsel to McCrory on supreme court ruling.
  - Stam Fav. PCS → Unfav. Org. Referred to Approps

6:17

Brentmoore Apts.

HOUSE JOINT RESOLUTION 1141

Sponsors: Representatives Blust, G. Martin, Cleveland, and L. Hall (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

May 23, 2016

A JOINT RESOLUTION HONORING OUR SERVICE MEMBERS DURING THE OBSERVANCE OF MEMORIAL DAY.

Whereas, on May 5, 1868, General John Logan, national commander of the Grand Army of the Republic, designated May 30, 1868, as Decoration Day "for the purpose of ...decorating the graves of comrades who died in defense of their country"; and

Whereas, over the next few years, various local observances were held in towns throughout the nation; and

Whereas, after World War I, Decoration Day was expanded to honor service members killed in all of our nation's wars, and, after World War II, Decoration Day became known as Memorial Day; and

Whereas, in 1968, Congress established Memorial Day as a federal holiday to be observed on the last Monday of May beginning in 1971; and

Whereas, according to the U.S. Department of Veterans Affairs, between 1775 and 1991 more than 41,892,120 men and women served in the United States military during times of war, of which over 1,190,000 died during their service; and

Whereas, as we observe Memorial Day in 2016, it is important to reflect upon the contributions and selfless sacrifices the men and women of our military have made in upholding the principles of democracy and liberty while in service to our nation; and

Whereas, it is especially fitting to honor and commend the North Carolinians, as well as the all men and women that served who were killed in the line of duty; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly expresses its profound gratitude and appreciation to all the men and women of the United States military for their selfless service.

SECTION 2. The General Assembly wishes to honor the memory of all the veterans who have died since the last Memorial Day.

SECTION 3. The General Assembly extends its deepest sympathy to the families of the service members who made the ultimate sacrifice to help secure the freedom of the United States. The people of the State of North Carolina owe a debt of gratitude to these brave service members and solemnly pledge that they shall never be forgotten.

SECTION 4. This resolution is effective upon ratification.

SENATE BILL 71:
Comm'n Appointment Modifications.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	May 24, 2016
Introduced by:		**Prepared by:**	Jennifer McGinnis Staff Attorney
Analysis of:	PCS to First Edition S71-CSRI-27[v.12]		

SUMMARY: ***The proposed committee substitute (PCS) for Senate Bill 71 would (1) require a coal combustion residuals impoundment owner to provide permanent alternative water supplies for residents in areas surrounding coal combustion residuals surface impoundments; (2) extend the period for public comment and review of proposed risk classifications for coal combustion residuals surface impoundments; and (3) modify appointments to the Coal Ash Management Commission, the Mining Commission, and the Oil and Gas Commission, in accord with the holding of McCrory v. Berger.***

BILL ANALYSIS:

Section 1(a) of the PCS would require that the owner of a coal combustion residuals surface impoundment, as soon as practicable, but no later than June 1, 2017, execute a memorandum of agreement or other binding agreement with the Department of Environmental Quality (DEQ) to establish permanent replacement water supplies for each household with a drinking water supply well sampled and analyzed pursuant to the directives of the Coal Ash Management Act of 2014. Preference would be given to permanent replacement water supplies by connection to public water supplies, however, the State Water Infrastructure Authority would be given authority to determine, after evaluation of information submitted by an impoundment owner, if connection to a public water supply for a particular household would be cost-prohibitive, and authorize installation of a filtration system instead.

Section 1(b) would provide that this provision would be effective when the PCS became law.

Section 2(a) would make the following changes to the Coal Ash Management Commission (CAMC)

- Decrease the number of appointments from 9 to 7.
- Modify the appointments to the CAMC by establishing 7 appointments, 5 to be made by the Governor subject to confirmation by the General Assembly by joint resolution, 1 appointment to be made upon recommendation of the President Pro Tempore of the Senate, and 1 appointment to made upon recommendation of the Speaker of the House of Representatives. (The membership as originally enacted included a total of 9 members, and provided for 3 appointments by the Governor, 3 appointments by the President Pro Tempore of the Senate, and 3 appointments by the Speaker of the House of Representatives).

Karen Cochrane-Brown
Director

S71-SMRI-58 CSRI-27 -V-4

Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Modify the CAMC's quorum requirement to provide that 4 members of the CAMC, at least three of whom must be gubernatorial appointees, constitute a quorum for the transaction of business.
- Delete language in the Coal Ash Management Act, which provides that the CAMC is to "exercise all of its powers and duties independently" and is not "subject to the supervision, direction, or control" of the Division of Emergency Management of the Department of Public Safety in which it is administratively located.
- Decrease the duration of membership terms from six years to four years.

Section 2(b) of the PCS would require DEQ to submit a proposed classification for each coal combustion residuals surface impoundment to the CAMC, as reconstituted under the PCS, for the CAMC's approval as soon as legally practicable, but no later than 10 days after all appointments have been made to the CAMC as reconstituted by the PCS. The PCS would then provide the CAMC 120 days to review the proposed classifications and specify that if the CAMC fails to act during that time period, the proposed classifications would be deemed disapproved. If a proposed classification is disapproved through the CAMC's failure to act within the 120 day period, the CAMC may extend the deadline for no more than 120 days if necessary for adequate review of a proposed classification. A right of appeal pursuant to the Administrative Procedure Act concerning a classification would only exist for a final decision made by the CAMC, as evidenced by issuance of a written determination, to include findings in support of its decision to approve or disapprove a classification.

Section 2(c) of the PCS would provide that the Governor must submit nominations for the Governor's initial appointments to the CAMC, as reconstituted by the PCS, no later than 30 days after the date the PCS became law.

Section 2(d) of the PCS would provide that the Environmental Management Commission (EMC) would assume all powers and duties for review and approval of proposed classifications for all coal combustion residuals surface impoundments and associated closure plans if: (i) upon expiration of the extended public comment period for proposed classifications established by the PCS (August 1, 2016), the CAMC as reconstituted by the PCS has not been appointed; or, (ii) if at any point a court of competent jurisdiction issues a temporary or permanent order enjoining the authority, operation, or activities of the CAMC as reconstituted by the PCS, or issues any other decision or order that prevents the CAMC from carrying out its statutory duties.

Section 2(e) would provide that no classification for any coal combustion residuals surface impoundment, regardless of when such classification was issued, shall be construed to be deemed approved or final, or implemented as such by DEQ, until the CAMC, as reconstituted by the PCS, has approved the classification, or the EMC has approved the classification, as applicable under the provisions of the PCS.

Section 2(f) of the PCS would require DEQ to: (i) extend the period for receipt of public comment on the written declarations for proposed classifications for all coal combustion residuals surface impoundments until August 1, 2016; (ii) consider any comments, information, and data received during this period; and (iii) incorporate any comments, information, and data necessary for issuance of a classification that accurately reflects the level of risk posed by the coal combustion residuals surface impoundment. In addition, the PCS would require DEQ to, no later than September 1, 2016, submit a proposed classification for review and approval to the CAMC, as reconstituted by the PCS or, the Environmental EMC, if applicable pursuant the provisions of the PCS.

Section 2(g) would address staffing and budget issues of the CAMC, as reconstituted by the PCS, and, in the event the EMC assumes all powers and duties of the CAMC according to the terms of the PCS, would address staffing and budget issues of the EMC.

Section 2(h) would provide that these changes to the CAMC and the Coal Ash Management Act would be effective when the PCS became law.

Section 3(a) of the PCS would:

- Modify the appointments to the Mining Commission by providing, in addition to 2 ex officio positions: 4 appointments to be made by the Governor subject to confirmation by the General Assembly by joint resolution, 1 appointment upon recommendation of the President Pro Tempore of the Senate, and 1 appointment upon recommendation of the Speaker of the House of Representatives. (The membership as originally enacted provided for 2 ex officio positions, 2 appointments by the Governor, 2 appointments by the President Pro Tempore of the Senate, and 2 appointments by the Speaker of the House of Representatives).
- Decrease the duration of membership terms from six years to four years.

Section 3(b) of the PCS would provide that the Governor must submit nominations for the Governor's initial appointments to the Mining Commission, as reconstituted by the PCS, no later than 30 days after the date the PCS became law. Upon failure of the Governor to submit names by December 1, 2016, however, the Lieutenant Governor would be directed to make such appointments.

Section 3(c) would provide that these changes to the Mining Commission would be effective when the PCS became law.

Section 4(a) of the PCS would:

- Modify the appointments to the Oil and Gas Commission by providing: 5 appointments to be made by the Governor subject to confirmation by the General Assembly by joint resolution, 2 appointments upon recommendation of the President Pro Tempore of the Senate, and 2 appointments upon recommendation of the Speaker of the House of Representatives. (The membership as originally enacted provides for 3 appointments by the Governor, 3 appointments by the President Pro Tempore of the Senate, and 3 appointments by the Speaker of the House of Representatives).
- Increase the duration of membership terms from three years to four years.

Section 4(b) of the PCS would provide that the Governor must submit nominations for the Governor's initial appointments to the Oil and Gas Commission, as reconstituted by the PCS, no later than 30 days after the date the PCS became law. Upon failure of the Governor to submit names by December 1, 2016, however, the Lieutenant Governor would be directed to make such appointments.

Section 4(c) would provide that rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules) are effective until the Oil and Gas Commission, as reconstituted by the PCS, amends or repeals the rules.

Section 4(d) would provide that these changes to the Oil and Gas Commission would be effective when the PCS became law.

Section 5 would provide that the provisions of the PCS would be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid, the validity of the remainder of this PCS would not be affected thereby

Section 6 would provide that the PCS would be effective when it became law.

BACKGROUND: In January 2016, the Supreme Court of North Carolina issued a decision in the matter of *McCrory v. Berger* (Justice Newby concurring in part and dissenting in part), which involved a challenge to legislation creating the Coal Ash Management Commission, and the Oil and Gas and Mining Commissions (formerly, the Mining and Energy Commission) on the basis that, among other things, the legislative appointments to the Commissions violated several provisions of the State's Constitution, including the separation of powers clause[1] (N.C. Const. Art. III, sec. 5(8)) and the appointments clause[2] (N.C. Const. Art. 1, sec. 6).

The Court held "while the appointments clause itself places no restrictions on the General Assembly's ability to appoint statutory officers, the challenged provisions violate the separation of powers clause."

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

[1] This clause states "[t]he legislative, executive, and supreme judicial powers of the State government shall be forever separate and distinct from each other."
[2] This clause states: "The Governor shall nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for."

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 71
PROPOSED HOUSE COMMITTEE SUBSTITUTE S71-CSRI-27 [v.12]
05/24/2016 03:24:30 PM

Short Title: Comm'n Appointment Modifications. (Public)

Sponsors:

Referred to:

February 12, 2015

A BILL TO BE ENTITLED

AN ACT TO: (1) REQUIRE A COAL COMBUSTION RESIDUALS IMPOUNDMENT OWNER TO PROVIDE PERMANENT ALTERNATIVE WATER SUPPLIES FOR RESIDENTS IN AREAS SURROUNDING COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (2) EXTEND THE PERIOD FOR PUBLIC COMMENT AND REVIEW OF PROPOSED RISK CLASSIFICATIONS FOR COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; AND (3) MODIFY APPOINTMENTS TO THE COAL ASH MANAGEMENT COMMISSION, THE MINING COMMISSION, AND THE OIL AND GAS COMMISSION, IN ACCORD WITH THE HOLDING OF MCCRORY V. BERGER.

Whereas, the Coal Ash Management Act of 2014 required the owner of a coal combustion residuals surface impoundment to sample and analyze the water quality of drinking water supply wells in areas surrounding coal combustion residuals surface impoundments and, if the sampling and water quality analysis indicated that water from a drinking water supply well exceeded groundwater quality standards for constituents associated with the presence of the impoundment, required the owner to replace the contaminated drinking water supply well with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses; and

Whereas, the Department of Environmental Quality recently reported that well water of residents living nearby coal ash residuals impoundments met federal requirements for safe drinking water, but the General Assembly nonetheless recognizes that confusion and worry has persisted with these residents in the aftermath of testing conducted by the Department of Environmental Quality and issuance of "do-not-drink advisories" by the Department of Health and Human Services, even after many of these advisories were subsequently withdrawn; and

Whereas, the General Assembly concludes that the owner of a coal combustion residuals surface impoundment should establish permanent alternative water supplies for residents in areas surrounding coal combustion residuals surface impoundments, to alleviate their concerns about availability of clean, safe, pure, and wholesome water; and

Whereas, in 2014 the General Assembly developed and enacted groundbreaking legislation, the Coal Ash Management Act, to comprehensively address the issue of proper management of coal ash residuals impoundments in the State for the protection of public health, safety, and welfare; the environment; and natural resources; and

Whereas, the Coal Ash Management Act of 2014 set forth closure requirements based on a comprehensive assessment of a site's risk, taking into account a number of factors, including:

(1) Any hazards to public health, safety, or welfare resulting from the impoundment.

(2) The structural condition and hazard potential of the impoundment.
(3) The proximity of surface waters to the impoundment and whether any surface waters are contaminated or threatened by contamination as a result of the impoundment.
(4) Information concerning the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards and all significant factors affecting contaminant transport.
(5) The location and nature of all receptors and significant exposure pathways.
(6) The geological and hydrogeological features influencing the movement and chemical and physical character of the contaminants.
(7) The amount and characteristics of coal combustion residuals in the impoundment.
(8) Whether the impoundment is located within an area subject to a 100-year flood; and

Whereas, the Coal Ash Management Act of 2014 conclusively designated eight coal combustion residuals surface impoundments as high-priority, including two impoundments each at the following facilities: the Dan River Steam Station, the Riverbend Steam Station, the Asheville Steam Electric Generating Plant, and the Sutton Plant; and,

Whereas, the Executive Branch agency tasked with developing proposed classifications based on risk, the Department of Environmental Quality, issued proposed classifications on May 18, 2016, which designated all other coal combustion residuals surface impoundments located in the State as intermediate priority; and

Whereas, upon issuance of the proposed classifications, the Department of Environmental Quality requested that the General Assembly allow the Department an additional 18 months to enable the Department to reconsider the proposed classifications, indicating that "work that is already either planned or underway could significantly change the risk posed by the ponds."; and

Whereas, upon issuance of the proposed classifications, the Secretary of Environmental Quality stated that that the Coal Ash Management Act of 2014 did "not allow for revisions to the classifications based on new information about a pond's risk to public health and the environment."; and

Whereas, the Secretary of Environmental Quality further stated that "[m]aking decisions based on incomplete information could lead to the expenditure of billions of dollars when spending millions now would provide equal or better protection."; and

Whereas, the General Assembly concurs that accurate classification of risk for coal combustion residuals surface impoundments is essential to appropriate management of the impoundments; and

Whereas the General Assembly created the Coal Ash Management Commission as an integral part of the Coal Ash Management Act of 2014 to provide oversight to the Department of Environmental Quality in establishment of risk classifications and closure plans for all coal combustion residuals surface impoundments; and

Whereas, in reviewing a classification proposed by the Department of Environmental Quality, the Coal Ash Management Act of 2014 directed the Coal Ash Management Commission to evaluate all information submitted in accordance with the Coal Ash Management Act of 2014 related to the proposed classifications, and any other information the Coal Ash Management Commission deemed relevant; and

Whereas, in reviewing a classification proposed by the Department of Environmental Quality, the Act directed the Coal Ash Management Commission to approve a proposed classification only if the Commission determined that the classification accurately reflected the level of risk posed by the coal combustion residuals surface impoundment; and

Whereas, a mechanism existed under the Coal Ash Management Act of 2014, as enacted, to allow sufficient time for the State to properly assess accurate risk for impoundments given that the Act: (i) authorized the Commission to consider all information submitted pursuant to the law, and any other information the Commission deemed relevant, (ii) required that the Commission approve plans that accurately reflected the level of risk posed by an impoundment; and, (iii) established no deadline for the Commission to issue final approval of an accurate classification; and

Whereas, closure methods under the Coal Ash Management Act of 2014 cannot be developed, approved, or implemented until accurate risk classifications for the impoundments have been finalized; and

Whereas, the General Assembly believes addressing the issue of proper management of coal combustion residuals surface impoundments is too pressing to grant a blanket extension of finalization of risk classifications of the impoundments for 18 months, while recognizing that accurate classifications of impoundments is imperative for timely and proper closure of coal ash impoundments; and

Whereas, the General Assembly established the Coal Ash Management Commission in 2014, to be comprised of individuals qualified with particular experience and expertise, including requirements for appointments of individuals who are representatives: of an electric membership corporation or that have a background in power supply resource planning and engineering, individuals that have experience in economic development, and individuals that have expertise in determining and evaluating the costs associated with electricity generation and establishing the rates associated with electricity consumption, in order to facilitate thorough examination and sound decision-making on complex and wide-reaching issues surrounding coal ash management, facets of which are beyond the jurisdictional responsibilities of the Department of Environmental Quality, and

Whereas, in McCrory v. Berger the North Carolina Supreme Court expressed concerns that the General Assembly retained a majority of appointments to the Coal Ash Management Commission under the Coal Ash Management Act of 2014 and held the appointments provisions violated the separation of powers clause of the Constitution of North Carolina; but stated that "[t]he appointments clause does not prohibit the General Assembly from appointing statutory officers, and the General Assembly can appoint them in many instances,"; and

Whereas, the Court expressed other separation of powers concerns that although the Coal Ash Management Commission was administratively located within the Division of Emergency Management of the Department of Public Safety, the Commission was directed to exercise all of its power and duties independently and was not subject to the supervision, direction, or control of the Division or Department; and

Whereas, Article III, Section 5 of the Constitution of North Carolina ascribes to the General Assembly the power to assign functions, powers, and duties to the Executive Branch; and

Whereas, in accord with the authority given to it under Article III, Section 5 of the Constitution, the General Assembly enacted the Coal Ash Management Commission, and other statutorily created commissions, with varying functions, powers, and duties; and

Whereas, Article III, Section 11 of the Constitution of North Carolina provides that all administrative departments, agencies, and offices of the State and their respective functions, powers, and duties shall be allocated by law, and further provides that regulatory, quasi-judicial, and temporary agencies may, but need not, be allocated within a principal department; and

Whereas, allocations of the functions, powers, and duties of administrative agencies, by law, is the province and responsibility of the General Assembly through the aforementioned provisions of the Constitution of North Carolina and Article II of the State's Constitution establishing the purpose and power of the legislative branch; and

Whereas, the General Assembly intends to reconstitute the membership of the Coal Ash Management Commission in accord with the Court's holding so that the authority of the Coal

Ash Management Commission established in 2014 to finalize accurate risk classifications, based on evaluation of all information the Commission deems necessary to achieve accurate classifications, can be exercised without further delay for the protection of public health, safety, and welfare; the environment; or natural resources for the benefit of all citizens of North Carolina; and

Whereas, the Court also expressed concerns that the General Assembly retained a majority of appointments to the Oil and Gas Commission and the Mining Commission and held the appointments provisions violated the separation of powers clause of the Constitution of North Carolina; but stated that "[t]he appointments clause does not prohibit the General Assembly from appointing statutory officers, and the General Assembly can appoint them in many instances; and

Whereas, the General Assembly intends to reconstitute the membership of the Oil and Gas Commission and the Mining Commission in accord with the Court's holding; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 130A-309.211 is amended by adding a new subsection to read:

"(c1) Provision of Permanent Water Supply. – As soon as practicable, but no later than June 1, 2017, the owner of a coal combustion residuals surface impoundment shall execute a memorandum of agreement or other binding agreement with the Department of Environmental Quality to establish permanent replacement water supplies for each household with a drinking water supply well sampled and analyzed pursuant to subsection (c) of this section. Preference shall be given to permanent replacement water supplies by connection to public water supplies, however, if the State Water Infrastructure Authority determines that connection to a public water supply to a particular household would be cost-prohibitive, the State Water Infrastructure Authority shall authorize provision of a permanent replacement water supply to that household through installation of a filtration system. No later than August 1, 2016, an impoundment owner shall submit information on permanent replacement water supplies proposed to be provided to each household to the State Water Infrastructure Authority, including, at a minimum, the type of permanent water supply proposed, the location of the household and its proximity to the nearest connection point to a public water supply, and projected cost of the permanent water supply option proposed for the household. Projects involving permanent replacement water supplies by connection to public water supplies shall be deemed approved by the State Water Infrastructure Authority for this purpose, however, the need for other State and local permits and approvals shall not be obviated by such approval. For projects involving installation of a filtration system, the State Water Infrastructure Authority shall evaluate information submitted by the impoundment owner to determine whether connection to a public water supply is cost-prohibitive, and render a decision to approve or disapprove the plan, including written findings of fact, no later than December 1, 2016."

SECTION 1.(b) This section is effective when it becomes law.

SECTION 2.(a) G.S. 130A-309.202 reads as rewritten:

"**§ 130A-309.202. (Repealed effective June 30, 2030) Coal Ash Management Commission.**

(a) Creation. – In recognition of the complexity and magnitude of the issues associated with the management of coal combustion residuals and the proper closure and remediation of coal combustion residuals surface impoundments, the Coal Ash Management Commission is hereby established.

~~(b) Membership. The Commission shall consist of nine members as follows:~~

~~(1) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a resident of the State.~~

~~(2) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the~~

~~time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use.~~

~~(3) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a licensed physician or a person with experience in public health.~~

~~(4) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a member of a nongovernmental conservation interest.~~

~~(5) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use, or is a representative of or on the faculty of a State college or university that conducts coal ash research.~~

~~(6) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a representative of an electric membership corporation organized under Article 2 of Chapter 117 of the General Statutes and have a background in power supply resource planning and engineering.~~

~~(7) One appointed by the Governor who shall at the time of appointment have experience in economic development.~~

~~(8) One appointed by the Governor who shall at the time of appointment have expertise in determining and evaluating the costs associated with electricity generation and establishing the rates associated with electricity consumption.~~

~~(9) One appointed by the Governor who shall at the time of appointment be a person with experience in science or engineering in the manufacturing sector.~~

(b1) Membership. – The Commission shall consist of seven members as follows:

(1) One appointed by the Governor subject to confirmation by the General Assembly, who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use.

(2) One appointed by the Governor subject to confirmation by the General Assembly, who shall at the time of appointment be a licensed physician or a person with experience in public health.

(3) One appointed by the Governor subject to confirmation by the General Assembly, who shall at the time of appointment be a representative of an electric membership corporation organized under Article 2 of Chapter 117 of the General Statutes and have a background in power supply resource planning and engineering.

(4) One appointed by the Governor subject to confirmation by the General Assembly, who shall at the time of appointment have expertise in determining and evaluating the costs associated with electricity generation and establishing the rates associated with electricity consumption.

(5) One appointed by the Governor subject to confirmation by the General Assembly, who shall at the time of appointment be a person with experience in science or engineering in hydrology or geology.

(6) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who is a member of a nongovernmental conservation interest.

(7) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who shall at the time of appointment be a resident of the State.

(b2) Process for Appointments by the Governor. – The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, within 4 weeks of the convening of the session of the General Assembly in the year for which the terms in question are to expire, the names of the persons to be appointed by the Governor and submitted to the General Assembly for confirmation by joint resolution. If an appointment is required pursuant to this subsection when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, or (iii) after sine die adjournment of the Regular Session.

(c) Chair. – The Governor shall appoint the Chair of the Commission from among the Commission's members, and that person shall serve at the pleasure of the Governor. The Chair shall serve two-year terms. The Governor shall make:

(1) The initial appointment of the Chair no later than ~~October 1, 2014.~~ July 1, 2016. If the initial appointment is not made by that date, the Chair shall be elected by a vote of the membership; and

(2) Appointments of a subsequent Chair, including appointments to fill a vacancy of the Chair created by resignation, dismissal, death, or disability of the Chair, no later than 30 days after the last day of the previous Chair's term. If an appointment of a subsequent Chair is not made by that date, the Chair shall be elected by a vote of the membership.

(d) Vacancies. – ~~Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term. The Governor may reappoint a gubernatorial appointee of the Commission to an additional term if, at the time of the reappointment, the member qualifies for membership on the Commission under subdivisions (7) through (9) of subsection (b) of this section.~~ In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the Governor, prior to the expiration of the member's term of office, the name of the successor shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed ~~Appointments~~ by the General ~~Assembly~~ Assembly, ~~shall be made in accordance with G.S. 120-121, and~~ vacancies in those appointments shall be filled in accordance with G.S. 120-122. If a vacancy arises or exists when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the member may be appointed by the Governor and serve on an interim basis pending confirmation or appointment by the General Assembly, as applicable. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(e) Removal. – The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

(f) Powers and Duties. – The Commission shall have all of the following powers and duties:

(1) To review and approve the classification of coal combustion residuals surface impoundments required by G.S. 130A-309.213.

(2) To review and approve Coal Combustion Residuals Surface Impoundment Closure Plans as provided in G.S. 130A-309.214.

(3) To review and make recommendations on the provisions of this Part and other statutes and rules related to the management of coal combustion residuals.

(4) To undertake any additional studies as requested by the General Assembly.

(g) Reimbursement. – The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(h) Quorum. – ~~Five~~ Four members of the ~~Commission~~ Commission, at least three of whom must be gubernatorial appointees, shall constitute a quorum for the transaction of business.

(i) Staff. – The Commission is authorized and empowered to employ staff as the Commission may determine to be necessary for the proper discharge of the Commission's duties and responsibilities. The Chair of the Commission shall organize and direct the work of the Commission staff. The salaries and compensation of all such personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies. The Chair, within allowed budgetary limits and as allowed by law, shall authorize and approve travel, subsistence, and related expenses of such personnel incurred while traveling on official business. All State agencies, including the constituent institutions of The University of North Carolina, shall provide information and support to the Commission upon request.

(j) Repealed by Session Laws 2015-9, s. 1.1, effective April 27, 2015.

(k) Covered Persons; Conflicts of Interest; Disclosure. – All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.

(l) Meetings. – The Commission shall meet at least once every two months and may hold special meetings at any time and place within the State at the call of the Chair or upon the written request of at least five members.

(m) Reports. – The Commission shall submit quarterly written reports as to its operation, activities, programs, and progress to the Environmental Review Commission. The Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

(n) Administrative ~~Location; Independence.~~Location. – The Commission shall be administratively located in the Division of Emergency Management of the Department of Public ~~Safety.~~Safety, the head of which is the Secretary of Public Safety, who, as provided in G.S. 143B-602, has powers and duties as delegated to the Secretary by the Governor, and conferred on the Secretary by the Constitution and laws of this State ~~The Commission shall exercise all of its powers and duties independently and shall not be subject to the supervision, direction, or control of the Division or Department.~~

(o) Terms of Members. – Members of the Commission shall serve terms of ~~six~~ four years, beginning effective ~~July 1~~ January 1 of the year of ~~appointment.~~appointment, and terminate on December 31 of the year of expiration. At the expiration of each member's term, the appointing authority shall replace the member with a new member of like qualifications for a term of four years. A member shall continue to serve until the member's successor is duly confirmed and qualified but such holdover shall not affect the expiration date of such succeeding term. In order to establish regularly overlapping terms, initial appointments shall be made effective June 1, 2016, or as soon as feasible thereafter, and expire as follows:

(1) The initial appointments made by the Governor:
a. Pursuant to (b1)(1) of this section shall expire December 31, 2020.
b. Pursuant to (b1)(2) of this section shall expire December 31, 2020.
c. Pursuant to (b1)(3) of this section shall expire December 31, 2020.
d. Pursuant to (b1)(4) of this section shall expire December 31, 2019.
e. Pursuant to (b1)(5) of this section shall expire December 31, 2019.
(2) The initial appointment made by the General Assembly upon recommendation of the Speaker of the House of Representatives pursuant to (b1)(6) of this section shall expire December 31, 2018.
(3) The initial appointment made by the General Assembly upon recommendation of the President Pro Tempore of the Senate pursuant to (b1)(7) of this section shall expire December 31, 2018."

SECTION 2.(b) G.S. 130A-309.213 reads as rewritten:

"**§ 130A-309.213. Prioritization of coal combustion residuals surface impoundments.**

(a) As soon as practicable, but no later than December 31, 2015, the Department shall develop proposed classifications for all coal combustion residuals surface impoundments, including active and retired sites, for the purpose of closure and remediation based on these sites' risks to public health, safety, and welfare; the environment; and natural resources and shall determine a schedule for closure and required remediation that is based on the degree of risk to public health, safety, and welfare; the environment; and natural resources posed by the impoundments and that gives priority to the closure and required remediation of impoundments that pose the greatest risk. In assessing the risk, the Department shall evaluate information received pursuant to G.S. 130A-309.211 and G.S. 130A-309.212 and any other information deemed relevant and, at a minimum, consider all of the following:

(1) Any hazards to public health, safety, or welfare resulting from the impoundment.
(2) The structural condition and hazard potential of the impoundment.
(3) The proximity of surface waters to the impoundment and whether any surface waters are contaminated or threatened by contamination as a result of the impoundment.
(4) Information concerning the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards and all significant factors affecting contaminant transport.
(5) The location and nature of all receptors and significant exposure pathways.
(6) The geological and hydrogeological features influencing the movement and chemical and physical character of the contaminants.
(7) The amount and characteristics of coal combustion residuals in the impoundment.
(8) Whether the impoundment is located within an area subject to a 100-year flood.
(9) Any other factor the Department deems relevant to establishment of risk.

(b) The Department shall issue a proposed classification for each coal combustion residuals surface impoundment based upon the assessment conducted pursuant to subsection (a) of this section as high-risk, intermediate-risk, or low-risk. Within 30 days after a proposed classification has been issued, the Department shall issue a written declaration, including findings of fact, documenting the proposed classification. The Department shall provide for public participation on the proposed risk classification as follows:

(1) The Department shall make copies of the written declaration issued pursuant to this subsection available for inspection as follows:
a. A copy of the declaration shall be provided to the local health director.

b. A copy of the declaration shall be provided to the public library located in closest proximity to the site in the county or counties in which the site is located.
c. The Department shall post a copy of the declaration on the Department's Web site.
d. The Department shall place copies of the declaration in other locations so as to assure the reasonable availability thereof to the public.

(2) The Department shall give notice of the written declaration issued pursuant to this subsection as follows:
a. A notice and summary of the declaration shall be published weekly for a period of three consecutive weeks in a newspaper having general circulation in the county or counties where the site is located.
b. Notice of the written declaration shall be given by first-class mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.
c. Notice of the written declaration shall be given by electronic mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

(3) No later than 60 days after issuance of the written declaration, the Department shall conduct a public meeting in the county or counties in which the site is located to explain the written declaration to the public. The Department shall give notice of the hearing at least 15 days prior to the date thereof by all of the following methods:
a. Publication as provided in subdivision (1) of this subsection, with first publication to occur not less than 30 days prior to the scheduled date of the hearing.
b. First-class mail to persons who have requested notice as provided in subdivision (2) of this subsection.
c. Electronic mail to persons who have requested notice as provided in subdivision (2) of this subsection.

(4) At least 30 days from the latest date on which notice is provided pursuant to subdivision (2) of this subsection shall be allowed for the receipt of written comment on the written declaration prior to issuance of a final risk classification. At least 20 days will be allowed for receipt of written comment following a hearing conducted pursuant to subdivision (3) of this subsection prior to issuance of a final risk classification.

(c) After~~Within 30 days of the~~ receipt of all written comment as required by subdivision (4) of subsection (b) of this section, the Department shall submit a proposed classification for a coal combustion residuals surface impoundment to the Coal Ash Management Commission established pursuant to ~~G.S. 130A-309.202.~~ G.S. 130A-309.202 as soon as legally practicable, but no later than 10 days after all appointments have been made pursuant to G.S. 130A-309.202(b1). The Commission shall evaluate all information submitted in accordance with this Part related to the proposed ~~classification~~ classification, including memorandums of agreement or other binding agreements to provide permanent replacement water supplies in accordance with the requirements of 130A-309.211 to reduce risks to public health, safety, and welfare, and any other information

the Commission deems relevant. The Commission shall only approve the proposed classification if it determines that the classification was developed in accordance with this section and that the classification accurately reflects the level of risk posed by the coal combustion residuals surface impoundment. The Commission shall issue its determination in writing, including findings in support of its ~~determination.~~determination, which shall constitute a final decision of the Commission for purposes of an appeal under Article 3 of Chapter 150B of the General Statutes. If the ~~Commission~~ Commission, appointed as provided by G.S. 130A-309.202(b1), fails to act on a proposed classification within ~~60~~ 120 days of receipt of the proposed classification, the proposed classification shall be deemed ~~approved.~~ disapproved. If a proposed classification is deemed disapproved on the basis that a final decision, including a written determination with findings of facts, has not been issued by the Commission prior to expiration of the 120 day period, the Commission may extend the deadline for no more than 120 days if necessary for adequate review of a proposed classification. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes. A classification deemed disapproved as a result of the Commission's failure to act within the 120 review period, and, if applicable, a subsequent 120 review period resulting from an extension issued by the Commission to allow additional review, shall not constitute a final decision of the Commission for purposes of an appeal under Article 3 of Chapter 150B of the General Statutes. "

SECTION 2.(c) Notwithstanding the provisions of G.S. 130A-309.202(b2) and G.S. 130A-309.202(o), as enacted and amended by Section 2(a) of this act, no later than 30 days after the date this act becomes law the Governor shall transmit to the presiding officers of the Senate and the House of Representatives, the names of the persons nominated by the Governor for appointment to the Coal Ash Management Commission pursuant to G.S. 130A-309.202(b1), as enacted by Section 2(a) of this act, for confirmation by the General Assembly by joint resolution.

SECTION 2.(d) Notwithstanding G.S. 130A-309.213(c) and G.S. 130A-309.214(d), the Environmental Management Commission shall assume all powers and duties for review and approval of proposed classifications for all coal combustion residuals surface impoundments and closure plans for all coal combustion residuals surface impoundments pursuant to those sections, if: (i) upon expiration of the period established for public comment set forth in Section 2(f) of this act, the Coal Ash Management Commission has not been appointed as provided by G.S. 130A-309.202(b1), as enacted by Section 2(a) of this act; or, (ii) if at any point a court of competent jurisdiction issues a temporary or permanent order enjoining the authority, operation, or activities of the Coal Ash Management Commission appointed as provided by G.S. 130A-309.202(b1), as enacted by Section 2(a) of this act, or issues any other decision or order that prevents the Commission from carrying out its statutory duties.

SECTION 2.(e) No classification for any coal combustion residuals surface impoundment, regardless of when such classification was issued, shall be construed to be deemed approved or final, or implemented as such by the Department of Environmental Quality, until the classification is approved by the (i) Coal Ash Management Commission, as appointed pursuant to G.S. 130A-309.202(b1), as enacted by Section 2(a) of this act; or, (ii) the Environmental Management Commission, if applicable, pursuant to Section 2(d) of this Act.

SECTION 2.(f) Notwithstanding G.S. 130A-309.213 the Department of Environmental Quality shall do all of the following:

(1) Extend the period for receipt of public comment on the written declarations for proposed classifications for all coal combustion residuals surface impoundments until August 1, 2016; consider any comments, information, and data received during this period, including memorandums of agreement or other binding agreements to provide permanent replacement water supplies in accordance with the requirements of 130A-309.211, as amended by Section 2(a) of this act, to reduce risk to public health, safety, and welfare; and

incorporate any comments, information, and data necessary for issuance of a classification that accurately reflects the level of risk posed by the coal combustion residuals surface impoundment.

(2) No later than September 1, 2016, submit a proposed classification for review and approval to the: (i) Coal Ash Management Commission, as appointed pursuant to G.S. 130A-309.202(b1), as enacted by Section 2(a) of this act; or, (ii) the Environmental Management Commission, if applicable, pursuant to Section 2(d) of this Act.

SECTION 2.(g) Up to five receipt-supported positions are created in the Division of Emergency Management of the Department of Public Safety to carry out the duties in G.S. 130A-309.202. There is appropriated a sum of up to four hundred thousand dollars ($400,000) to the Coal Ash Management Commission from the Coal Combustion Residuals Management Fund cash balance on June 30, 2016. These positions shall be used to provide assistance to the Coal Ash Management Commission established by G.S. 130A-309.202, as enacted by Section 2(a) of this act. The Division of Emergency Management in the Department of Public Safety shall consult with the Chair of the Commission in hiring the staff for the Coal Ash Management Commission. The Division of Emergency Management in the Department of Public Safety shall provide support to the Commission until the staff of the Commission is hired, including the designation of an individual to serve as an interim executive director of the staff. Provided, however, that if the Environmental Management Commission assumes all powers and duties for review and approval of proposed classifications for all coal combustion residuals surface impoundments and closure plans for all coal combustion residuals surface impoundments pursuant to Section 2(d) of this act, then funds to be appropriated pursuant to this Section shall instead be appropriated to the Environmental Management Commission, which funds shall be used solely to support the work of the Commission to review and approve proposed classifications and proposed closure plans.

SECTION 2.(h) This section is effective when it becomes law.

SECTION 3.(a) G.S. 143B-291 reads as rewritten:

"**§ 143B-291. North Carolina Mining Commission – members; selection; removal; compensation; quorum; services.**

(a) Repealed by 2014-4, s. 5(a), effective July 31, 2015.

(a1) Members, Selection. – The North Carolina Mining Commission shall consist of eight members appointed as follows:

(1) One member who is the chair of the North Carolina State University Minerals Research Laboratory Advisory Committee.

(2) The State Geologist, ex officio and nonvoting.

(3) One member appointed by the Governor subject to confirmation by the General Assembly, who is a representative of the mining industry.

(4) One member appointed by the Governor subject to confirmation by the General Assembly, who is a representative of the mining industry.

(5) One member appointed by the Governor subject to confirmation by the General Assembly, ~~General Assembly upon recommendation of the Speaker of the House of Representatives~~ who is a representative of the mining industry.

(6) One member appointed by the Governor subject to confirmation by the General Assembly, ~~General Assembly upon recommendation of the President Pro Tempore of the Senate~~ who is a representative of the mining industry.

(7) One member appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who is a member of nongovernmental conservation interests.

(8) One member appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who is a member of nongovernmental conservation interests.

(a2) Process for Appointments by the Governor. – The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, within 4 weeks of the convening of the session of the General Assembly in the year for which the terms in question are to expire, the names of the persons to be appointed by the Governor and submitted to the General Assembly for confirmation by joint resolution. If an appointment is required pursuant to this subsection when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, or (iii) after sine die adjournment of the Regular Session.

(b) Terms. – The term of office of a member of the Commission is ~~six years.~~four years, beginning effective January 1 of the year of appointment, and terminating on December 31 of the year of expiration. At the expiration of each member's term, the appointing authority shall replace the member with a new member of like qualifications for a term of ~~six~~ four years. In order to establish regularly overlapping terms, initial appointments shall be made effective June 1, 2016, or as soon as feasible thereafter, and expire as follows:~~The term of the member appointed under subdivision (5) of subsection (a1) of this section shall expire on June 30 of years that precede by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (3) and (6) of subsection (a1) of this section shall expire on June 30 of years that follow by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (4) and (7) of subsection (a1) of this section shall expire on June 30 of years that follow by three years those years that are evenly divisible by six. Upon the expiration of a six-year term, a member may continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7.~~

(1) The initial appointments made by the Governor:

a. Pursuant to (a1)(3) of this section shall expire December 31, 2020.

b. Pursuant to (a1)(4) of this section shall expire December 31, 2020.

c. Pursuant to (a1)(5) of this section shall expire December 31, 2019.

d. Pursuant to (a1)(6) of this section shall expire December 31, 2019.

(2) The initial appointment made by the General Assembly upon recommendation of the Speaker of the House of Representatives pursuant to (a1)(7) of this section shall expire December 31, 2018.

(3) The initial appointment made by the General Assembly upon recommendation of the President Pro Tempore of the Senate pursuant to (a1)(8) of this section shall expire December 31, 2018.

(c) Vacancies. – In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the Governor, prior to the expiration of the member's term of office, the name of the successor shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the General Assembly, vacancies in those appointments shall be filled in accordance with G.S. 120-122. If a vacancy arises or exists when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the member may be appointed by the Governor and serve on an interim basis pending confirmation or appointment by the General Assembly, as applicable. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(d) Removal. – The Governor may remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13.

(e) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

(f) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

(g) Staff. – All clerical and other services required by the Commission shall be supplied by the Secretary of Environmental Quality."

SECTION 3.(b) Notwithstanding the provisions of G.S. 143B-291(a2) and G.S. 143B-291 (b), as enacted and amended by Section 3(a) of this act, no later than 30 days after the date this act becomes law the Governor shall transmit to the presiding officers of the Senate and the House of Representatives, the names of the persons nominated by the Governor for appointment to the Mining Commission pursuant to G.S. 143B-291(a1), as enacted by Section 3(a) of this act, for confirmation by the General Assembly by joint resolution. Upon failure of the Governor to submit names as provided herein by December 1, 2016, the Lieutenant Governor shall make such appointments, and if such appointments made by the Lieutenant Governor occur when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly.

SECTION 3.(c) This section is effective when it becomes law.

SECTION 4.(a) G.S 143B-239.2 reads as rewritten:

"**§ 143B-293.2. North Carolina Oil and Gas Commission – members; selection; removal; compensation; quorum; services.**

(a) Repealed by Session Laws 2014-4, s. 4(a), effective July 31, 2015.

(a1) Members Selection. – The North Carolina Oil and Gas Commission shall consist of nine members appointed as follows:

(1) One appointed by the Governor subject to confirmation by the General Assembly, ~~General Assembly upon recommendation of the Speaker of the House of Representatives~~ who, at the time of initial appointment, is an elected official of a municipal government located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as an elected official of a municipal government but may not be reappointed to a subsequent term.

(2) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who shall be a geologist with experience in oil and gas exploration and development.

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who is a member of a nongovernmental conservation interest.

(4) One appointed by the Governor subject to confirmation by the General Assembly, ~~General Assembly upon recommendation of the President Pro Tempore of the Senate~~ who, at the time of initial appointment, is a member of a county board of commissioners of a county located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as county commissioner but may not be reappointed to a subsequent term.

(5) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who is a member of a nongovernmental conservation interest.

(6) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who shall be an engineer with experience in oil and gas exploration and development.

(7) One appointed by the Governor subject to confirmation by the General Assembly, who shall be a representative of a publicly traded natural gas company.

(8) One appointed by the Governor subject to confirmation by the General Assembly, who shall be a licensed attorney with experience in legal matters associated with oil and gas exploration and development.

(9) One appointed by the Governor subject to confirmation by the General Assembly, with experience in matters related to public health.

(a2) Process for Appointments by the Governor. – The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, within 4 weeks of the convening of the session of the General Assembly in the year for which the terms in question are to expire, the names of the persons to be appointed by the Governor and submitted to the General Assembly for confirmation by joint resolution. If an appointment is required pursuant to this subsection when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, or (iii) after sine die adjournment of the Regular Session.

(b) Terms. – The term of office of members of the Commission is ~~three years.~~four years, beginning effective January 1 of the year of appointment, and terminating on December 31 of the year of expiration. A member may be reappointed to no more than two consecutive ~~three-year~~four-year terms. The term of a member who no longer meets the qualifications of their respective appointment, as set forth in subsection ~~(a)~~(a1) of this section, shall terminate but the member may continue to serve until a new member who meets the qualifications is appointed. In order to establish regularly overlapping terms, initial appointments shall be made effective June 1, 2016, or as soon as feasible thereafter, and expire as follows:~~The terms of members appointed under subdivisions (1), (4), and (7) of subsection (a1) of this section shall expire on June 30 of years evenly divisible by three. The terms of members appointed under subdivisions (2), (5), and (8) of subsection (a1) of this section shall expire on June 30 of years that precede by one year those years that are evenly divisible by three. The terms of members appointed under subdivisions (3), (6), and (9) of subsection (a1) of this section shall expire on June 30 of years that follow by one year those years that are evenly divisible by three.~~

(1) The initial appointments made by the Governor:

a. Pursuant to (a1)(1) of this section shall expire December 31, 2020.

b. Pursuant to (a1)(4) of this section shall expire December 31, 2020.

c. Pursuant to (a1)(7) of this section shall expire December 31, 2020.

d. Pursuant to (a1)(8) of this section shall expire December 31, 2019.

e. Pursuant to (a1)(9) of this section shall expire December 31, 2019.

(2) The initial appointments made by the General Assembly upon recommendation of the Speaker of the House of Representatives:

a. Pursuant to (a1)(2) of this section shall expire December 31, 2018.

b. Pursuant to (a1)(3) of this section shall expire December 31, 2019.

(3) The initial appointments made by the General Assembly upon recommendation of the President Pro Tempore of the Senate:

a. Pursuant to (a1)(5) of this section shall expire December 31, 2018.

b. Pursuant to (a1)(6) of this section shall expire December 31, 2019.

(c) ~~Vacancies; Removal from Office.~~ Vacancies. – In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the Governor, prior to the expiration of the member's term of office, the name of the successor shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. In case of death, incapacity, resignation, or vacancy for

any other reason in the office of any member appointed by the General Assembly, vacancies in those appointments shall be filled in accordance with G.S. 120-122. If a vacancy arises or exists when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the member may be appointed by the Governor and serve on an interim basis pending confirmation or appointment by the General Assembly, as applicable. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(c1) Removal. –

~~(1) Any appointment by the Governor to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.~~ The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

~~(2) Members appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. In accordance with Section 10 of Article VI of the North Carolina Constitution, a member may continue to serve until a successor is duly appointed.~~

(d) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

(e) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

(f) Staff. – All staff support required by the Commission shall be supplied by the Division of Energy, Mineral, and Land Resources and the North Carolina Geological Survey.

(g) Committees. – In addition to the Committee on Civil Penalty Remissions required to be established under G.S. 143B-293.6, the chair may establish other committees from members of the Commission to address specific issues as appropriate. No member of a committee may hear or vote on any matter in which the member has an economic interest. A majority of a committee shall constitute a quorum for the transaction of business.

(h) Office May Be Held Concurrently With Others. – Membership on the Oil and Gas Commission is hereby declared to be an office that may be held concurrently with other elective or appointive offices in addition to the maximum number of offices permitted to be held by one person under G.S. 128-1.1."

SECTION 4.(b) Notwithstanding the provisions of G.S. 143B-293.2(a1) and G.S. 143B-293.2 (b), as enacted and amended by Section 4(a) of this act, no later than 30 days after the date this act becomes law the Governor shall transmit to the presiding officers of the Senate and the House of Representatives, the names of the persons nominated by the Governor for appointment to the Oil and Gas Commission pursuant to G.S. 143B-293.2(a1), as enacted by Section 4(a) of this act, for confirmation by the General Assembly by joint resolution. Upon failure of the Governor to submit names as provided herein by December 1, 2016, the Lieutenant Governor shall make such appointments, and if such appointments made by the Lieutenant Governor occur when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly.

SECTION 4.(c) For purposes of the rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules), modifications made to the Oil and Gas Commission under Section 4(a) of this act shall, pursuant to G.S. 150B-21.7, be construed to: (1) have repealed authority to adopt such rules given to previously constituted commissions, and (2) transferred the authority to adopt such rules to the Oil and Gas Commission as modified by Section 4(a) of this act. Therefore, pursuant to G.S. 150B-21.7, rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules) shall be effective until the Oil and Gas Commission, as modified Section 4(a) of this act, amends or repeals the rules.

SECTION 4.(d) This section is effective when it becomes law.

SECTION 5. The provisions of this act shall be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid, the validity of the remainder of this act shall not be affected thereby.

SECTION 6. Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

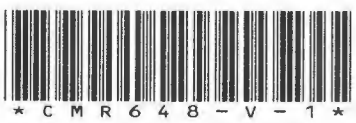
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

SB 71 Stagger RRC Member Terms.

Draft Number:	S71-PCS15377-RI-27
Serial Referral:	None
Recommended Referral:	**APPROPRIATIONS**
Long Title Amended:	Yes
Floor Manager:	McGrady

TOTAL REPORTED: 1



NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HJR **1141** Observance of Memorial Day.

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

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Rules,Calendar,and Operations

DATE: 05/24/2016 Room: 1228

House Sgt-At Arms:

1. Name: David Leighton
2. Name: Joe Austin
3. Name: Randy Wall
4. Name: Will Crocker
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

VISITOR REGISTRATION SHEET

House Rules,Calendar,and Operations — 05/24/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brooks Rainey Pearson	SELC
Caitlin Saunders	SELC
Amy [illegible]	NAR
Chris Broughton	MWC
Maggie Asbill	SELC
Cassie Gavin	Sierra Club

VISITOR REGISTRATION SHEET

House Rules,Calendar,and Operations — 05/24/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jerry Schill	NCFA
Steve Metcalf	The Policy Group
Gary Salamido	NC Chamber
Meaghan Lewis	NCC
Matthew Babcock	NCC
Sarah Bales	Bullaker & Associates
Sarah McBurney	SSGNC
	MWC
Mina Baley	EC
Matthew Starr	Riverkeeper

VISITOR REGISTRATION SHEET

House Rules,Calendar,and Operations — 05/24/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
GM Tenge	NMRS
Caroline Davis	Governors office
Leah Powers	Governor's office
Preston Howard	NCMA
LISA RIEGEL	non-affiliated for this purpose
Bob Stephens	Counsel to Governor McCrory
Mollie Young	DEQ
Donald van der Vaart	DEQ
David A Collins	SEANC
Flint Benson	SEANC
Amy Cutler	CBS North Carolina
Tracy Kimbrell	Parker Poe

VISITOR REGISTRATION SHEET

House Rules,Calendar,and Operations — 05/24/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Daniel Baum	Troutman Sanders
Lori Ann Harris	LAHA

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 2, 2016 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on June 2, 2016 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, L. Hall, Hanes, Hastings, Jackson, Lewis, Reives, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The meeting came to order at 12:47 PM.

The following bills were considered:

SB 600 Appraiser Compensation/Judge Perform Marriage. (Senators Meredith, Rabon, Lowe)
Daughtry moves for a favorable report to the House Committee Substitute, unfavorable Senate Committee Substitute. The motion carries.

SB 575 NC/SC Original Boundary Confirmation. (Senator Tucker)
Stam moves favorable report. The motion carries.

HB 734 Study/American Indian Heritage Ctr. (Representative C. Graham)
Rep. Floyd moves favorable report, unfavorable original bill. The motion carries.

SB 363 Wage & Hour/Local Gov't Assessments/Parks. (Senator Hartsell)
Rep. Reives moves a favorable report to the House Committee Substitute #2, unfavorable House Committee Substitute #1. The motion carries.

SB 160 Enhance Safety & Commerce for Ports/Inlets. (Senators Lee, Brown, Cook)
Rep. Daughtry moves a favorable report the House Committee Substitute, unfavorable to the original bill. The motion carries.

HB 451 LRC/Study Suicide Prevention. (Representatives Cunningham, Horn, Earle, Whitmire)
Rep. Daughtry moves adoption of Amendment H451-ATG-103 [v.2]. The amendment is adopted. Rep. Wray moves a favorable report to the bill as amended, unfavorable to the House Committee Substitute. The motion carries.

Rep. Torbett moves the authorization of the Committee to file Modify Various Appointments. The motion carries.

The meeting adjourned at 1:10 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

$680,000/year for 5 years to Edgecombe for new school from Nash Co. if split. → Not splitting though. (Sounds like a ploy for Senate race)

Rules - 6/2/16 - 12:47 PM

→ Floyd: Motion [redacted] HB 734 moved before the committee (PCS)
  → Move for favorable report
  → Favorable report ✓

→ Daughtry PCS 5160 move favorable report
  → Favorable Report ✓

→ Daughtry move to amend 451 Section 3
  → Amendment adopted.
  → Wray moves favorable report
  → Favorable Report

→ Stam move favorable report SB 575
  → Favorable Report

→ Stam move PCS moved before committee SB 363
  → Reeves moves for favorable report
  → Favorable Report

→ Daughtry moves for favorable report SB 600 - Banking
  → Favorable Report

→ Torbett moves to file appointments
  → Ayes have it
  - 1:10 PM

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 2, 2016, 15 Minutes After Session
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 600 ✓	Study/Autonomous Vehicles.-AB	Senator Meredith — Banking Senator Rabon Senator Lowe
~~SB 661~~	Private Labs Must Comply with CODIS.	Senator Newton
SB 575 ✓	NC/SC Original Boundary Confirmation.	Senator Tucker
HB 734 ✓	Study/American Indian Heritage Ctr.	Representative C. Graham
SB 363 ✓	Wage & Hour/Local Gov't Assessments/Parks.	Senator Hartsell
SB 160 ✓	Enhance Safety & Commerce for Ports/Inlets.	Senator Lee Senator Brown Senator Cook

→ HB 451 ✓ as amended

Presentations

Other Business

Consider ***Modify Various Appointments*** for Introduction

Adjournment

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 2, 2016, 15 Minutes After Session
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 600	Study/Autonomous Vehicles.-AB Appraisers / Marriage	~~Senator Meredith~~ Lewis & Szoka ~~Senator Rabon~~ ~~Senator Lowe~~ → Banking ~~Senator Newton~~ ~~Rep. Hurley~~
[redacted]	Private Labs Must Comply with CODIS. DWI Bill (Luther)	
SB 575	NC/SC Original Boundary Confirmation.	Senator Tucker w/ serial referral ~~Rep. Davis~~ to Judiciary 4
HB 734	Study/American Indian Heritage Ctr.	Representative C. Graham
SB 363	Wage & Hour/Local Gov't Assessments/Parks. Stam	~~Senator Hartsell~~ Rep. Stam
SB 160	Enhance Safety & Commerce for Ports/Inlets.	~~Senator Lee~~ ~~Senator Brown~~ Rep Dixon Resolution ~~Senator Cook~~
HB 451	Study Suicide Prevention (Amended)	

Presentations

Other Business

Consider ***Modify Various Appointments*** for Introduction Lewis (for intro. might suspend rules to consider today)

Adjournment

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 2, 2016, 15 Minutes After Session
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 600	Study/Autonomous Vehicles.-AB	Senator Meredith Senator Rabon Senator Lowe
SB 661	Private Labs Must Comply with CODIS.	Senator Newton
SB 575	NC/SC Original Boundary Confirmation.	Senator Tucker
HB 734	Study/American Indian Heritage Ctr.	Representative C. Graham
SB 363	Wage & Hour/Local Gov't Assessments/Parks.	Senator Hartsell
SB 160	Enhance Safety & Commerce for Ports/Inlets.	Senator Lee Senator Brown Senator Cook

Presentations

Other Business

Consider ***Modify Various Appointments*** for Introduction

Adjournment

SENATE BILL 600: Appraiser Compensation/Judge Perform Marriage.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 2, 2016
Introduced by:	Sens. Meredith, Rabon, Lowe	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	PCS to Second Edition S600-CSSU-45		

SUMMARY: The Proposed Committee Substitute for Senate Bill 600 amends the law as follows:

- ***Requires appraisal management companies to pay appraisers customary and reasonable fees in a manner consistent with federal law.***
- ***Authorizes a Justice of the US Supreme Court or Judge of the US Court of Appeals to perform a marriage in North Carolina for the period of July 2, 2016 - July 5, 2016.***

BILL ANALYSIS:

Section 1 of the PCS requires that appraisal management companies compensate appraisers in compliance with federal law, which provides for customary and reasonable fees, and authorizes the Appraisal Board to adopt rules defining customary and reasonable in a manner consistent with federal law. This section also makes a conforming change authorizing the Board to take disciplinary action against an appraisal management company for failure to compensate appraisers in compliance with the law.

Section 2 of the PCS authorizes a Justice of the United States Supreme Court or a Judge of the United States Court of Appeals to solemnize a marriage in North Carolina. Current law requires that a marriage be solemnized in the presence of a minister or magistrate but does not allow solemnization by judges. This authorization would only be in effect for the period of July 2, 2016, to July 5, 2016.

EFFECTIVE DATE: Section 1 of the act, related to appraisal management companies, becomes effective January 1, 2017. Section 2, related to solemnization of marriage, becomes effective July 2, 2016, and expires July 5, 2016.

Karen Cochrane-Brown
Director

S600-SMSU-136 CSSU-45 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 600
Transportation Committee Substitute Adopted 4/29/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S600-CSSU-45 [v.1]
06/01/2016 07:27:35 PM

Short Title: Appraiser Compensation/Judge Perform Marriage. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE APPRAISAL MANAGEMENT COMPANIES TO COMPENSATE APPRAISERS IN COMPLIANCE WITH FEDERAL LAW AND TO ALLOW FEDERAL APPELLATE JUDGES TO PERFORM MARRIAGE CEREMONIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 93E-2-4 is amended by adding the following new subsection to read:

"**§ 93E-2-4. Qualifications for registration; duties of registrants.**

...

(i) For appraisal assignments of one to four family residential dwellings, an appraisal management company shall compensate appraisers in compliance with §129E(i) of the federal Truth in Lending Act (15 U.S.C. §1601 et.seq.) and regulations promulgated thereunder. The Board shall adopt rules necessary to enforce this subsection."

SECTION 1.(b) G.S. 93E-2-8(a) is amended by adding the following new subdivision to read:

"**§ 93E-2-8. Disciplinary authority.**

(a) The Board may, by order, deny, suspend, revoke, or refuse to issue or renew a registration of an appraisal management company under this Article or may restrict or limit activities of a person who owns an interest in or participates in the business of an appraisal management company if the Board determines that an applicant, registrant, or any partner, member, manager, officer, director, compliance manager, or person occupying a similar status, performing similar functions, or directly or indirectly controlling the applicant or registrant has done any of the following:

...

(9) Failed to compensate appraisers in compliance with G.S. 93E-2-4(i).

..."

SECTION 1.(c) This section becomes effective January 1, 2017.

SECTION 2.(a) G.S. 51-1 reads as rewritten:

"**§ 51-1. Requisites of marriage; solemnization.**

A valid and sufficient marriage is created by the consent of a male and female person who may lawfully marry, presently to take each other as husband and wife, freely, seriously and plainly expressed by each in the presence of the other, either:

(1) a. In the presence of an ordained minister of any religious denomination, a minister authorized by a church, a Justice of the United States Supreme

Court or a Judge of the United States Court of Appeals, or a magistrate; and

b. With the consequent declaration by the ~~minister~~ minister, Justice, Judge, or magistrate that the persons are husband and wife; or

(2) In accordance with any mode of solemnization recognized by any religious denomination, or federally or State recognized Indian Nation or Tribe.

Marriages solemnized before March 9, 1909, by ministers of the gospel licensed, but not ordained, are validated from their consummation."

SECTION 2.(b) This section becomes effective July 2, 2016, and expires July 5, 2016.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 575:
NC/SC Original Boundary Confirmation.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 1, 2016
Introduced by:	Sen. Tucker	**Prepared by:**	Cindy Avrette Finance Committee Co-Counsel
Analysis of:	Fifth Edition		

SUMMARY: Senate Bill 575[1] addresses several legal and tax issues related to the reestablishment of the original boundary line existing between North Carolina and South Carolina.

CURRENT LAW AND BACKGROUND: The Governor is charged with causing the boundaries of the State to be established with its contiguous states. Those boundary lines may, from time to time, need to be reestablished. Chapter 141 of the General Assembly directs the Governor to appoint commissioners and surveyors to remark the boundary. When the boundary lines have been agreed upon, the Governor submits the survey to the Council and State and, upon its approval, issues a proclamation declaring the boundary lines.

North Carolina and South Carolina created a Joint Boundary Commission to relocate and reestablish their 334-mile common boundary. The Commission began its work in 1995 and completed the technical part of its work by May of 2013. For the last three years, efforts have been underway to reduce or eliminate the impact of the work on property owners whose residency or business would be moved from South Carolina to North Carolina, or vice versa, because of the reestablished boundary line. Nineteen homes are impacted by a change in jurisdiction and four businesses are impacted. The reestablished boundary goes through 54 homes and buildings.

During the two-decade long process, the Commission sent letters to 173 potentially impacted landowners and asked for comments. These comments helped shape the legislation introduced in the two states to minimize the impact of the boundary line on these property owners. There has been legislation introduced in South Carolina (Senate Bill 667[2]) and in North Carolina (Senate Bill 575).

BILL ANALYSIS: Under Part I of Senate Bill 575, the General Assembly certifies that, as of January 1, 2017, the boundary between NC and SC is the boundary that was reestablished by the Joint Boundary Commission and proclaimed as the boundary by the Governor. For property tax purposes, the boundary becomes effective as of January 1 of the year following the year this act becomes effective or the year an executive order has been issued by the Governor proclaiming the boundary between NC and SC, which is earlier.

Senate Bill 575 addresses not only the tax consequences of the reestablished boundary line but other issues as well, such as public education and drivers licenses. Perhaps the most significant situation the legislation addresses is a business that will be moved from SC to NC. The business is a gas station

[1] As introduced, this bill was identical to H834, as introduced by Rep. Davis, which is currently in House Rules, Calendar, and Operations of the House.

[2] Senate Bill 667, in the SC Legislature, passed 3rd reading in the Senate on April 28, 2015. The bill is currently in the House Judiciary Committee.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

located in York County, SC, that is allowed under SC law to sell beer, wine, and fireworks. As a NC business located in Gaston County, it would not be allowed to sell any of those products. In addition, the differential in the motor fuel excise tax between the two states would cause the price of the gasoline sold by this business to increase. To help alleviate the financial impact of this change, Parts II and VIII of the proposed committee substitute for Senate Bill 575 make the following changes:

- Part VIII creates a new "State boundary certification" ABC permit that will allow an establishment to be permitted to sell off-premises beer and unfortified wine, without the necessity of voter approval, if the establishment meets all of the following conditions:
    - Is located in a county that border another state.
    - Whose location is reclassified from out-of-state to North Carolina as a result of a State boundary certification.
    - Who was licensed and permitted by the previous state of record to sell beer and unfortified wine.
- Part II allows the motor fuel excise tax rate at this establishment to be the same rate as the rate imposed by South Carolina. It accomplishes this result as follows:
    - Designates an establishment to which a State boundary certification permit may be issued to be designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution and allowed a monthly motor fuel tax refund.
    - The amount of the refund is the difference between the amount of motor fuel excise tax paid under NC law, 35¢ per gallon, and 16¢ per gallon, which is the current per gallon motor fuel excise tax rate in SC. The Revenue Laws Study Committee must annually compare the motor fuel rate imposed in SC and recommend a change in the rate imposed by this act to an amount no greater than the rate then in effect for SC.
    - The special tax treatment allowed by this act becomes ineffective when the underlying property is sold; a change in the operator of the establishment would not trigger the sunset.
    - The difference in taxes is carried forward in the records of the Department of Revenue, together with interest and penalties, as deferred taxes and is a lien on the real property underlying the establishment. When the title to the real property underlying the establishment is transferred to a new owner, the deferred taxes for the preceding three calendar years become due and payable; however, in no event may the amount of the deferred taxes collected exceed the tax value of the property.

This act makes the following tax law changes applicable to any property impacted by the new boundary certification:

- NC taxes may not be imposed for a taxable period prior to the certification, such as income taxes and sales and use taxes.
- Vehicle title, registration, and payment of highway use tax is required from impacted persons in the same manner as it currently is required from persons moving to NC from another state. (PART IX)
- The tobacco products tax is due for products inventoried on or after the date of certification. The person is allowed a credit for any tax paid to the previous state of residence.

- Property that no longer meets the size requirements for present-use value solely because of the boundary certification may continue to qualify under the PUV classification and the deferred taxes for the property relocated in SC do not become due and payable until the deferred taxes on the land located in NC otherwise become due and payable.
- Property that no longer qualifies for a property tax benefit because of the boundary certification is no longer entitled to the property tax benefit, but the lien on the land for the deferred taxes is extinguished as if it has been paid in full.

Senate Bill 575 also addresses the following issues:

PART III, Instruments of title to real property. – The final survey of the confirmed boundary must be filed in every county affected by the boundary certification. Any parcels of land impacted by the survey must be registered and indexed in the county or counties where the affected parcel is situated. All conveyances and instruments of title of affected parcels are recognized and given full faith and credit, including outstanding mortgages and deeds of trusts, judicial orders, title insurance, and documents evidencing intestate succession.

PART IV, Foreclosure of deeds of trust and mortgages. – Prior to initiating an action to enforce a security instrument, the instrument must be recorded in the county where the property is situated. The laws of the state where the property is situated apply to the portion of the property located in that particular state.

PART V, Public school student enrollment. – A student who was eligible to enroll in a NC public school or charter school prior to the date of certification may attend school in this state without payment of tuition. That student is included in calculating average daily membership and is subject to NC compulsory attendance laws. A student who violates the compulsory attendance laws may no longer attend a NC public school or charter school under the provisions of this act.

PART VI, Driver education eligibility/Beginner license. – A student who attends a public school under the provisions of this act and obtains a beginner's permit in SC is eligible to participate in behind –the-wheel instruction as part of a driver education course offered by the school in which the student is enrolled. A student who is a legal resident of NC because of the boundary certification and who attends a SC public school may obtain a NC limited learner's permit if the student passes a course of driver education offered by the SC school in which the student is enrolled.

PART VII, Eligibility for in-State tuition. – Persons and their dependents formerly domiciled in NC who are domiciled in SC as a result of the boundary certification may be considered eligible for in-State tuition rates for a period of up 10 years from the effective date of the boundary change. The person must maintain residence and domicile on that same property within SC to be eligible for the NC in-State tuition rates. Persons and their dependents formerly domiciled in SC who are domiciled in NC as a result of the boundary certification may, for a period of two years from the effective date of the certification, be eligible for in-State tuition rates without the requirement of residency and domicile for 12 months in this State provided the person evidences an intent to establish domicile in NC and resides on the same property that was in SC immediately prior to the boundary certification.

PART X, Environmental compliance schedule. – A facility or property that was located in SC but is now located in NC as a result of the boundary certification must obtain any necessary permits, licenses, or program approval from DEQ that NC law requires. However, DEQ must provide a schedule of compliance that allows the recipient a period of no less than five years to come into compliance with NC laws, rules, and standards if there is no corresponding law, rule, or standard in SC or if the NC law, rule, or standard is more stringent than the SC counterpart. Nothing in this Part is intended to limit the

applicability or employment of existing procedures under NC law granting waivers or variances from otherwise applicable environmental rules or standards.

PART XI, Utilities/Extension of rural fire protection districts, county service districts, and water and sewer districts. – Property formerly in SC may continue to receive utility service from a provider in SC if that person was providing the service prior to January 1, 2017. A SC utility provider that provides service to a NC property under the provisions of this act is not a public utility subject to regulation by the NC Utilities Commission. The governing body of a district that gains territory because of the boundary certification must determine whether the residents of the newly gained territory would benefit from the services of the district, and if yes, must annex the territory to the district.

EFFECTIVE DATE: Except as otherwise provided, this act is effective when it becomes law.

The act also contains a severability clause so that if any provision of the act or its application is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 5

SENATE BILL 575

State and Local Government Committee Substitute Adopted 7/21/15
Corrected Copy 7/22/15
Finance Committee Substitute Adopted 5/24/16
Fifth Edition Engrossed 5/26/16

Short Title: NC/SC Original Boundary Confirmation. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE LEGISLATIVE CHANGES TO FACILITATE THE WORK OF THE BOUNDARY COMMISSION IN CONFIRMING AND REESTABLISHING THE ORIGINAL BOUNDARY EXISTING BETWEEN THE STATES OF NORTH CAROLINA AND SOUTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. GENERAL PROVISIONS

SECTION 1.(a) Findings. – The General Assembly finds that:

(1) North Carolina and South Carolina were created as separate British colonies.
(2) Surveys to determine the boundary between North Carolina and South Carolina began in 1735 and concluded in 1815.
(3) Resurveys of three sections of the boundary between North Carolina and South Carolina were performed in 1813, 1905, and 1928.
(4) The boundary between North Carolina and South Carolina has not changed; however, over the course of time from the original survey of the boundary, some of the markers denoting the boundary from the original surveys have been lost or destroyed by the elements.
(5) The boundary commission authorized pursuant to Chapter 141 of the General Statutes has worked with commissioners appointed by South Carolina to reestablish the boundary between North Carolina and South Carolina.

SECTION 1.(b) Intent. – It is the intent of the General Assembly to address the effects on persons or land with a situs recognized, as a result of a boundary certification, to be in this State and to avoid disputes with such persons or owners of such land. This act does not apply to persons whose property, rights, and businesses are not affected by boundary certification. For purposes of this act, "boundary certification" means the certification by the General Assembly of the boundary between North Carolina and South Carolina, as provided for in subsection (c) of this section.

SECTION 1.(c) Certification. – For purposes other than property tax, the General Assembly hereby certifies that, as of January 1, 2017, the boundary between North Carolina and South Carolina is the boundary that was established by the original survey and resurveys that were adopted through legislative and executive actions, and the reestablished boundary has been approved by the boundary commissions of North Carolina and South Carolina and proclaimed as

the boundary by the Governor, pursuant to G.S. 141-5. For property tax purposes, the General Assembly hereby certifies that, as of January 1 of the year following the year this act becomes effective or the year an executive order has been issued by the Governor proclaiming the boundary between North Carolina and South Carolina, whichever is earlier, the boundary between North Carolina and South Carolina is the boundary that was established by the original survey and resurveys that were adopted through legislative and executive actions, and the reestablished boundary has been approved by the boundary commissions of North Carolina and South Carolina and proclaimed as the boundary by the Governor, pursuant to G.S. 141-5.

PART II. TAX LIABILITY

SECTION 2.(a) Taxes. – The following provisions apply to taxes affected by boundary certification:

(1) Neither the State nor a subdivision of the State may assess a tax on a person for activities occurring prior to the date of certification where the basis of the assessment is the certification.

(2) The State and its subdivisions may assess a tax for activities occurring on or after the date of certification subject to the following conditions:

a. For taxes imposed for a taxable period, the tax may not be imposed for a period beginning prior to the date of certification.

b. For sales and use taxes for an item that is provided and billed on a monthly or other periodic basis, the tax may not be assessed for periods beginning prior to the date of certification.

c. For a person subject to taxes levied under Article 2A of Chapter 105 of the General Statutes who, on the date of the certification, has on hand any tobacco products, the person must file a complete inventory of the tobacco products within 20 days after date of certification and must pay an additional tax to the Secretary of Revenue when filing the inventory. The amount of the tax due is the amount due based on the current tax rate less any tax paid on the inventory to another state.

d. For installments and carryforwards of tax benefits allowed by this State at the time of boundary certification for activities with a situs in South Carolina, a person may claim remaining installments and carryforwards against State tax liability.

e. For land that is classified under G.S. 105-277.3 at the time of boundary certification and that fails to meet the size requirements of G.S. 105-277.3 solely because of boundary certification, (i) no deferred taxes are due as a result of boundary certification, (ii) the deferred taxes remain a lien on the land located in this State, and (iii) the deferred taxes for the land in this State are otherwise payable in accordance with G.S. 105-277.3. The tax benefit provided in this sub-subdivision is forfeited if any portion of the land located in this State is sold.

f. For land receiving a property tax benefit other than classification under G.S. 105-277.3 at the time of boundary certification that fails to meet the requirements for the property tax benefit solely because of boundary certification, the land is not entitled to receive the property tax benefit after the time of boundary certification unless it meets the statutory requirements, but the lien on the land for the deferred taxes is extinguished as if it has been paid in full.

(3) A person may not seek a refund for activities occurring prior to the date of certification where the basis of the refund is the certification.

SECTION 2.(b) An establishment to which permits may be issued pursuant to G.S. 18B-1006(n1), as enacted by this act, is designated a special class of property under Section 2(2) of Article V of the North Carolina Constitution, and the motor fuel sold by that establishment is taxable in accordance with this section. Notwithstanding G.S. 105-449.80, the motor fuel excise tax rate for an establishment to which permits may be issued pursuant to G.S. 18B-1006(n1), as enacted by this act, is sixteen cents (16¢) per gallon. The Revenue Laws Study Committee shall annually compare the motor fuel excise tax rate imposed by this section with the rate levied by the State of South Carolina on motor fuels and may recommend a change in the rate imposed by this section to an amount no greater than the rate then in effect for the State of South Carolina. An establishment designated as a special class of property by this section may obtain monthly refunds on the difference between the motor fuel excise tax imposed under G.S. 105-449.80 and the motor fuel excise tax imposed by this section. The Department shall calculate for each calendar year the difference between the motor fuel excise tax that would have been imposed under G.S. 105-449.80 on the motor fuel sold by an establishment classified by this section in the absence of this classification and the motor fuel excise tax that was imposed on the motor fuel sold by the establishment due to the classification. The difference in taxes, together with any interest, penalties, or costs that may accrue thereon, are a lien on the real property underlying the establishment as provided in G.S. 105-355(a). The difference in taxes shall be carried forward in the records of the Department as deferred taxes. The deferred taxes for the preceding three calendar years are due and payable on the day this subsection becomes ineffective due to the occurrence of a disqualifying event; provided, however, the amount collected for deferred taxes pursuant to this subsection does not exceed the tax value of the property. A disqualifying event occurs when the title to the real property underlying the establishment is transferred to a new owner. A lien for deferred taxes is extinguished when the amount required by this subsection is paid.

SECTION 2.(c) For property tax purposes, this Part is effective on the date of certification applicable to property tax purposes provided in Section 1(c) of this act. For all other purposes, this Part is effective for taxable periods beginning on or after January 1, 2017.

PART III. INSTRUMENTS OF TITLE TO REAL PROPERTY

SECTION 3.(a) The North Carolina Geodetic Survey shall record the final survey of the confirmed boundary in the office of the register of deeds in every county in this State where real property has been affected by the certification of the boundary. The applicable uniform fees provided in G.S. 161-10 shall apply to the recordation of the final survey. The register of deeds shall register and index the surveys in accordance with the provisions of Article 2 of Chapter 161 of the General Statutes.

SECTION 3.(b) For parcels of real property affected by the certification of the boundary, situated in whole or in part within the boundaries of this State, the North Carolina Geodetic Survey shall record a Notice of Affected Parcel in the office of the register of deeds in the county or counties where each affected parcel is situated. The register of deeds shall register and index the Notice in accordance with the provisions of Article 2 of Chapter 161 of the General Statutes. Notwithstanding any other provision of law to the contrary, the register of deeds shall not collect any fees or taxes for the Notice recorded pursuant to this subsection. The Notice shall contain at least all of the following information:

(1) Reference to this act.
(2) The recording reference for the final survey of the confirmed boundary recorded pursuant to subsection (a) of this section.
(3) The names of the record owners of the parcel.
(4) The property address of the parcel.
(5) A tax parcel identification number or other applicable identifier used by a county tax office, if available.

(6) A brief description of the parcel, if available.

(7) A source deed reference for the parcel, if available.

SECTION 3.(c) Title to real property previously treated as being subject to the jurisdiction of the State of South Carolina but that is recognized as being within the boundaries of this State as a result of the certification of the boundary is not affected by the certification of the boundary or the recognition of the real property as being within the boundaries of this State. All conveyances and instruments of title, of any sort, made prior to the certification of the boundary shall be recognized and given full faith and credit in this State according to the law, jurisdiction, and terms in effect at the time of the conveyance in the jurisdiction the property was previously treated as being subject to. For the purposes of this subsection, "instruments of title" means any instrument that affects title or constitutes the chain of title to real property, including, but not limited to, all deeds, wills, estate documents evidencing transfer of title, plats, surveys, easements, rights-of-way, outstanding mortgages and deeds of trust, judicial orders or decrees, and documents evidencing intestate succession.

SECTION 3.(d) Liens recorded prior to the date of boundary certification with the register of deeds or docketed with the clerk of superior court in the county in this State where the affected parcel is situated shall attach, as a class, to the affected parcel as of the effective date and time of the boundary certification. This class of liens shall be assigned priority as of the date of boundary certification but shall retain the same priority among themselves as if this subsection did not apply.

SECTION 3.(e) The Commissioner of Insurance shall not take any of the following actions with respect to a real estate title insurance company that previously operated only in South Carolina and issued a policy of title insurance in compliance under South Carolina law for a parcel of real estate now determined to be located wholly or partially in North Carolina:

(1) Require a certificate of authority to do business as a real estate title insurance company under Article 26 of Chapter 58 of the General Statutes.

(2) Take enforcement action against any title insurance company for failure to comply with the requirements of Article 26, 27, or 28 of Chapter 58 of the General Statutes applicable to real estate title insurance companies in North Carolina or any other statutory or regulatory requirements applicable to all insurance companies in North Carolina.

Nothing in this section is intended to prevent the Commissioner of Insurance from entering into a memorandum of agreement with the South Carolina Department of Insurance with respect to enforcement of South Carolina law against real estate title insurance companies subject to this section.

PART IV. FORECLOSURE OF DEEDS OF TRUST AND MORTGAGES

SECTION 4.(a) Foreclosure actions initiated on real property encumbered by a security instrument recorded in South Carolina wherein the real property is situated, in whole or in part, within the certified North Carolina boundaries shall be governed by the terms of the security instrument sought to be enforced for that portion of real property recognized as being in a different state. If the security instrument contains a power of sale clause, the party seeking to enforce the terms of the security instrument may initiate a foreclosure action in the county where the real property is situated pursuant to Chapter 45 of the General Statutes. A party seeking to enforce the terms of the security instrument may also resort to judicial foreclosure, pursuant to Article 29A of Chapter 1 of the General Statutes, in accordance with the terms within the security instrument. Judgments or orders of foreclosure entered by courts of this State are binding and effective only with respect to the portion of real property situated within this State. Prior to initiating an action to enforce a security instrument, the security instrument or a certified copy shall be recorded in the office of the register of deeds for the county where the subject property is situated. The provisions

of G.S. 45-10(a) shall apply with regard to the appointment or substitution of a trustee for any mortgage or deed of trust foreclosed pursuant to this section.

SECTION 4.(b) Notwithstanding any other provision of law to the contrary, for mortgages foreclosed pursuant to subsection (a) of this section, a mortgagee or its successors or assigns shall be entitled to bid at a foreclosure sale conducted pursuant to a judgment or order of foreclosure entered by the courts of this State.

PART V. PUBLIC SCHOOL STUDENT ENROLLMENT

SECTION 5.(a) Notwithstanding any other provision of law, a student who (i) was eligible to enroll in a North Carolina local school administrative unit in accordance with G.S. 115C-366 prior to the date of the certification and (ii) loses the eligibility to enroll in a public school, including a charter school, as a result of certification may attend a North Carolina public school located within the local school administrative unit or attend a North Carolina charter school, without the payment of tuition, until that student:

(1) Reaches the age of 21.
(2) Obtains a high school diploma.
(3) No longer meets the requirements of G.S. 115C-366 that were the basis for the student's eligibility for enrollment prior to the date of certification.
(4) Loses eligibility pursuant to subsection (b) of this section.

SECTION 5.(b) A student who attends a North Carolina public school or charter school under subsection (a) of this section and the student's parent, legal guardian, or custodian shall be subject to the laws and rules governing North Carolina public schools and charter schools in accordance with Chapter 115C of the General Statutes, including meeting the requirements of the compulsory attendance law under Part 1 of Article 26 of Chapter 115C of the General Statutes.

Notwithstanding the enforcement provisions of G.S. 115C-378(f), 115C-380, 115C-381, and 115C-382, a parent, guardian, or custodian of a student enrolled in a North Carolina public school or charter school under this section who is determined by the principal of the student's public school or the charter school to be in violation of the compulsory attendance laws shall no longer be eligible to enroll the student in a North Carolina public school or charter school pursuant to subsection (a) of this section in a subsequent semester of the school year. In addition, the local school administrative unit or charter school in which the student is enrolled shall notify, based on the student's place of residence in South Carolina, the juvenile court or such other court in the county that has jurisdiction of juveniles and, if applicable, the attendance supervisor for that county.

SECTION 5.(c) The State Board of Education shall provide that a student enrolled in a North Carolina public school or charter school in accordance with subsection (a) of this section be included in calculations for average daily membership, reporting for the Uniform Education Reporting System, and eligibility for State and federal funds.

SECTION 5.(d) Except as otherwise provided by this section or G.S. 115C-366, a student who is a legal resident of South Carolina shall not be entitled to enroll in a North Carolina public school.

PART VI. DRIVER EDUCATION ELIGIBILITY/BEGINNER LICENSE

SECTION 6.(a) Notwithstanding State Board of Education policy, GCS-R-004, or any other provision of law, if a student enrolled in a North Carolina public school or charter school under subsection (a) of Section 5 of this act obtains a beginner's permit in South Carolina, the student shall be eligible to participate in behind-the-wheel instruction as part of a driver education course offered by the local school administrative unit in which the student is enrolled.

SECTION 6.(b) Notwithstanding G.S. 20-11(b)(1), a student who (i) as a result of the boundary certification becomes a legal resident of North Carolina on the date of the certification and (ii) is enrolled in a South Carolina school district in which his or her residence was located

prior to certification or in the South Carolina statewide public charter school district may meet the requirement in G.S. 20-11(b)(1) for obtaining a limited learner's permit if the student passes a course of driver education offered by the South Carolina high school in which the student is enrolled.

SECTION 6.(c) The Department of Transportation, Division of Motor Vehicles, in collaboration with the State Board of Education, shall develop a procedure for any North Carolina resident who is a student enrolled in a South Carolina school pursuant to the conditions described in subsection (b) of this section to satisfy the driver eligibility certificate requirements of G.S. 20-11 to obtain and continue to hold a limited or full provisional license under this section.

PART VII. ELIGIBILITY FOR IN-STATE TUITION

SECTION 7.(a) Notwithstanding any other provision of law, independent persons and their dependents formerly domiciled in North Carolina counties who are domiciled in South Carolina counties as a result of the North Carolina-South Carolina boundary certification may be considered eligible for in-State tuition rates for a period of up to 10 years from the effective date of the boundary change. To be eligible for in-State tuition rates, such persons must have been domiciled and reside on property in North Carolina in accordance with G.S. 116-143.1 immediately prior to the effective date of North Carolina legislation approving the North Carolina-South Carolina boundary certification and must maintain residence and domicile on that same property within South Carolina.

SECTION 7.(b) Notwithstanding any other provision of law, independent persons and their dependents previously domiciled on property in South Carolina which is located in North Carolina as a result of the North Carolina-South Carolina boundary certification may, for a period of two years from the effective date of the boundary certification, be eligible for in-State rates without the requirement of residency and domicile for 12 months in this State provided such independent persons have evidenced the intent to establish domicile in North Carolina in accordance with G.S. 116-143.1. To be eligible under this provision, such persons must reside on the same property that was in South Carolina immediately prior to the effective date of North Carolina legislation approving the certified North Carolina-South Carolina boundary. To maintain eligibility for in-State tuition rates longer than the two years permitted under this paragraph, the independent persons and their dependents must satisfy the requirements of G.S. 116-143.1.

SECTION 7.(c) The provisions established under subsections (a) and (b) of this section are not transferable to persons other than those independent persons and their dependents falling within the scope of those provisions.

SECTION 7.(d) Should the domicile and residence of independent persons and their dependents change from the property affected by the boundary certification, maintenance of eligibility for in-State rates will be determined as provided in G.S. 116-143.1.

PART VIII. ABC PERMITS

SECTION 8. G.S. 18B-1006 is amended by adding a new subsection to read:

"(n1) State Boundary Certification. – The Commission may issue permits listed in G.S. 18B-1001(2) and (4), without approval at an election, to qualified establishments defined in G.S. 18B-1000(7) that meet all of the following requirements:

(1) The establishment is located in a county that borders on another state.

(2) The location of the establishment was reclassified from out-of-state to North Carolina as a result of a State boundary certification.

(3) The establishment was licensed or permitted by the previous state of record to sell malt beverages and unfortified wine."

PART IX. TITLE, REGISTRATION, AND HIGHWAY USE TAX

SECTION 9.(a) Definition. – For purposes of this section, "impacted person" shall mean any person who is the owner of a motor vehicle titled and registered in South Carolina and who has now been determined to be a resident of North Carolina as a result of a boundary certification agreed to by the states of North Carolina and South Carolina.

SECTION 9.(b) The Division of Motor Vehicles of the Department of Transportation shall require title, registration, and the payment of highway use tax from impacted persons in the same manner as it currently uses for persons moving to North Carolina from another state.

PART X. ENVIRONMENTAL COMPLIANCE SCHEDULE

SECTION 10.(a) Definition. – For purposes of this section, "impacted location" shall mean any facility or property that has now been determined to be located in North Carolina as a result of a boundary certification recognized by the states of North Carolina and South Carolina, and, as a result, either of the following applies to the facility or property:

(1) It is required to obtain a permit, license, or approval from the North Carolina Department of Environmental Quality.

(2) It is subject to a permit, license, or approval program that is operated by a local government and is delegated from or approved by the North Carolina Department of Environmental Quality.

SECTION 10.(b) Notwithstanding any other provision of law to the contrary, the Department of Environmental Quality, the Environmental Management Commission, or any local program delegated or approved by the Department or the Commission (collectively, the "permitting authorities"), in issuing any environmental permit, license, or approval to an impacted location, shall provide a schedule of compliance that allows the recipient of the permit, license, or approval a period of no less than five years to come into compliance with any North Carolina environmental rule or standard established by the permitting authorities that (i) has no corresponding rule or standard under South Carolina law or regulation or (ii) is more stringent than the corresponding rule or standard established under South Carolina law or regulations. The permitting authorities may include increments of progress applicable in each year of the schedule established under this subsection. The owner or operator of an impacted location may waive the schedule of compliance required by this subsection. Nothing in this section is intended to limit the applicability or employment of existing procedures under North Carolina statutes and regulations granting waivers or variances from otherwise applicable environmental rules or standards.

PART XI. UTILITIES/EXTENSION OF RURAL FIRE PROTECTION DISTRICTS, COUNTY SERVICE DISTRICTS, AND WATER AND SEWER DISTRICTS

SECTION 11.(a) The owner or occupant of a dwelling unit or commercial establishment on improved property that shall be deemed located in whole or in part in the State of North Carolina as a result of the boundary certification described in this act may continue to receive utility services from the South Carolina utility or its successor that is providing service to the dwelling unit or commercial establishment on January 1, 2017. However, the owner or occupant may, within his or her discretion, elect to have one or more of the utility services being provided to the property by a South Carolina utility on January 1, 2017, be provided by a North Carolina utility as long as the property is located within the North Carolina utility's service area. A North Carolina utility that is a city or county may require the owner of the property to pay a periodic availability fee authorized by law only if the owner elects to have utility service provided to the dwelling unit or commercial establishment by the North Carolina utility. A South Carolina utility that provides service to the property as authorized in this section is not a public utility under G.S. 62-3(23), and is not subject to regulation by the North Carolina Utilities Commission as it relates to providing the particular utility service involved. For purposes of this subsection only, the term "South Carolina utility" has the same meaning as the term "utility" or "utilities" in the Code of Laws of South Carolina, and the term "North Carolina utility" has the same meaning as the term

"public utility" which is defined in G.S. 62-3(23), and also includes a city or county that provides any of the services listed in G.S. 160A-311 or G.S. 153A-274, an authority organized under the North Carolina Water and Sewer Authorities Act, or an electric or telephone membership corporation.

SECTION 11.(b) The governing body of a county that gains territory as a result of the boundary certification described in this act shall meet as soon as practicable after the date this act becomes law to determine whether the residents of the territory (i) require the services provided by an existing rural fire protection district established under Article 3A of Chapter 69 of the General Statutes or a county service district established under Article 16 of Chapter 153A of the General Statutes or (ii) would benefit from the services provided by an existing county water and sewer district established under Article 6 of Chapter 162A of the General Statutes. If the governing body finds that the residents of the territory require or would benefit from the services of the district, the governing body shall annex the territory to the district as provided in G.S. 69-25.11(1), 153A-303, and 162A-87.1.

PART XII. SEVERABILITY AND EFFECTIVE DATE

SECTION 12.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 12.(b) Except as otherwise provided, this act is effective when it becomes law.

HOUSE BILL 734

Short Title:	Study/American Indian Heritage Ctr.	(Public)
Sponsors:	Representative C. Graham (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE NORTH CAROLINA COMMISSION ON INDIAN AFFAIRS TO COORDINATE A TASK FORCE TO STUDY THE FEASIBILITY OF ESTABLISHING A NORTH CAROLINA AMERICAN INDIAN HERITAGE CENTER.

The General Assembly of North Carolina enacts:

SECTION 1. The Commission on Indian Affairs shall coordinate a task force to study the feasibility of establishing a North Carolina American Indian Heritage Center as a tourist attraction that would promote American Indian cultures and preservation, cultural tourism, customs, and arts that are reflective of the American Indian tribes in North Carolina. As part of its study, the task force shall review existing State cultural facilities to determine whether such facilities are adhering to their mission and are being maintained accordingly.

SECTION 2. The task force shall include one representative of each of the following tribes and organizations: Coharie, Eastern Band of Cherokees, Haliwa Saponi, Lumbee, Meherrin, Occaneechi Band of the Saponi Nation, Sappony, Waccamaw-Siouan, Cumberland County Association for Indian People, Guilford Native American Association, Metrolina Native American Association, and the Triangle Native American Society. The persons appointed in this section shall be recommended by the tribes or organizations.

SECTION 3. Members of the task force shall serve without compensation but may receive travel reimbursement from funds available to the Department of Administration. No expenses shall be paid by the Commission on Indian Affairs.

SECTION 4. The Commission on Indian Affairs shall report the findings and recommendations of the task force, along with any recommendations, to the Joint Legislative Commission on Governmental Operations by March 1, 2016.

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

SENATE BILL 363:
Wage & Hour/Local Gov't Assessments/Parks.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 2, 2016
Introduced by:	Sen. Hartsell	**Prepared by:**	Trina Griffin Staff Attorney
Analysis of:	PCS to Third Edition S363-CSSVxr-50		

SUMMARY: The Proposed Committee Substitute for S363 contains three unrelated provisions as follows:

- ***Provides that employees of a seasonal amusement or recreational establishment are not subject to overtime or record keeping requirements of the North Carolina Wage and Hour Act.***
- ***Authorizes counties and cities to fund a critical infrastructure project with funds from private parties that may be reimbursed through the imposition of assessments.***
- ***Removes several small tracts from the State Nature and Historic Preserve and from the State Parks System to resolve deed overlaps, to allow for minor road relocations and utility easements, and to improve park management. This provision will require that the bill be approved by a three-fifths vote of the members of each house of the General Assembly.***

WAGE AND HOUR ACT CHANGES

CURRENT LAW: Employees who work for employers with at least two employees and that meet either of the following conditions are covered by the federal Fair Labor Standards Act (FLSA):

- They have an annual dollar volume of sales or business of at least $500,000.
- They are hospitals, businesses providing medical or nursing care for residents, schools and preschools, and government agencies.

The FLSA requires that covered employers pay their employees at least the federal minimum wage and overtime pay at time and one-half the regular rate of pay after 40 hours in a workweek. However, the Act provides some specific exemptions for employees employed by certain establishments and in certain occupations. Specifically, there is an exemption for "any employee employed by an establishment which is an amusement or recreational establishment, organized camp, or religious or non-profit educational conference center.[1]

The North Carolina Wage and Hour Act applies to employees who are not covered by the FLSA. States may, but are not required to, recognize or permit the application of the federal exemptions. Under North Carolina law, an employer of seasonal amusement or recreational establishment employees is required to pay those employees overtime pay for hours worked in excess of 45 hours per workweek. However,

[1] The establishment qualifies for the exemption only if either (i) it does not operate for more than 7 months in a calendar year, or (ii) during the preceding calendar year, its average receipts for any 6 months were not more than 33.33% of its average receipts for the other 6 months of the year.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

employees of a seasonal religious or nonprofit education conference center are specifically exempt from minimum wage, overtime, and record keeping requirements.

SECTION ANALYSIS:

Section 1(a) would provide that employees of a seasonal amusement or recreational establishment are not subject to the overtime or record keeping requirements of the North Carolina Wage and Hour Act, but they would be subject to the minimum wage requirements. Under this bill, the same rules will apply to all seasonal and recreational establishment employees with respect to overtime and record keeping, whether the employer falls under the FLSA or not.

Section 1(b) would remove the authority of the Commissioner of Labor to adopt a regulation which would allow a wage rate of not less than 85% of the minimum wage for employees of a seasonal amusement or recreational facility.

Section 1(c) is a conforming change. It deletes language in the overtime statute that requires employers of seasonal amusement or recreational establishment employees to pay overtime for hours exceeding 45 per work week.

EFFECTIVE DATE: This section would become effective when it becomes law and applies to wages earned after that date and after notice has been given to employees in accordance with G.S. 95-13(3).

LOCAL GOVERNMENT ASSESSMENTS

SECTION ANALYSIS: Section 2 of the bill would allow counties and cities to fund a critical infrastructure project with funds from private parties that may be reimbursed through the imposition of assessments.

CURRENT LAW: Counties and cities have the ability to impose assessments against benefitted property to pay for certain public infrastructure improvements, such as sidewalks. As a general rule, the assessment must be paid in full at the time it is assessed, but in no event may the assessment period exceed 10 years. In 2008, the General Assembly created a new financing tool that allowed counties and cities to impose special assessments to help finance long-term public infrastructure projects. Under this assessment-based financing tool, the assessments are paid in annual installments over a period not to exceed 25 years.

The assessment-based financing may be used for any purpose for which project development financing may be used. Those purposes include water and sewer systems, public transportation facilities, school facilities, gas systems, electric systems, industrial parks, parks and recreation facilities, and streets and sidewalks. Special assessments may be pledged as additional security for project development financing debt instruments as well as revenue bond financing debt instruments. If the assessment is pledged to secure financing, the city or county must covenant to enforce the payment of assessments.[2]

A county or city may only use special assessment-based financing if it receives a petition for the project to be financed through assessments that meets a two-prong test:

- The petition must be signed by a majority of the owners of the property assessed. For purposes of determining a majority, each parcel of property is given one vote. The sole owner of a parcel is given one vote. Multiple owners of a parcel are given a percentage vote equal to one vote multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of owners of the parcel.

---

[2] Unpaid assessments bear interest at a rate fixed in the assessment resolution. A county or city may foreclose assessment liens under procedures provided by law for the foreclosure of property tax liens.

- And those owners must represent ownership of at least 66% of the assessed value of the property to be assessed.[3] For purposes of determining whether the assessed value represented by those signing the petition constitute at least 66% of the assessed value of all real property to be assessed, 100% of the assessed value of property owned by one person is included in the calculation. For property owned by more than one person, that person's proportionate share of the assessed value of that property is included in the calculation.

The county board of commissioners or city must adopt a preliminary assessment resolution that describes the project, the proposed basis for making the assessment, and information concerning the cost of the work and the terms of payment of the assessment. The proposed basis for making the assessment method must assess property according to the benefits conferred upon it by the project for which the assessment is made. In making that determination, it is permissible to measure benefits by how the property is used. If the use of the property changes, the assessment on that property may be adjusted over time so long as the total amount of all the assessments is sufficient to pay the cost of the project after the adjustment is made. The county or city must hold a public hearing on the matter, prepare a preliminary assessment roll, and publish a confirmation of the assessment roll once it is adopted. An owner of property against which an assessment is made may file a notice of appeal to the General Court of Justice if the owner is dissatisfied with the amount of the assessment.

EFFECTIVE DATE: This section would become effective June 30, 2016, and apply to assessments made on or after that date.

DELETIONS FROM STATE NATURE AND HISTORIC PRESERVE/STATE PARKS

CURRENT LAW: Section 5 of Article XIV of the Constitution of North Carolina provides for addition of properties to and removal of properties from the State Nature and Historic Preserve by a law enacted by a three-fifths vote of the members of each house of the General Assembly. The Preserve is intended to insure that lands and waters acquired and preserved for public park, recreation, conservation, and historic preservation purposes continue to be used for these purposes. Upon inclusion in the Preserve, these lands may not be used for other purposes except as authorized by a law enacted by a vote of three-fifths of the members of each house. G.S. 143-260.10 lists the current components of the Preserve.

G.S. 143B-135.54 provides conditions and procedures for additions to, and deletions from, the State Parks System that must be authorized by the General Assembly. The State Parks Act requires a majority vote of the General Assembly to remove a park or any part from the State Parks System. Most of the land within the State Parks System is included in the State Nature and Historic Preserve.

BILL ANALYSIS: Section 3 would delete several small tracts from the State Nature and Historic Preserve and/ or delete these small tracts from the State Parks System. The proposed deletions will resolve deed overlaps, allow for minor road relocations and utility easements, and improve park management. Specifically, the bill would:

- Delete a 4.2 acre parcel from **Gorges State Park** from the Preserve and the State Parks System to facilitate an exchange of land with an adjacent property owner.
- Delete a .6 acre parcel from **Jockey's Ridge State Park** from the Preserve to allow a buried power transmission cable that crosses Jockey's Ridge and provides a power source between Nags Head and Roanoke Island to remain permanently.

---

[3] For example, if there are 21 owners involved and 10 hold 67% of the assessed value of the property to be assessed, at least one of the other 11 owners would have to sign the petition for the county or city to be able to impose the special assessments. Likewise, if 21 owners are involved and one owner owns 67% of the assessed value of the property, that one owner would have to be one of the signatures on the petition for the county or city to impose the special assessments.

- Delete a .008 acre parcel from **Mitchell's Mill State Natural Area** from the Preserve and the State Parks System to provide the Department of Transportation a right-of-way needed for a bridge replacement project over Cedar Fork Creek in eastern Wake County.
- Delete a 2.63 acre parcel from **Hanging Rock State Park** to correct several issues revealed by a boundary survey.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 363
Health Care Committee Substitute Adopted 4/27/15
House Committee Substitute Favorable 5/25/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S363-CSSVxr-50 [v.1]
06/01/2016 06:32:16 PM

Short Title: Wage & Hour/Local Gov't Assessments/Parks. (Public)

Sponsors:

Referred to:

March 24, 2015

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT EMPLOYEES OF SEASONAL AMUSEMENT OR RECREATIONAL FACILITIES ARE EXEMPT FROM OVERTIME AND RECORD-KEEPING REQUIREMENTS OF THE NORTH CAROLINA WAGE AND HOUR ACT, AUTHORIZING CITIES AND COUNTIES TO PROVIDE FOR THE PAYMENT OF ALL OR A PORTION OF THE COST OF CRITICAL INFRASTRUCTURE PROJECTS BY USING FUNDS FROM PRIVATE PARTIES AND REPAYING THE FUNDS BY MAKING SPECIAL ASSESSMENTS ON BENEFITTED PROPERTY, REMOVING CERTAIN PROPERTY FROM THE STATE NATURE AND HISTORIC PRESERVE, AND AUTHORIZING THE DELETION OF VARIOUS PROPERTIES FROM THE STATE PARKS SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 95-25.14(c) reads as rewritten:

"(c) The provisions of G.S. 95-25.4 (Overtime), and the provisions of G.S. 95-25.15(b) (Record Keeping) as they relate to this exemption, do not apply to:

...

(8) Any employee of a seasonal amusement or recreational establishment."

SECTION 1.(b) G.S. 95-25.3(e) reads as rewritten:

"(e) The Commissioner, in order to prevent curtailment of opportunities for employment, and to not adversely affect the viability of seasonal establishments, may, by regulation, establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable wage rate in effect under subsection (a) ~~which~~ that shall apply to any employee employed by an establishment ~~which~~ that is ~~a seasonal amusement or recreational establishment, or~~ a seasonal food service establishment."

SECTION 1.(c) G.S. 95-25.4(a) reads as rewritten:

"(a) Every employer shall pay each employee who works longer than 40 hours in any workweek at a rate of not less than time and one half of the regular rate of pay of the employee for those hours in excess of 40 per ~~week; provided that employers of seasonal amusement or recreational establishment employees are required to pay those employees the overtime rate only for hours in excess of 45 per workweek.~~week."

SECTION 2.(a) Article 9A of Chapter 153A of the General Statutes reads as rewritten:

"Article 9A.

"Special Assessments for Critical Infrastructure Needs.

"**§ 153A-210.1. Purpose; sunset.**

(a) Purpose. – This Article enables counties that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed under~~as provided in this Article on benefited ~~property.~~property and to use the resulting revenues as provided in this Article. This Article supplements the authority counties have in Article 9 of this Chapter. The provisions of Article 9 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

...

(b) Sunset. – This Article expires ~~July 1, 2020.~~July 1, 2020, for projects that have not been approved under a final assessment resolution. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"**§ 153A-210.2. Assessments.**

(a) Projects. – The board of commissioners of a county may make special assessments as provided in this Article against benefited property within the county for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

...

(b) Costs. – The board of commissioners must determine a project's total estimated ~~cost.~~cost and the amount of costs to be paid from assessments. In addition to the costs allowed under G.S. 153A-193, the costs may include any expenses allowed under ~~G.S. 159-84.~~G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The board of commissioners must establish an assessment method that ~~will most~~ will, in the board's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 153A-186, the board may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the board may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"**§ 153A-210.3. Petition required.**

(a) Petition. – The board of commissioners may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an

owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.

(2) An estimate of the cost of the project.

(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the board of commissioners shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.

(2) A general description of the nature and location of the project.

(3) A statement as to the proposed terms of payment of the assessment.

(4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the board of commissioners shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the board may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.

(b) Petition Withdrawn. – The board of commissioners must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the board signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The board may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the county did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 153A-210.4. ~~Financing~~Funding a project for which an assessment is imposed.

(a) ~~Financing~~ Funding Sources. – ~~A~~In addition to funding from sources otherwise authorized for use by a board of commissioners in connection with a project, a board of commissioners may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more of the ~~financing~~funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 153A-210.6.

(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.

(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.

(4) General revenues.

(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the board of commissioners must covenant to enforce the payment of the assessments.

(c) Reimbursement from Assessments. – If a board of commissioners contracts with a private party to construct a project on behalf of the county as provided in G.S. 153A-210.7, the board of commissioners may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor applicable during any period of abeyance provided under G.S. 153A-210.5. The board of commissioners shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the county's related administrative costs.

"**§ 153A-210.5. Payment of assessments by installments.**

(a) An assessment imposed under this Article is payable in annual installments. The board of commissioners must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The board of commissioners may provide for the abeyance of assessments as authorized in Article 9 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

...

"**§ 153A-210.7. Project implementation.**

A county may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general ~~revenue,~~revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a county for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the county or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the county in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the county or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the county, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 2.(b) Article 10A of Chapter 160A of the General Statutes reads as rewritten:

"Article 10A.

"Special Assessments for Critical Infrastructure Needs.

"**§ 160A-239.1. Purpose; sunset.**

(a) Purpose. – This Article enables cities that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed~~ as provided under this Article on benefited ~~property.~~property and to use the resulting revenues as provided in this Article. This Article supplements the

authority cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(b) Sunset. – This Article expires ~~July 1, 2020.~~ July 1, 2020, for projects that have not been approved under a final assessment resolution. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"§ 160A-239.2. Assessments.

(a) Projects. – The council of a city may make special assessments as provided in this Article against benefited property within the city for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

(b) Costs. – The city council must determine a project's total estimated ~~cost.~~cost and the amount of costs to be paid from assessments. In addition to the costs allowed under ~~G.S. 153A-193,~~G.S. 160A-226, the costs may include any expenses allowed under ~~G.S. 159-84.~~G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The city council must establish an assessment method that ~~will most~~will, in the city council's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 160A-218, the council may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the council may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"§ 160A-239.3. Petition required.

(a) Petition. – The city council may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.

(2) An estimate of the cost of the project.

(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the city council shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.

(2) A general description of the nature and location of the project.

(3) A statement as to the proposed terms of payment of the assessment.

(4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the city council shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the city council may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.

(b) Petition Withdrawn. – The city council must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the council signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The council may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the city did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 160A-239.4. ~~Financing~~Funding a project for which an assessment is imposed.

(a) ~~Financing~~Funding Sources. – ~~A~~In addition to funding from sources otherwise authorized for use by a city council in connection with a project, a city council may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more ~~financing~~funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from ~~the~~each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 160A-239.6.

(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.

(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.

(4) General revenues.

(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 160A-239.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the city council must covenant to enforce the payment of the assessments.

(c) Reimbursement from Assessments. – If a city council contracts with a private party to construct a project on behalf of the city as provided in G.S. 160A-239.7, the city council may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor

applicable during any period of abeyance provided under G.S. 160A-239.5. The city council shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the city's related administrative costs.

"**§ 160A-239.5. Payment of assessments by installments.**

(a) An assessment imposed under this Article is payable in annual installments. The city council must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The city council may provide for the abeyance of assessments as authorized in Article 10 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

...

"**§ 160A-239.7. Project implementation.**

A city may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general ~~revenue,~~revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a city for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the city or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the city in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the city or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the city, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 3.(a) Article 25B of Chapter 143 of the General Statutes is amended by adding the following new sections to read:

"**§ 143-260.10H. Removal of land in Gorges State Park from the State Nature and Historic Preserve.**

(a) Notwithstanding the provisions of G.S. 143-260.10(23), the portion of that certain tract or parcel of property at Gorges State Park in Transylvania County, described in Deed Book 153, Page 083, and containing approximately 4.2 acres as shown as Tract "A" in a survey by E. Roger Raxter, Inc., entitled State of North Carolina and Blue Ridge Mountains RV Resort Property Owners' Association, Inc., and dated March 20, 2016, is removed from the State Nature and Historic Preserve.

(b) The property described in subsection (a) of this section is deleted from the State Parks System pursuant to G.S. 143B-135.54.

(c) The State may only exchange this property for other property for the expansion of Gorges State Park or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land.

"**§ 143-260.10I. Removal of land in Jockey's Ridge State Park from the State Nature and Historic Preserve.**

Notwithstanding the provisions of G.S. 143-260.10(15), the portion of that certain tract or parcel of property at Jockey's Ridge State Park in Dare County, described in Deed Book 222, Page

732, and Deed Book 227, Page 501, and containing 0.6 acres as shown in a survey by Timmons Group entitled Plat Showing a Proposed Dominion North Carolina Power Easement Across the Properties of the State of North Carolina (Jockey's Ridge State Park) and dated December 18, 2014, is removed from the State Nature and Historic Preserve.

"**§ 143-260.10J. Mitchell's Millpond State Natural Area from the State Nature and Historic Preserve.**

(a) Notwithstanding the provisions of G.S. 143-260.10(26), the portion of that certain tract or parcel of property at Mitchell's Millpond State Natural Area in Wake County, described in Deed Book 4186, Page 756, and containing 0.08 acres as shown in a survey by the North Carolina Department of Transportation, Right-of-Way Branch, entitled State of North Carolina, Parcel 002, and dated March 11, 2015, is removed from the State Nature and Historic Preserve.

(b) The property described in subsection (a) of this section is deleted from the State Parks System pursuant to G.S. 143B-135.54.

(c) The State may only exchange this property for other property for the expansion of Mitchell's Millpond State Natural Area or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land."

SECTION 3.(b) Pursuant to G.S. 143B-135.54, the General Assembly authorizes the deletion of the following property from the State Parks System:

The portion of that certain tract or parcel of property at Hanging Rock State Park in Stokes County, described in Deed Book 267, Page 159, and containing approximately 1.5 acres as shown in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 7 of 7, and dated June 18, 2015, and revised April 6, 2016; and the portion shown as Deed Overlap in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 2 of 7, and dated June 18, 2015; and the portion of that certain tract or parcel of property in Stokes County described in Deed Book 368, Page 415, and containing approximately 1.058 acres shown as Deed Overlap in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 5 of 7, and dated June 18, 2015. The State may only exchange this property for other property for the expansion of Hanging Rock State Park or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land.

SECTION 4. Section 1 of this act is effective when it becomes law and applies to wages earned after that date and after notice has been given to employees in accordance with G.S. 95-13(3). Section 2 of this act becomes effective June 30, 2016, and applies to assessments made on or after that date. The remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 160
Corrected Copy 3/5/15
Appropriations/Base Budget Committee Substitute Adopted 4/1/15
Finance Committee Substitute Adopted 5/14/15
Fifth Edition Engrossed 5/19/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S160-PCS15385-LG-12

Short Title: Official State Veterans Day Parade. (Public)

Sponsors:

Referred to:

March 4, 2015

A BILL TO BE ENTITLED

AN ACT ADOPTING THE VETERANS DAY PARADE HELD IN THE TOWN OF WARSAW AS THE OFFICIAL STATE VETERANS DAY PARADE.

Whereas, the State of North Carolina is proud to host every branch of military service, including Fort Bragg, the largest Army installation in the world, Camp Lejeune, the largest Marine amphibious base in the world, and Seymour Johnson Air Force Base, home of the 4th Fighter Wing of the Air Combat Command; and

Whereas, North Carolina has over 775,000 veterans living in the State, ranking eighth in the nation, and more than 92,500 military retirees living in the State, ranking sixth in the nation; and

Whereas, Duplin County is located in the middle of the major military installations in North Carolina, and throughout its history has provided leaders for America's military and veterans organizations, the most recent being General Dan K. McNeill, a native of Warsaw, and former commander of the NATO International Security Assistance Force in Afghanistan; and

Whereas, the citizens of Warsaw have always been in the forefront when it was necessary to send young men and women to serve in times of war, and several of the Town's finest and brightest young men have given their lives for our country, including five who died during the Vietnam War:

Litchfield Patterson Huey, US Army, killed on February 27, 1967,
William Irvin (Guy) Turner, Jr., US Army, killed on July 8, 1968,
Charles Grey Costin, US Army, killed on November 1, 1968,
Clarence Leon (Boone) McNeil, US Air Force, killed on February 5, 1969, and
Allen Lewis Boney, US Army, killed on May 14, 1970; and

Whereas, the Town of Warsaw began sponsoring an annual Veterans Day Parade in 1921 to recognize America's military history and heritage and to honor all of America's military veterans, living and deceased; and

Whereas, the annual Warsaw Veterans Day Parade now is the oldest, continuously held Veterans Day Parade in the United States and should be recognized as the official State Veterans Day Parade; Now, therefore,

The General Assembly of North Carolina enacts:

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

"**§ 145-48. Official Veterans Day Parade.**

The Veterans Day Parade held in the Town of Warsaw is adopted as the official Veterans Day Parade in the State of North Carolina."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL DRH10531-LG-157A (04/25)

Short Title:	Modify Various Appointments.	(Public)
Sponsors:	Committee on Rules, Calendar, and Operations of the House.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

...

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term;

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

...."

SECTION 2. G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum; compensation; officers; meetings.**

...

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

...

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years with no person being appointed to more than three consecutive terms.

...."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 160
Corrected Copy 3/5/15
Appropriations/Base Budget Committee Substitute Adopted 4/1/15
Finance Committee Substitute Adopted 5/14/15
Fifth Edition Engrossed 5/19/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S160-PCS15385-LG-12

Short Title: Official State Veterans Day Parade. (Public)

Sponsors:

Referred to:

March 4, 2015

A BILL TO BE ENTITLED

AN ACT ADOPTING THE VETERANS DAY PARADE HELD IN THE TOWN OF WARSAW AS THE OFFICIAL STATE VETERANS DAY PARADE.

Whereas, the State of North Carolina is proud to host every branch of military service, including Fort Bragg, the largest Army installation in the world, Camp Lejeune, the largest Marine amphibious base in the world, and Seymour Johnson Air Force Base, home of the 4th Fighter Wing of the Air Combat Command; and

Whereas, North Carolina has over 775,000 veterans living in the State, ranking eighth in the nation, and more than 92,500 military retirees living in the State, ranking sixth in the nation; and

Whereas, Duplin County is located in the middle of the major military installations in North Carolina, and throughout its history has provided leaders for America's military and veterans organizations, the most recent being General Dan K. McNeill, a native of Warsaw, and former commander of the NATO International Security Assistance Force in Afghanistan; and

Whereas, the citizens of Warsaw have always been in the forefront when it was necessary to send young men and women to serve in times of war, and several of the Town's finest and brightest young men have given their lives for our country, including five who died during the Vietnam War:

Litchfield Patterson Huey, US Army, killed on February 27, 1967,
William Irvin (Guy) Turner, Jr., US Army, killed on July 8, 1968,
Charles Grey Costin, US Army, killed on November 1, 1968,
Clarence Leon (Boone) McNeil, US Air Force, killed on February 5, 1969, and
Allen Lewis Boney, US Army, killed on May 14, 1970; and

Whereas, the Town of Warsaw began sponsoring an annual Veterans Day Parade in 1921 to recognize America's military history and heritage and to honor all of America's military veterans, living and deceased; and

Whereas, the annual Warsaw Veterans Day Parade now is the oldest, continuously held Veterans Day Parade in the United States and should be recognized as the official State Veterans Day Parade; Now, therefore,

The General Assembly of North Carolina enacts:

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

"**§ 145-48. Official Veterans Day Parade.**

The Veterans Day Parade held in the Town of Warsaw is adopted as the official Veterans Day Parade in the State of North Carolina."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL DRH10531-LG-157A (04/25)

Short Title:	Modify Various Appointments.	(Public)
Sponsors:	Committee on Rules, Calendar, and Operations of the House.	
Referred to:		

A BILL TO BE ENTITLED

AN ACT TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

...

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term:

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

...."

SECTION 2. G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum; compensation; officers; meetings.**

...

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

...

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years with no person being appointed to more than three consecutive terms.

...."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

BILL DRAFT 2015-LG-157A [v.1] (04/25)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
05/16/2016 02:51:27 PM

Short Title: Modify Various Appointments. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

...

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term;

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

... ."

SECTION 2. G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees – establishment; members; selection; quorum; compensation; officers; meetings.**

...

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

...

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years with no person being appointed to more than three consecutive terms.

... ."

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

HOUSE BILL 451

Short Title:	LRC/Study Suicide Prevention.	(Public)
Sponsors:	Representatives Cunningham, Horn, Earle, and Whitmire (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 2, 2015

A BILL TO BE ENTITLED

AN ACT DIRECTING THE LEGISLATIVE RESEARCH COMMISSION TO EXAMINE WAYS TO PREVENT SUICIDE AMONG MINORS, VETERANS, AND EMERGENCY RESPONDERS IN NORTH CAROLINA.

Whereas, suicidal behavior is a serious and persistent public health problem with devastating effects on victims, families, and communities; and

Whereas, suicide resulted in more years of potential life lost than other common causes of early death in North Carolina, including homicide, congenital abnormalities, cerebrovascular disease, human immunodeficiency virus (HIV), and diabetes mellitus; and

Whereas, hospitalization charges for self-inflicted injuries in North Carolina totaled three hundred fifteen million dollars ($315,000,000) from 2004 to 2008; and

Whereas, suicidal behavior in youth and young adults (ages 10 to 24 years) is a significant concern because this age group has the highest rates of self-inflicted injury requiring hospitalization or a visit to the emergency department; and

Whereas, suicide is the third leading cause of death among youth in North Carolina; and

Whereas, according to a national study, there has been an increase in the suicide rate of firefighters, law enforcement officers, and emergency medical services personnel as compared to the general population; and

Whereas, a national study indicates that fighting fires, responding to emergency law enforcement situations, and responding to emergency medical situations negatively impacts the mental wellbeing of these responders, putting them at greater risk of developing behavioral health issues as compared to the general population; and

Whereas, according to a national study, veterans also face an elevated risk of suicide as compared to the general population; and

Whereas, a total of 1,148 North Carolina veterans died from suicide during the time period from 2004 to 2008, resulting in a veteran suicide rate (29.6 per 100,000) twice the overall suicide rate in North Carolina (14.0 per 100,000); and

Whereas, research continues on how the effects of wartime service and injuries, such as traumatic brain injury, post-traumatic stress disorder, or other service-related conditions, may increase the number of veterans who attempt suicide; and

Whereas, approximately ninety percent (90%) of people who die by suicide had a diagnosable psychiatric disorder at the time of death, such as depression; and

Whereas, most suicide victims exhibit warning signs or behaviors prior to an attempt; and

Whereas, suicide risk factors cut across multiple disciplines - psychological, biological, and social - suggesting that successful prevention efforts must reflect collaborative efforts across a broad spectrum of agencies, institutions, schools, and community-based organizations; and

Whereas, adults that are regularly in contact with people at risk for suicide need to be trained in order to be able to recognize factors that may indicate thoughts of suicide; and

Whereas, due to the strong association between suicidal behavior and mental illness, substance abuse, or both, in all age groups, prevention and treatment services for mental illness and substance abuse must be available when and where people need them; and

Whereas, despite the increased recognition that suicide is a public health problem, studies indicate that adults who are regularly in contact with people at risk for suicide are not adequately trained to recognize factors that may indicate thoughts of suicide, and that many health care providers are not adequately trained to provide proper assessment, treatment, or referrals; and

Whereas, improved training and education in suicide assessment, treatment, and management have been recommended by a variety of organizations, including the United States Department of Health and Human Services and the Institute of Medicine; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The Legislative Research Commission (LRC) shall study the role of health care providers and other key gatekeepers in suicide prevention, particularly among individuals under age 25, firefighters, law enforcement officers, emergency medical services personnel as defined in G.S. 131E-155, and veterans. The study shall include an examination of at least all of the following:

(1) The effect of evidence-based suicide assessment, treatment, and management training on the ability of a licensed health care provider to identify, refer, treat, and manage patients with suicidal ideation. In conducting this examination, the Commission shall, at a minimum:
   a. Review available research and literature regarding (i) best practices in assessing, treating, and managing patients with suicidal ideation and (ii) the relationship between completion of training in these best practices and patient suicide rates.
   b. Assess which licensed health care providers are best situated to positively influence the mental health behavior of individuals with suicidal ideation.
   c. Evaluate the impact of suicide assessment, treatment, and management training on veterans with suicidal ideation.
   d. Review curricula of health care profession programs offered at the State institutions of higher education regarding suicide prevention.

(2) The categories of licensed health care providers in this State that should be required to complete training in suicide assessment, treatment, and management as part of their continuing education requirements.

(3) For each category of health care providers identified pursuant to sub-subdivision (1)b. of this section, (i) the minimum number of required hours and the specific elements of any suicide prevention training the Department determines would be beneficial and (ii) any recommended exemptions from the proposed minimum training requirements.

(4) The feasibility and effectiveness of providing training to school personnel, clergy, and law enforcement personnel on how to recognize at-risk behavior and how to make appropriate referrals for treatment.

(5) Methods for credentialing and identifying, through a badge or other form of identification, all persons trained in recognizing at-risk behavior and how to make appropriate referrals for treatment.

(6) Methods for ensuring that nonidentifying information derived from suicide investigations is shared for statistical, research, and other purposes consistent with State and federal confidentiality laws with relevant stakeholders, including health care providers; educational institutions; organizations representing firefighters, law enforcement officers, emergency medical services personnel, and veterans; and community-based organizations that provide mental health services to individuals with suicidal ideation; State agencies, including the Department of Health and Human Services; and the Child Fatality Task Force.

(7) Any other issues the Commission deems necessary to complete its report.

SECTION 3. The Legislative Research Commission may make an interim report to the 2015 General Assembly when it reconvenes in 2016 and shall make its final report, including any proposed legislation, to the 2017 General Assembly when it convenes.

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

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 451

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

H451-ATG-103 [v.2]

Amends Title [NO]
First Edition

Date _____,2016

Representative _____

moves to amend the bill on page 3, lines 14-16, by rewriting the lines to read:

"**SECTION 3.** The Legislative Research Commission shall make its final report, including any proposed legislation, to the 2017 General Assembly when it convenes.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SB **575** **(CS#2)** NC/SC Original Boundary Confirmation.

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

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **451** LRC/Study Suicide Prevention.

Draft Number:	H451-PCS40644-TG-61
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Cunningham

HB **734** Study/American Indian Heritage Ctr.

Draft Number:	H734-PCS40643-SU-44
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	C. Graham

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **600** **(CS#1)** Study/Autonomous Vehicles.-AB

Draft Number:	S600-PCS45509-SU-45
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **363** **(HCS#1)** Wage & Hour/Local Gov't Assessments/Parks.

Draft Number:	S363-PCS45510-SVxr-50
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Setzer

TOTAL REPORTED: 5

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

SB **575** **(CS#2)** NC/SC Original Boundary Confirmation.

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

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **451** LRC/Study Suicide Prevention.

Draft Number:	H451-PCS40644-TG-61
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Cunningham

HB **734** Study/American Indian Heritage Ctr.

Draft Number:	H734-PCS40643-SU-44
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	C. Graham

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **600** **(CS#1)** Study/Autonomous Vehicles.-AB

Draft Number:	S600-PCS45509-SU-45
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **363** **(HCS#1)** Wage & Hour/Local Gov't Assessments/Parks.

Draft Number:	S363-PCS45510-SVxr-50
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Setzer

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE FOR INTRODUCTION

DRH40645-LG-157B A BILL TO BE ENTITLED AN ACT TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB NO. 2

SB **160** **(CS#2)** Enhance Safety & Commerce for Ports/Inlets.

Draft Number:	S160-PCS45513-SU-46
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Dixon

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 06/02/2016 Room: 1228/1337

House Sgt-At Arms:

1. Name: David Leighton
2. Name: Doug Harris
3. Name: Rey Cooke
4. Name: Rex Foster
5. Name: Bill Riley

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hugh Johnson	NCAEC
Charles White	NC SOS
Angella Dunston	SOS
Mia Bailey	ElectriCities
Chris McDaniel	KTS
Cameron Nieters	KTS
Starnes	OSA
Jay Rouse	NCAEC
Kathy Hankins	Duke Energy
Tommy Hamilton	School Boards
SOLARI	DST

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Handel	MFS
Michelle Frazier	MFS
Chris Broughton	MWC
Julie White	NEMC
Chris Agan	DOJ
Ron Killian	Nelson Mullins
Ed Turlington	Poyner
Paul Shumaker	NCFB
JAKE PARKER	NCFB
Meg Miller	AMGA
CADY THOMAS	FOCUS Carolina LLC

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Seth Palmer	NC4R
Colleen Cochanek	KL6
~~Collins~~	CSH
Ricki Zechini	Williams Mullen
NICHOLE FAKIM	NAMI NC
Kelsey Byerly	Laurie Ohono LLC
Laurie Ohono	" "
Wendy Kelly	[illegible]
Marina Jenkins	DNCR
Carol Tingley	DNCR - State Parks

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JOE LANIER	TSS
DANIEL BAUM	TSS
Hayden Bauguess	FSP
[illegible]	CSS
[illegible]	[illegible]
Tim Minin	NCABA
[illegible]	[illegible]
[illegible]	NRDC
[illegible]	NCFPC
Rev. Mark Creech	CAL
[illegible]	NMA

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carrie Hunt	NCR
Jake Eagleson	NCC
Amanda Donovan	TSS
CHRIS MILLER	DOL
Jane Gilchrist	NCDOL
Jennifer Haigwood	NCDOL
CHRISTINE RYAN	NCDOL
Gary Thorpe	DPS/EM
Bruce Muldrow	NCSBA
Sarah McKenzie	SSHNC
Stephen Kovba	CCS

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sue Ann Forrest	NCICU
Sarah Preston	ACLU-NC
Sarah Wellish	DST
Nathaniel Brown	DST
Erin Wynia	NCLM
Caroline Daly	Governor's Office
Leah Parsons	Governor's Office
Weldon Jones	Jordan Price
Henry Jones	
Laura Puryear	LOLLC
	CGA

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/02/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
TJ Bugbee	NP
Chris McClure	BP
Ken Melton	K.M.A.
David Ferrell	VB

House Committee on Rules, Calendar, and Operations of the House
Tuesday, June 14, 2016 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 10:00 AM on June 14, 2016 in Room 544 of the Legislative Office Building. Representatives Boles, Bumgardner, Burr, Carney, Fraley, Goodman, L. Hall, Hastings, Robinson, Stam, Stevens, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided. The meeting began at 10:07 AM.

The following bills were considered:

HJR 1130 Pledge to Uphold the Bill of Rights. (Representatives Pittman, Speciale, Brody, Ford)
Stam submits amendment H1130-ATC-168 [v.4] and moves for adoption. The motion carries.
Stam moves for a favorable report to the bill as amended. The motion carries.

SB 363 Wage & Hour/Local Gov't Assessments. (Senator Hartsell)
Stam moves for a favorable report. The motion carries.

HB 1146 Modify Various Appointments. (Representative Rules, Calendar, and Operations of the House)
Torbett moves for a favorable report. The motion carries.

SB 748 Change Report - Build. & Infrastructure Comm. (Senators Barefoot, Harrington, Hise)
Szoka moves favorable report. The motion carries.

HB 499 Study/Public Records & Open Meetings. (Representatives Collins, L. Hall, Hamilton, Blust)
Stam submits amendment H499-ATG-108 [v.1]. The amendment is adopted. Stam moves for a favorable report to the bill as amended. The motion carries.

SJR 718 Honor Harris Blake, Former Senator. (Senator Tillman)
Stam moves favorable report. The motion carries.

SB 382 Revision of SB 612. (Senators Rabon, Harrington, Meredith)
Removed from calendar per Chairman Lewis

The meeting recessed at 10:25 AM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Rules - 6/14/16

10:07 AM

→ Stam motion PCS 363

→ Motion carries

→ Szoka moves ~~[illegible]~~ SB 748

→ Motion carries

→ Stam SJR 718

→ Favorable Report Adopted

→ Szoka HB 499 to new PCS as amended

→ Favorable Report Adopted (Amendment Stam)

→ Torbett HB 1196

→ Favorable Report Carries

→ Stam HJR 1130 to new PCS as amended

→ Favorable Report Carries (Amendment Stam)

Recess - 10:25 AM

- 3:44 PM

→ HJR ~~Stam~~ 1149 Stam Favorable Report

→ Favorable Report Carries

→ SB 382 Floyd PCS as amended into new PCS

- Stevens amendment - local current exp per pupil must stay the same after 2017
- Amendment adopted

→ Favorable Report Carries

- 3:54 PM

House Committee on Rules, Calendar, and Operations of the House
Tuesday, June 14, 2016, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HJR 1130	Pledge to Uphold the Bill of Rights.	Representative Pittman Representative Speciale Representative Brody Representative Ford
SB 363	Wage & Hour/Local Gov't Assessments/Parks.	Senator Hartsell
HB 1146	Modify Various Appointments.	Representative Rules, Calendar, and Operations of the House
SB 748	Change Report - Build. & Infrastructure Comm.	Senator Barefoot Senator Harrington Senator Hise
HB 499	Study/Public Records & Open Meetings.	Representative Collins Representative L. Hall Representative Hamilton Representative Blust
SJR 718	Honor Harris Blake, Former Senator.	Senator Tillman
SB 382	RFI/Privatization of Ferry System.	Senator Rabon Senator Harrington Senator Meredith

Presentations

Other Business

Adjournment

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE JOINT RESOLUTION 1130
PROPOSED COMMITTEE SUBSTITUTE H1130-PCS40662-LG-13

Sponsors:

Referred to:

May 19, 2016

A JOINT RESOLUTION CONCERNING THE COMMITMENT OF THE GOVERNMENT OF THE STATE OF NORTH CAROLINA TO THE PRINCIPLES AND THE ENFORCEMENT OF THE BILL OF RIGHTS IN THE CONSTITUTION OF THE UNITED STATES OF AMERICA, WHILE HONORING THE MEMORY OF WILLIE JONES OF HALIFAX COUNTY, DAVID CALDWELL OF GUILFORD COUNTY, AND OTHER NORTH CAROLINA CITIZENS AND THE INFLUENCE THEY HAD ON THE CREATION AND ADOPTION OF THE BILL OF RIGHTS.

Whereas, the State of North Carolina was 12th among the original 13 States to ratify the United States Constitution; and

Whereas, the State of North Carolina refused to ratify the United States Constitution unless a Bill of Rights was added, guaranteeing the freedom and rights of the People and the ability of the States to govern themselves in all matters in which the United States Constitution did not explicitly grant authority to the federal government; and

Whereas, the anti-federalists, who insisted upon a Bill of Rights, included Willie Jones of Halifax County, who not only served as a member of the commission that drafted the first State Constitution of the State of North Carolina and as a member of the House of Commons throughout the Revolution but also served one term in the Continental Congress in 1780; and

Whereas, David Caldwell of Guilford County, a pastor of the Buffalo and Alamance Presbyterian Churches, encouraged his parishioners to participate in the American Revolution and represented Guilford County in the Halifax Provincial Congress and voted, along with the majority of delegates, not to ratify the United States Constitution without the addition of a Bill of Rights; and

Whereas, some of the other North Carolinians who supported a Bill of Rights before agreeing to ratify the United States Constitution were Lemuel Burkitt, Thomas Person, Samuel Spencer, and Timothy Bloodworth; and

Whereas, the State of North Carolina ratified the United States Constitution on November 21, 1789, only after a proposed Bill of Rights, in the form of 12 Amendments to the United States Constitution, was offered in Congress in September 1789; and

Whereas, the first 10 Amendments to the United Stated Constitution were finally ratified on December 15, 1791, becoming enshrined as America's own Bill of Rights; and

Whereas, this Bill of Rights codifies limitations on the power of the federal government of the United States, assuring the People and the States the right to govern themselves in all matters in which the United States Constitution does not empower the federal government to interfere; and

Whereas, the People of the State of North Carolina have a right to expect the government of our State to adhere to and uphold the Bill of Rights at all times; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. We, the General Assembly of the State of North Carolina, pledge to be faithful to the oath we have taken to govern in accordance with the North Carolina Constitution and the United States Constitution, taking particular care to uphold the Bill of Rights in its entirety.

SECTION 2. The General Assembly honors the memory of Willie Jones of Halifax County, David Caldwell of Guilford County, and others for their contributions to the creation and adoption of the Bill of Rights.

SECTION 3. This resolution is effective upon ratification.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Joint Resolution 1130

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

H1130-ATC-168 [v.4]

Amends Title [YES]
H1130-PCS40662-LG-13

Date _____,2016

Representative Stam

moves to amend the resolution on page 1, line 4, by rewriting that line to read:

"AMERICA AND THE NORTH CAROLINA DECLARATION OF RIGHTS, WHILE HONORING THE MEMORY OF WILLIE JONES OF HALIFAX";

and on page 1, line 7, by rewriting that line to read:

"ADOPTION OF THE BILL OF RIGHTS AND THE NORTH CAROLINA DECLARATION OF RIGHTS.";

and on page 1, lines 25-26, by inserting the following between those lines:

"Whereas, the provisions of the North Carolina Declaration of Rights preceded and were, in many respects, a source of the text of the Bill of Rights; and";

and on page 2, lines 3-4, by replacing the phrase "in its entirety." with the phrase "and the North Carolina Declaration of Rights in their entirety.".

SIGNED Stam
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

REPRESENTATIVE PAUL STAM

COMPARISON BETWEEN THE BILL OF RIGHTS OF THE UNITED STATES CONSTITUTION AND THE NORTH CAROLINA DECLARATION OF RIGHTS

HR 286 HONOR RECOVERY OF NORTH CAROLINA BILL OF RIGHTS
OLD STATE CAPITOL – RALEIGH, NORTH CAROLINA

March 18, 2013

United States Constitution **Bill of Rights** ***Ratified December 15, 1791***	**North Carolina** **Declaration of Rights** ***Ratified December 18, 1776***
Amendment I Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances	*Section 15, "That the freedom of the press is one of the great bulwarks of liberty; and therefore ought never to be restrained."* *Section 18, "That the people have a right to assemble together, to consult for the common good, to instruct their representatives, and to apply to the legislature for redress of grievances."* *Section 19, "That all men have a natural and unalienable right to worship Almighty God according to the dictates of their own conscience."*
Amendment II A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.	*Section 17, "That the people have a right to bear arms, for the defense of the State..."*
Amendment III No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.	*Section 17, "and as standing armies, in time of peace, are dangerous to liberty, they ought not to be kept up; and that the military should be kept under strict subordination to, and governed by, the civil power."*
Amendment IV The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.	*Section 11, "That general warrants, whereby any officer or messenger may be commanded to search suspected places, without evidence of the act committed, or to seize any person or persons not named, whose offenses are not particularly described, and supported by evidence, are dangerous to liberty, and ought not to be granted."*

Amendment V

No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

Section 8, "That no freeman shall be put to answer any criminal charge, but by indictment, presentment, or impeachment."
Section 12, "That no freeman ought to be taken, imprisoned, or disseized of his freehold, liberties, or privileges, or outlawed or exiled, or in any manner destroyed, or deprived of his life, liberty or property, but by the law of the land."

Amendment VI

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the Assistance of Counsel for his defence.

Section 7, "That in all criminal prosecutions, every man has a right to be informed of the accusation against him, and to confront the accusers and witnesses with other testimony, and shall not be compelled to give evidence against himself."
Section 9, "That no freeman shall be convicted of any crime, but by the unanimous verdict of a jury of good and lawful men, in open court, as heretofore used."
Section 13, "That every freeman restrained of his liberty is entitled to a remedy, to inquire in to the lawfulness thereof, and to remove the same, if unlawful; and that such remedy ought not to be denied or delayed."

Amendment VII

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

Section 14, "That in all controversies at law, respecting property, the ancient mode of trial by jury is one of the best securities of the rights of the people, and ought to remain sacred and inviolable."

Amendment VIII

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

Section 10, "That excessive bail should not be required, nor excessive fines imposed, nor cruel nor unusual punishments inflicted."

Amendment IX

The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

Section 1: "That all political power is vested in, and derived from, the people only."
Section 2: "That the people of this State ought to have the sole and exclusive right of regulating the internal government and police thereof."

Amendment X

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Amendment X may be the most important amendment of the Bill of Rights. There is no comparison. It reserves rights to the state.

SENATE BILL 363:
Wage & Hour/Local Gov't Assessments.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 14, 2016
Introduced by:	Sen. Hartsell	**Prepared by:**	Trina Griffin Committee Co-Counsel
Analysis of:	PCS to Fourth Edition S363-CSSVxr-52		

SUMMARY: The Proposed Committee Substitute for S363 contains the following two provisions:

- ***Provides that employees of a seasonal amusement or recreational establishment are not subject to overtime or record keeping requirements of the North Carolina Wage and Hour Act.***
- ***Authorizes counties and cities to fund a critical infrastructure project with funds from private parties that may be reimbursed through the imposition of assessments.***

This PCS differs from the PCS approved by this Committee on June 2, 2016, in that Section 3, relating to the removal of certain tracts of land from the State Nature and Historic Preserve and from the State Parks System, has been removed.

WAGE AND HOUR ACT CHANGES

CURRENT LAW: Employees who work for employers with at least two employees and that meet either of the following conditions are covered by the federal Fair Labor Standards Act (FLSA):

- They have an annual dollar volume of sales or business of at least $500,000.
- They are hospitals, businesses providing medical or nursing care for residents, schools and preschools, and government agencies.

The FLSA requires that covered employers pay their employees at least the federal minimum wage and overtime pay at time and one-half the regular rate of pay after 40 hours in a workweek. However, the Act provides some specific exemptions for employees employed by certain establishments and in certain occupations. Specifically, there is an exemption for "any employee employed by an establishment which is an amusement or recreational establishment, organized camp, or religious or non-profit educational conference center.[1]

The North Carolina Wage and Hour Act applies to employees who are not covered by the FLSA. States may, but are not required to, recognize or permit the application of the federal exemptions. Under North Carolina law, an employer of seasonal amusement or recreational establishment employees is required to pay those employees overtime pay for hours worked in excess of 45 hours per workweek. However, employees of a seasonal religious or nonprofit education conference center are specifically exempt from minimum wage, overtime, and record keeping requirements.

[1] The establishment qualifies for the exemption only if either (i) it does not operate for more than 7 months in a calendar year, or (ii) during the preceding calendar year, its average receipts for any 6 months were not more than 33.33% of its average receipts for the other 6 months of the year.

Karen Cochrane-Brown
Director

S363-SMSV-116 CSSVXR-52 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

SECTION ANALYSIS:

Section 1(a) would provide that employees of a seasonal amusement or recreational establishment are not subject to the overtime or record keeping requirements of the North Carolina Wage and Hour Act, but they would be subject to the minimum wage requirements. Under this bill, the same rules will apply to all seasonal and recreational establishment employees with respect to overtime and record keeping, whether the employer falls under the FLSA or not.

Section 1(b) would remove the authority of the Commissioner of Labor to adopt a regulation which would allow a wage rate of not less than 85% of the minimum wage for employees of a seasonal amusement or recreational facility.

Section 1(c) is a conforming change. It deletes language in the overtime statute that requires employers of seasonal amusement or recreational establishment employees to pay overtime for hours exceeding 45 per work week.

EFFECTIVE DATE: This section would become effective when it becomes law and applies to wages earned after that date and after notice has been given to employees in accordance with G.S. 95-13(3).

LOCAL GOVERNMENT ASSESSMENTS

SECTION ANALYSIS: Section 2 of the bill would allow counties and cities to fund a critical infrastructure project with funds from private parties that may be reimbursed through the imposition of assessments.

CURRENT LAW: Counties and cities have the ability to impose assessments against benefitted property to pay for certain public infrastructure improvements, such as sidewalks. As a general rule, the assessment must be paid in full at the time it is assessed, but in no event may the assessment period exceed 10 years. In 2008, the General Assembly created a new financing tool that allowed counties and cities to impose special assessments to help finance long-term public infrastructure projects. Under this assessment-based financing tool, the assessments are paid in annual installments over a period not to exceed 25 years.

The assessment-based financing may be used for any purpose for which project development financing may be used. Those purposes include water and sewer systems, public transportation facilities, school facilities, gas systems, electric systems, industrial parks, parks and recreation facilities, and streets and sidewalks. Special assessments may be pledged as additional security for project development financing debt instruments as well as revenue bond financing debt instruments. If the assessment is pledged to secure financing, the city or county must covenant to enforce the payment of assessments.[2]

A county or city may only use special assessment-based financing if it receives a petition for the project to be financed through assessments that meets a two-prong test:

- The petition must be signed by a majority of the owners of the property assessed. For purposes of determining a majority, each parcel of property is given one vote. The sole owner of a parcel is given one vote. Multiple owners of a parcel are given a percentage vote equal to one vote multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of owners of the parcel.

[2] Unpaid assessments bear interest at a rate fixed in the assessment resolution. A county or city may foreclose assessment liens under procedures provided by law for the foreclosure of property tax liens.

- And those owners must represent ownership of at least 66% of the assessed value of the property to be assessed.[3] For purposes of determining whether the assessed value represented by those signing the petition constitute at least 66% of the assessed value of all real property to be assessed, 100% of the assessed value of property owned by one person is included in the calculation. For property owned by more than one person, that person's proportionate share of the assessed value of that property is included in the calculation.

The county board of commissioners or city must adopt a preliminary assessment resolution that describes the project, the proposed basis for making the assessment, and information concerning the cost of the work and the terms of payment of the assessment. The proposed basis for making the assessment method must assess property according to the benefits conferred upon it by the project for which the assessment is made. In making that determination, it is permissible to measure benefits by how the property is used. If the use of the property changes, the assessment on that property may be adjusted over time so long as the total amount of all the assessments is sufficient to pay the cost of the project after the adjustment is made. The county or city must hold a public hearing on the matter, prepare a preliminary assessment roll, and publish a confirmation of the assessment roll once it is adopted. An owner of property against which an assessment is made may file a notice of appeal to the General Court of Justice if the owner is dissatisfied with the amount of the assessment.

EFFECTIVE DATE: This section would become effective June 30, 2016, and apply to assessments made on or after that date.

[3] For example, if there are 21 owners involved and 10 hold 67% of the assessed value of the property to be assessed, at least one of the other 11 owners would have to sign the petition for the county or city to be able to impose the special assessments. Likewise, if 21 owners are involved and one owner owns 67% of the assessed value of the property, that one owner would have to be one of the signatures on the petition for the county or city to impose the special assessments.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 363

Health Care Committee Substitute Adopted 4/27/15
House Committee Substitute Favorable 5/25/16
House Committee Substitute #2 Favorable 6/2/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S363-CSSVxr-52 [v.1]
06/07/2016 04:42:45 PM

Short Title: Wage & Hour/Local Gov't Assessments. (Public)

Sponsors:

Referred to:

March 24, 2015

A BILL TO BE ENTITLED

AN ACT PROVIDING THAT EMPLOYEES OF SEASONAL AMUSEMENT OR RECREATIONAL FACILITIES ARE EXEMPT FROM OVERTIME AND RECORD-KEEPING REQUIREMENTS OF THE NORTH CAROLINA WAGE AND HOUR ACT, AND AUTHORIZING CITIES AND COUNTIES TO PROVIDE FOR THE PAYMENT OF ALL OR A PORTION OF THE COST OF CRITICAL INFRASTRUCTURE PROJECTS BY USING FUNDS FROM PRIVATE PARTIES AND REPAYING THE FUNDS BY MAKING SPECIAL ASSESSMENTS ON BENEFITED PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 95-25.14(c) reads as rewritten:

"(c) The provisions of G.S. 95-25.4 (Overtime), and the provisions of G.S. 95-25.15(b) (Record Keeping) as they relate to this exemption, do not apply to:

...

(8) Any employee of a seasonal amusement or recreational establishment."

SECTION 1.(b) G.S. 95-25.3(e) reads as rewritten:

"(e) The Commissioner, in order to prevent curtailment of opportunities for employment, and to not adversely affect the viability of seasonal establishments, may, by regulation, establish a wage rate not less than eighty-five percent (85%) of the otherwise applicable wage rate in effect under subsection (a) ~~which~~ that shall apply to any employee employed by an establishment ~~which~~ that is ~~a seasonal amusement or recreational establishment, or~~ a seasonal food service establishment."

SECTION 1.(c) G.S. 95-25.4(a) reads as rewritten:

"(a) Every employer shall pay each employee who works longer than 40 hours in any workweek at a rate of not less than time and one half of the regular rate of pay of the employee for those hours in excess of 40 per ~~week; provided that employers of seasonal amusement or recreational establishment employees are required to pay those employees the overtime rate only for hours in excess of 45 per workweek.~~week."

SECTION 2.(a) Article 9A of Chapter 153A of the General Statutes reads as rewritten:

"Article 9A.

"Special Assessments for Critical Infrastructure Needs.

"§ 153A-210.1. Purpose; sunset.

(a) Purpose. – This Article enables counties that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed under~~ as provided in this Article on benefited ~~property.~~ property and to use the resulting revenues as provided in this Article. This Article supplements the authority counties have in Article 9 of this Chapter. The provisions of Article 9 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

...

(b) Sunset. – This Article expires ~~July 1, 2020.~~ July 1, 2020, for projects that have not been approved under a final assessment resolution. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"§ 153A-210.2. Assessments.

(a) Projects. – The board of commissioners of a county may make special assessments as provided in this Article against benefited property within the county for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

...

(b) Costs. – The board of commissioners must determine a project's total estimated ~~cost.~~cost and the amount of costs to be paid from assessments. In addition to the costs allowed under G.S. 153A-193, the costs may include any expenses allowed under ~~G.S. 159-84.~~G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The board of commissioners must establish an assessment method that ~~will most~~ will, in the board's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 153A-186, the board may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the board may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"§ 153A-210.3. Petition required.

(a) Petition. – The board of commissioners may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their

proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.
(2) An estimate of the cost of the project.
(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the board of commissioners shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.
(2) A general description of the nature and location of the project.
(3) A statement as to the proposed terms of payment of the assessment.
(4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the board of commissioners shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the board may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.

(b) Petition Withdrawn. – The board of commissioners must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the board signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The board may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the county did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 153A-210.4. ~~Financing~~Funding a project for which an assessment is imposed.

(a) ~~Financing~~ Funding Sources. – ~~A~~ In addition to funding from sources otherwise authorized for use by a board of commissioners in connection with a project, a board of commissioners may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more of the ~~financing~~ funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 153A-210.6.
(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.
(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.
(4) General revenues.
(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project development

financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the board of commissioners must covenant to enforce the payment of the assessments.

(c) Reimbursement from Assessments. – If a board of commissioners contracts with a private party to construct a project on behalf of the county as provided in G.S. 153A-210.7, the board of commissioners may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor applicable during any period of abeyance provided under G.S. 153A-210.5. The board of commissioners shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the county's related administrative costs.

"§ 153A-210.5. Payment of assessments by installments.

(a) An assessment imposed under this Article is payable in annual installments. The board of commissioners must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The board of commissioners may provide for the abeyance of assessments as authorized in Article 9 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

...

"§ 153A-210.7. Project implementation.

A county may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a county for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the county or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the county in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the county or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the county, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 2.(b) Article 10A of Chapter 160A of the General Statutes reads as rewritten:

"Article 10A.

"Special Assessments for Critical Infrastructure Needs.

"§ 160A-239.1. Purpose; sunset.

(a) Purpose. – This Article enables cities that face increased demands for infrastructure improvements as a result of rapid growth and development to ~~issue revenue bonds payable from~~ impose special assessments ~~imposed~~ as provided under this Article on benefited ~~property.~~ property and to use the resulting revenues as provided in this Article. This Article supplements the authority cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(b) Sunset. – This Article expires ~~July 1, 2020.~~ July 1, 2020, for projects that have not been approved under a final assessment resolution. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"§ 160A-239.2. Assessments.

(a) Projects. – The council of a city may make special assessments as provided in this Article against benefited property within the city for the purpose of ~~financing~~ assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of ~~financing~~ the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

(b) Costs. – The city council must determine a project's total estimated ~~cost.~~cost and the amount of costs to be paid from assessments. In addition to the costs allowed under ~~G.S. 153A-193,~~ G.S. 160A-226, the costs may include any expenses allowed under ~~G.S. 159-84.~~G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.

(c) Method. – The city council must establish an assessment method that ~~will most~~ will, in the city council's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 160A-218, the council may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the council may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"§ 160A-239.3. Petition required.

(a) Petition. – The city council may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

(1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.
(2) An estimate of the cost of the project.
(3) An estimate of the portion of the cost of the project to be assessed.

(a1) Preliminary Assessment Resolution. – Upon the receipt of a petition as provided for under subsection (a) of this section, the city council shall adopt a preliminary assessment resolution containing all of the following:

(1) A statement of intent to undertake the project.

(2) A general description of the nature and location of the project.
(3) A statement as to the proposed terms of payment of the assessment.
(4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.

(a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. – At the public hearing, the city council shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the city council may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.

(b) Petition Withdrawn. – The city council must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the council signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The council may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.

(c) Validity of Assessment. – No right of action or defense asserting the invalidity of an assessment on grounds that the city did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 160A-239.4. ~~Financing~~ Funding a project for which an assessment is imposed.

(a) ~~Financing~~ Funding Sources. – ~~A~~ In addition to funding from sources otherwise authorized for use by a city council in connection with a project, a city council may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more ~~financing~~ funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from ~~the~~ each respective ~~financing~~ funding source.

(1) Revenue bonds issued under G.S. 160A-239.6.
(2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.
(3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.
(4) General revenues.
(5) Funds from private parties.

(b) Assessments Pledged. – An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 160A-239.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the city council must covenant to enforce the payment of the assessments.

(c) Reimbursement from Assessments. – If a city council contracts with a private party to construct a project on behalf of the city as provided in G.S. 160A-239.7, the city council may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor applicable during any period of abeyance provided under G.S. 160A-239.5. The city council shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the city's related administrative costs.

"§ 160A-239.5. Payment of assessments by installments.

(a) An assessment imposed under this Article is payable in annual installments. The city council must set the number of annual installments, which may not be more than 25. The installments are due on the date that real property taxes are due.

(b) The city council may provide for the abeyance of assessments as authorized in Article 10 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

...

"§ 160A-239.7. Project implementation.

A city may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project ~~financed~~ funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a city for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the city or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the city in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the city or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the city, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 3. Section 1 of this act is effective when it becomes law and applies to wages earned after that date and after notice has been given to employees in accordance with G.S. 95-25.13(3). Section 2 of this act becomes effective June 30, 2016, and applies to assessments made on or after that date. The remainder of this act is effective when it becomes law.

HOUSE BILL 1146

Short Title:	Modify Various Appointments.	(Public)
Sponsors:	Committee on Rules, Calendar, and Operations of the House. *For a complete list of sponsors, refer to the North Carolina General Assembly web site.*	
Referred to:	Rules, Calendar, and Operations of the House	

June 6, 2016

A BILL TO BE ENTITLED

AN ACT TO MODIFY TERMS OF APPOINTMENT FOR VARIOUS BOARDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

...

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term;

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

...."

SECTION 2. G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum; compensation; officers; meetings.**

...

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

...

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years with no person being appointed to more than three consecutive terms.

...."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 1

SENATE BILL 748*

Short Title:	Change Report - Build. & Infrastructure Comm.	(Public)
Sponsors:	Senators Barefoot, Harrington, and Hise (Primary Sponsors).	
Referred to:	State and Local Government	

April 26, 2016

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE REPORTING DATE OF THE BLUE RIBBON COMMISSION TO STUDY THE BUILDING AND INFRASTRUCTURE NEEDS OF THE STATE, AS RECOMMENDED BY THE BLUE RIBBON COMMISSION TO STUDY THE BUILDING AND INFRASTRUCTURE NEEDS OF THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 8(f) of S.L. 2014-42 reads as rewritten:

"**SECTION 8.(f)** The Commission may make an interim report of its findings and recommendations to the 2015 General Assembly and shall make a final report of its findings and recommendations to the ~~2016 Regular Session of the 2015~~ 2017 General Assembly. The Commission shall terminate on December 31, 2016, or upon the filing of its final report, whichever occurs first."

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

HOUSE BILL 499

Short Title:	Study/Public Records & Open Meetings.	(Public)
Sponsors:	Representatives Collins, L. Hall, Hamilton, and Blust (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 2, 2015

A BILL TO BE ENTITLED

AN ACT TO CREATE THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC RECORDS AND OPEN MEETINGS.

The General Assembly of North Carolina enacts:

SECTION 1. Creation. – There is created the Joint Legislative Study Committee on Public Records and Open Meetings. The Committee shall consist of 10 members to be appointed as follows:

(1) Five members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) Five members of the Senate appointed by the President Pro Tempore of the Senate.

SECTION 2. Study. – The Joint Legislative Study Committee on Public Records and Open Meetings shall study ways to improve transparency of State and local government in North Carolina. In the conduct of its study, the Committee shall examine existing State laws regarding public access to government records and meetings and legislation enacted in other states that allow greater public access than currently exists in North Carolina. Specifically, the Committee shall study:

(1) Strategies for the executive branch of North Carolina State government to streamline the processes by which the public may access government records and meetings.

(2) Strategies for local government entities in North Carolina to streamline the processes by which the public may access government records and meetings.

(3) The development of legislative alternatives to existing provisions of the North Carolina Public Records Act and Open Meetings Law that restrict or entirely prohibit public access to government records of meetings.

SECTION 3. Cochairs; Vacancies. – The Speaker of the House of Representatives shall designate one representative to serve as cochair and the President Pro Tempore of the Senate shall designate one senator to serve as cochair. Vacancies on the Committee shall be filled by the same appointing authority making the initial appointment.

SECTION 4. Powers. – The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative Building or in the Legislative Office Building.

SECTION 5. Staffing. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work.

The Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee and the expenses relating to the clerical employees shall be borne by the Committee. Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 6. Report. – The Committee shall submit an interim report to the 2015 General Assembly when it reconvenes in 2016. The Committee shall submit a final report, including findings and legislative recommendations, to the 2015 General Assembly. The Committee shall terminate upon filing its final report.

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

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 499

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

H499-ATG-108 [v.1]

Amends Title [NO]
First Edition

Date _____,2016

Representative _____

moves to amend the bill on page 2, lines 5-8, by rewriting the lines to read:

"**SECTION 6.** Report. – The Committee shall submit a final report, including findings and legislative recommendations, to the 2017 General Assembly. The Committee shall terminate upon filing its final report.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

SENATE JOINT RESOLUTION 718

Sponsors: Senator Tillman (Primary Sponsor).

Referred to:

July 28, 2015

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF HARRIS BLAKE, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Harris Blake was born on November 3, 1929, in Jackson Springs, North Carolina, to Evander Blake and Claudia Parker Blake; and

Whereas, despite becoming an orphan at the age of five, Harris Blake graduated from West End High School in 1948 and attended Elon University; and

Whereas, Harris Blake served in the United States Army during the Korean War and, for his service, earned the Good Conduct Award; and

Whereas, Harris Blake began his career as a clerk for Pinehurst Hardware and Supply Company, and later became the manager, before eventually buying the business and expanding it to three locations; and

Whereas, Harris Blake later ventured into commercial development and established Pinehurst South Realty; and

Whereas, Harris Blake was appointed by President Ronald Reagan as an associate administrator for the Farmers Home Administration within the US Department of Agriculture, and served in that position from 1985 to 1986; and

Whereas, Harris Blake was elected to the North Carolina Senate in 2002, where he served with honor and distinction for five terms; and

Whereas, during his tenure in the Senate, Harris Blake was a member of several committees, including Appropriations/Base Budget, Commerce, Small Business and Entrepreneurship, Finance, Health Care, and State and Local Government, and was able to work with members on both sides of the aisle to pass legislation; and

Whereas, Harris Blake was a co-founder of the Carolina China Council, a nonprofit organization that promotes business, cultural, and education exchanges between North Carolina and China; and

Whereas, Harris Blake worked with the Chinese government to return to Moore County the remains of Lt. Robert Hoyle Upchurch, a Flying Tiger pilot killed in World War II; and

Whereas, Harris Blake was active in his community and was elected or appointed to several boards, including Moore Regional Hospital, Moore Regional Foundation, Moore County Board of Education, Sandhills Community College, Sandhills Area Chamber of Commerce, Pinehurst Lions Club, Sandhills Kiwanis Club, and Moore County Historical Society; and

Whereas, Harris Blake also served as chair of fund-raising for Moore Buddies Program and president of NC/SC Elmco; and

Whereas, Harris Blake was awarded the State's highest honor, the Order of the Long Leaf Pine, in 2013; and

Whereas, Harris Blake died on June 9, 2014, at the age of 84; and

Whereas, Harris Blake was predeceased by his wife of 56 years, Barbara Carter Blake; and

Whereas, Harris Blake is survived by his daughter, Joy; son-in-law, Luke Donat; a brother, Waylon Blake; and a sister, Betty McNeill; and

Whereas, Harris Blake will be remembered as a true southern gentleman who treated everyone with respect and dignity and went out of his way to help those in need; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the memory of Harris Blake and expresses its appreciation for his many accomplishments and his service to the State of North Carolina.

SECTION 2. The General Assembly extends its sympathy to the family of Harris Blake for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Harris Blake.

SECTION 4. This resolution is effective upon ratification.

SENATE BILL 382: Revision of SB 612.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 14, 2016
Introduced by:	Sens. Rabon, Harrington, Meredith	**Prepared by:**	Kara McCraw Committee Co-Counsel
Analysis of:	PCS to Second Edition S382-CSTC-80		

SUMMARY: ***The PCS for SB 382 eliminates the prior contents of the bill, and creates new local funding requirements for the Nash-Rocky Mount School Administrative Unit and a moratorium on litigation related to local school funding for that school administrative unit.***

CURRENT LAW: S.L. 1991-391 (SB 612) merged the Nash County and Rocky Mount City School Administrative Units to create the Nash-Rocky Mount School Administrative Unit (NRMS). NRMS includes all of Nash County and the portion of the City of Rocky Mount located in Edgecombe County.

Section 20 of S.L. 1991-391 requires the County Commissioners of Edgecombe County to appropriate local current expense funds to NRMS on the same per pupil basis as provided the Edgecombe School Administrative Unit. Additionally, the Edgecombe County Commissioners must apportion capital outlay funds between the Edgecombe School Administrative Unit and that portion of NRMS located in Edgecombe County on a per capita basis according to the membership of each unit.

Section 21 of S.L. 1991-391 requires the City of Rocky Mount to appropriate to NRMS, from funds derived from sources other than ad valorem taxation, funds for the current expense and capital outlay needs of the NRMS in an amount equal to any current expenditure differential between Nash and Edgecombe Counties, calculated based on the difference in the per pupil expenditure by county multiplied by the number of students residing in the portion of the City in the county with the lowest per pupil expenditure.

G.S. 115C-431 provides a process for dispute resolution and litigation over the sufficiency of county appropriations for a local school administrative unit annual school budget.

BILL ANALYSIS: The PCS for SB 382 would make the following changes:

Section 1 (Effective when it becomes law):

- Would require the NRMS Board of Education (NRMS Board) to submit an annual school budget to the Nash County Board of Commissioners (Nash BOC) for approval and to the Edgecombe County Board of Commissioners (Edgecombe BOC) for review. The Edgecombe BOC would provide recommendations to the Nash BOC, who would give final approval to the budget.
- The NRMS Board and Nash BOC would be required to make best efforts to achieve a fair, reasonable, and practical appropriation of capital outlay and debt service funds for those schools in the NRMS located in Edgecombe County.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- If the respective finance officers could not agree by consensus on the amounts to be paid, a certified public accountant with expertise in school finance would be selected by consensus to determine the amounts to be paid.
- The Edgecombe BOC would be required, beginning July 1, 2016, to provide the Edgecombe proportional share of the capital outlay fund for NRMS - the percentage of the appropriated capital outlay budget equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 2 (Effective July 1, 2020): The Edgecombe BOC would be required to appropriate the Edgecombe proportional share of the local current expense funds - the percentage of the appropriated local current expense funds equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 3 (Effective July 1, 2016): The City of Rocky Mount would be required to appropriate the current expense differential for local current expense funds for NRMS, but would not be required to appropriate the current expense differential for capital outlay funds.

Section 4: (Effective July 1, 2020): The City of Rocky Mount would no longer be required to appropriate funding for NRMS.

Section 5: (Effective July 1, 2020): The Nash-Rocky Mount School Administrative Unit would be renamed the Nash School Administrative Unit, and the Nash-Rocky Mount Board of Education would be renamed the Nash Board of Education.

Section 6: (Effective when law): The board of education for the NRMS would be prohibited from initiating litigation with Nash County over the sufficiency of the local appropriation to the local current expense fund, the capital outlay fund, or both beginning with the 2016-2017 fiscal year and ending with the adoption of the 2026-2027 fiscal year budget. The Nash BOC would be required to approve a school budget that provided an amount per pupil annually equal to or greater than the per pupil amount appropriated for the 2016-2017 fiscal year.

Section 7: Severability Clause.

EFFECTIVE DATE: Except as otherwise provided, SB 382 would become effective when it become law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 382
Transportation Committee Substitute Adopted 4/22/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S382-CSTC-80 [v.1]
6/13/2016 8:52:30 PM

Short Title: Revision of SB 612. (Public)

Sponsors:

Referred to:

March 25, 2015

A BILL TO BE ENTITLED

AN ACT TO REVISE SENATE BILL 612 THAT PROVIDED FOR THE MERGER AND CONSOLIDATION OF THE SCHOOL ADMINISTRATIVE UNITS IN NASH COUNTY AND THE CITY OF ROCKY MOUNT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 20 of S.L. 1991-391 reads as rewritten:

"Sec. 20.(a). Beginning ~~July 1, 1992,~~July 1, 2016, and for each school year thereafter the Nash-Rocky Mount Board of Education shall annually submit a school budget to the Nash County Board of Commissioners for approval in accordance with Article 31 of Chapter 115C of the General Statutes. The Nash-Rocky Mount Board of Education shall also submit the annual budget to the Edgecombe County Board of Commissioners, which shall review the budget and provide recommendations on adoption of the budget to the Nash County Board of Commissioners. The Nash-Rocky Mount Board of Education and the Nash County Board of Commissioners shall make their best efforts to achieve a fair, reasonable, and practical appropriation of capital outlay and debt service funds for those schools in the Nash-Rocky Mount School Administrative Unit located in Edgecombe County. Final approval of the Nash-Rocky Mount School Administrative Unit school budget shall be made by the Nash County Board of Commissioners.

(b) The County Commissioners of Edgecombe County shall appropriate to the Nash-Rocky Mount School Administrative Unit local current expense funds as provided by G.S. 115C-430.

(c) Beginning July 1, 2016, the Edgecombe County Board of Commissioners shall provide the Edgecombe proportional share of the capital outlay fund, including costs of new capital expenditures, new acquisitions, construction, reconstruction, enlargements, renovations, or replacement of buildings and other structures, current and future debt service, annual capital outlay, and other capital expenditures of the Nash-Rocky Mount School Administrative Unit. The Edgecombe proportional share shall be the percentage of the capital outlay budget equal to the percentage of students enrolled in the Nash-Rocky Mount School Administrative Unit domiciled in Edgecombe County. ~~In addition, beginning July 1, 1992, and for each school year thereafter, all capital outlay funds coming into the possession of the County Commissioners of Edgecombe County, whether such funds be derived from taxation, the proceeds of bonds or notes, appropriations from profits of the Alcoholic Beverage Control Stores, loans or grants from the State or federal governments, or any agency or subdivision thereof, or from any other source whatsoever, shall be apportioned between the school administrative unit or units serving that portion of Edgecombe County lying outside of the boundaries of the Nash-Rocky Mount School Administrative Unit and the Nash-Rocky Mount School Administrative Unit for that portion of~~

~~Edgecombe County lying within the boundaries of the Nash-Rocky Mount School Administrative Unit on a per capita basis according to the of each unit, and appropriated in conformity with the method set out in G.S. 115C-430 in like manner and to the same extent as if such capital outlay funds were current expense funds.~~

(d) If the finance officers of the Nash Rocky Mount School Administrative Unit, Nash County, and Edgecombe County respectively cannot agree by consensus on the amounts to be paid under this section, then the boards of each entity shall select by consensus a certified public accountant with expertise in school finance, to be paid in equal shares by each entity, to determine the amounts to be paid."

SECTION 1.(b) This section becomes effective when it becomes law.

SECTION 2.(a) Section 20.(b). of S.L. 1991-391, as amended by Section 1 of this act, reads as rewritten:

"(b) ~~The County Commissioners of Edgecombe County shall appropriate to the Nash-Rocky Mount School Administrative Unit local current expense funds as provided by G.S. 115C-430.~~ Beginning July 1, 2020, the County Commissioners of Edgecombe County shall appropriate to the Nash Rocky Mount School Administrative Unit the Edgecombe proportional share of the local current expense funds appropriated in the annual school budget approved by the Nash County Board of Commissioners. The Edgecombe proportional share shall be the percentage of the appropriated local current expense funds equal to the percentage of students enrolled in the Nash Rocky Mount School Administrative Unit domiciled in Edgecombe County. Notwithstanding G.S. 115C-430, the County Commissioners of Edgecombe County shall not be required to apportion local current expense funds according to the membership of the Edgecombe County School Administrative Unit and the membership of the Nash-Rocky Mount School Administrative Unit."

SECTION 2.(b) This section becomes effective July 1, 2020.

SECTION 3.(a) Section 21 of S.L. 1991-391 reads as rewritten:

"Sec. 21. (a) The City shall be authorized to appropriate to the Nash-Rocky Mount School Administrative Unit, from funds derived from sources other than ad valorem taxation, funds for the current expense ~~and capital outlay~~ needs of the Nash-Rocky Mount School Administrative Unit as herein provided.

(b) Beginning ~~July 1, 1992,~~July 2, 2016, and for each school year thereafter, the City shall appropriate local current expense funds to the Nash-Rocky Mount School Administrative Unit, from funds of the City derived from sources other than ad valorem taxation, an amount equal to any current expenditure differential between Nash and Edgecombe Counties as hereinafter defined. The current expenditure differential for each school year shall be the product of the number of students attending school in the Nash-Rocky Mount School Administrative Unit who reside within that portion of the City Administrative Unit located in the County with the lower current per pupil expenditure, multiplied by the amount which the current per pupil appropriation made by the Board of Commissioners of the county with the higher current per pupil expenditure to the Nash-Rocky Mount School Administrative Unit exceeds the current per pupil appropriation made by the county with the lower current per pupil expenditure to the Nash-Rocky Mount School Administrative Unit.

~~(c) The Rocky Mount City Council and the county commissioners shall each appropriate $500,000 per year for 10 consecutive years, beginning July 1, 1992, for school capital improvements within the city of Rocky Mount. In addition, the City shall pay for the extension of all electrical, water, sewer, and natural gas lines to the property line of the Winstead Avenue school site, if such site is used for a new school building.~~"

SECTION 3.(b) This section is effective July 1, 2016.

SECTION 4. Section 21 of S.L. 1991-391 is repealed effective June 30, 2020.

SECTION 5. Notwithstanding S.L. 1991-391, beginning July 1, 2020, the "Nash-Rocky Mount School Administrative Unit" shall be named the "Nash School

Administrative Unit", and the "Nash-Rocky Mount Board of Education" shall be the "Nash Board of Education".

SECTION 6.(a) A local board of education shall not file any legal action under G.S. 115C-426, 115C-431, or 115C-432 challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both. This subsection expires upon the adoption of the 2026-2027 fiscal year budget by the appropriate board of county commissioners. The board of county commissioners shall approve a school budget that provides an amount per pupil annually that is equal to or greater than the per pupil amount appropriated by the board of county commissioners for the 2016-2017 fiscal year.

SECTION 6.(b) This section applies only to the county of Nash.

SECTION 7. If any provision of this act or its application is held invalid, the invalidity does not affect the other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

House Committee on Rules, Calendar, and Operations of the House
Tuesday, June 14, 2016 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on June 14, 2016 in Room 1228/1327 of the Legislative Building. Representatives Blust, Boles, Bumgardner, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Jackson, L. Johnson, Lewis, Reives, Robinson, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided. The committee reconvened from recess at 3:44 PM.

The following bills were considered:

HJR 1149 Confirm Fred Steen/Board of Review
Stam moves favorable report. The motion carries.

SB 382 Revision of SB 612
The PCS was considered before the committee without objection. Rep. Stevens amends the bill S382-ATC-172 [v.1]. The amendment passes. Rep. Stevens moves for a favorable report to the bill as amended. The motion carries.

The meeting adjourned at 3:54 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.J.R. 1149
Jun 14, 2016
HOUSE PRINCIPAL CLERK

H D

HOUSE JOINT RESOLUTION DRHJR40664-LG-180 (06/14)

Sponsors: Representative Lewis.

Referred to:

A JOINT RESOLUTION PROVIDING FOR CONFIRMATION OF FRED STEEN TO THE BOARD OF REVIEW.

Whereas, the provisions of G.S. 96-15.3(c) require appointments to the Board of Review to be confirmed by the General Assembly; and

Whereas, Section 3.1 of S.L. 2015-238 provides that the term of the member representing employers begins on July 1, 2016, and ends on June 30, 2020; and

Whereas, the Governor has submitted the name of his appointee to the Board of Review as the member representing employers to the General Assembly; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of Fred Steen to membership on the Board of Review as the member representing employers for a term beginning July 1, 2016, and ending June 30, 2020, is confirmed.

SECTION 2. This resolution is effective upon ratification.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 382

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

S382-ATC-172 [v.1]

Amends Title [NO]
S382-CSTC-80

Date _____,2016

Representative Stevens

moves to amend the bill on page 3, line 7-9, by rewriting those lines to read:

"appropriate board of county commissioners. The board of county commissioners shall approve a school budget that provides an amount per pupil annually for local current expense funds that is equal to or greater than the per pupil amount for local current expense funds appropriated by the board of county commissioners for the 2016-2017 fiscal year.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S **D**

SENATE BILL 382
Transportation Committee Substitute Adopted 4/22/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S382-PCS45520-TC-80

Short Title: Revision of SB 612. (Local)

Sponsors:

Referred to:

March 25, 2015

A BILL TO BE ENTITLED

AN ACT TO REVISE SENATE BILL 612 THAT PROVIDED FOR THE MERGER AND CONSOLIDATION OF THE SCHOOL ADMINISTRATIVE UNITS IN NASH COUNTY AND THE CITY OF ROCKY MOUNT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 20 of Chapter 391 of the 1991 Session Laws reads as rewritten:

"Sec. 20.(a) Beginning ~~July 1, 1992,~~ July 1, 2016, and for each school year thereafter the Nash-Rocky Mount Board of Education shall annually submit a school budget to the Nash County Board of Commissioners for approval in accordance with Article 31 of Chapter 115C of the General Statutes. The Nash-Rocky Mount Board of Education shall also submit the annual budget to the Edgecombe County Board of Commissioners, which shall review the budget and provide recommendations on adoption of the budget to the Nash County Board of Commissioners. The Nash-Rocky Mount Board of Education and the Nash County Board of Commissioners shall make their best efforts to achieve a fair, reasonable, and practical appropriation of capital outlay and debt service funds for those schools in the Nash-Rocky Mount School Administrative Unit located in Edgecombe County. Final approval of the Nash-Rocky Mount School Administrative Unit school budget shall be made by the Nash County Board of Commissioners.

(b) The County Commissioners of Edgecombe County shall appropriate to the Nash-Rocky Mount School Administrative Unit local current expense funds as provided by G.S. 115C-430.

(c) ~~In addition, beginning July 1, 1992, and for each school year thereafter, all capital outlay funds coming into the possession of the County Commissioners of Edgecombe County, whether such funds be derived from taxation, the proceeds of bonds or notes, appropriations from profits of the Alcoholic Beverage Control Stores, loans or grants from the State or federal governments, or any agency or subdivision thereof, or from any other source whatsoever, shall be apportioned between the school administrative unit or units serving that portion of Edgecombe County lying outside of the boundaries of the Nash-Rocky Mount School Administrative Unit and the Nash-Rocky Mount School Administrative Unit for that portion of Edgecombe County lying within the boundaries of the Nash-Rocky Mount School Administrative Unit on a per capita basis according to the of each unit, and appropriated in conformity with the method set out in G.S. 115C-430 in like manner and to the same extent as if such capital outlay funds were current expense funds.~~ Beginning July 1, 2016, the Edgecombe County Board of Commissioners shall provide the Edgecombe proportional share of the capital outlay fund, including costs of new capital expenditures, new acquisitions, construction, reconstruction, enlargements, renovations, or

replacement of buildings and other structures, current and future debt service, annual capital outlay, and other capital expenditures of the Nash-Rocky Mount School Administrative Unit. The Edgecombe proportional share shall be the percentage of the capital outlay budget equal to the percentage of students enrolled in the Nash-Rocky Mount School Administrative Unit domiciled in Edgecombe County.

(d) If the finance officers of the Nash-Rocky Mount School Administrative Unit, Nash County, and Edgecombe County, respectively, cannot agree by consensus on the amounts to be paid under this section, then the boards of each entity shall select by consensus a certified public accountant with expertise in school finance, to be paid in equal shares by each entity, to determine the amounts to be paid."

SECTION 1.(b) This section is effective when it becomes law.

SECTION 2.(a) Section 20(b) of Chapter 391 of the 1991 Session Laws, as amended by Section 1 of this act, reads as rewritten:

"(b) ~~The County Commissioners of Edgecombe County shall appropriate to the Nash-Rocky Mount School Administrative Unit local current expense funds as provided by G.S. 115C-430.~~Beginning July 1, 2020, the County Commissioners of Edgecombe County shall appropriate to the Nash-Rocky Mount School Administrative Unit the Edgecombe proportional share of the local current expense funds appropriated in the annual school budget approved by the Nash County Board of Commissioners. The Edgecombe proportional share shall be the percentage of the appropriated local current expense funds equal to the percentage of students enrolled in the Nash-Rocky Mount School Administrative Unit domiciled in Edgecombe County. Notwithstanding G.S. 115C-430, the County Commissioners of Edgecombe County shall not be required to apportion local current expense funds according to the membership of the Edgecombe County School Administrative Unit and the membership of the Nash-Rocky Mount School Administrative Unit."

SECTION 2.(b) This section becomes effective July 1, 2020.

SECTION 3.(a) Section 21 of Chapter 391 of the 1991 Session Laws reads as rewritten:

"Sec. 21. (a) The City shall be authorized to appropriate to the Nash-Rocky Mount School Administrative Unit, from funds derived from sources other than ad valorem taxation, funds for the current expense ~~and capital outlay~~ needs of the Nash-Rocky Mount School Administrative Unit as herein provided.

(b) Beginning ~~July 1, 1992,~~ July 2, 2016, and for each school year thereafter, the City shall appropriate local current expense funds to the Nash-Rocky Mount School Administrative Unit, from funds of the City derived from sources other than ad valorem taxation, an amount equal to any current expenditure differential between Nash and Edgecombe Counties as hereinafter defined. The current expenditure differential for each school year shall be the product of the number of students attending school in the Nash-Rocky Mount School Administrative Unit who reside within that portion of the City Administrative Unit located in the County with the lower current per pupil expenditure, multiplied by the amount which the current per pupil appropriation made by the Board of Commissioners of the county with the higher current per pupil expenditure to the Nash-Rocky Mount School Administrative Unit exceeds the current per pupil appropriation made by the county with the lower current per pupil expenditure to the Nash-Rocky Mount School Administrative Unit.

~~(c) The Rocky Mount City Council and the county commissioners shall each appropriate $500,000 per year for 10 consecutive years, beginning July 1, 1992, for school capital improvements within the city of Rocky Mount. In addition, the City shall pay for the extension of all electrical, water, sewer, and natural gas lines to the property line of the Winstead Avenue school site, if such site is used for a new school building.~~"

SECTION 3.(b) This section becomes effective July 1, 2016.

SECTION 4. Section 21 of Chapter 391 of the 1991 Session Laws is repealed effective June 30, 2020.

SECTION 5. Notwithstanding Chapter 391 of the 1991 Session Laws, beginning July 1, 2020, the "Nash-Rocky Mount School Administrative Unit" shall be named the "Nash School Administrative Unit," and the "Nash-Rocky Mount Board of Education" shall be the "Nash Board of Education."

SECTION 6.(a) A local board of education shall not file any legal action under G.S. 115C-426, 115C-431, or 115C-432 challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both. This subsection expires upon the adoption of the 2026-2027 fiscal year budget by the appropriate board of county commissioners. The board of county commissioners shall approve a school budget that provides an amount per pupil annually for local current expense funds that is equal to or greater than the per pupil amount for local current expense funds appropriated by the board of county commissioners for the 2016-2017 fiscal year.

SECTION 6.(b) This section applies only to the County of Nash.

SECTION 7. If Edgecombe County or the City of Rocky Mount fail to provide the required annual funding directed by this act, upon review and certification by the Local Government Commission that the required funding has not been provided, and the failure of Edgecombe County or the City of Rocky Mount to make full payment of the required funding within one month of the certification, the following shall occur:

(1) Effective July 1 of the following calendar year, the boundaries of the Nash-Rocky Mount School Administrative Unit shall be identical to the boundaries of Nash County, and shall be renamed as the Nash School Administrative Unit, and the boundaries of the Edgecombe School Administrative Unit shall be identical to the boundaries of Edgecombe County.

(2) Effective July 1 of the following calendar year, the term of office of any local board of education member not residing within the local school administrative unit of the board on which the member serves shall expire.

(3) Prior to July 1 of the following calendar year, notwithstanding G.S. 115C-37, Chapter 391 of the 1991 Session Laws, and Chapter 809 of the 1991 Session Laws, the boards of the school administrative units of Nash and Edgecombe shall each revise the electoral districts for the respective boards to reflect the boundaries of each school administrative unit as of July 1, as provided in subdivision (1) of this section. Notwithstanding G.S. 163-278, the boards of the school administrative units of Nash and Edgecombe, respectively, shall have the authority to call a special election to fill any vacancies created by the electoral district revisions.

(4) Within 120 days of the certification by the Local Government Commission that the required funding has not been provided, the boards of the school administrative units of Nash and Edgecombe in consultation with the boards of county commissioners of Nash and Edgecombe Counties shall jointly submit to the State Board of Education for approval a written plan for transfer of that portion of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County to the Edgecombe School Administrative Unit. The provisions of the plan shall be consistent with the General Statutes and shall contain, but not be limited to, the following:

a. The power, authority, and duties of the Nash Board of Education and Edgecombe Board of Education with respect to the employment of personnel, the preparation of budgets, student assignment, and any other related matters relevant to the area to be transferred effective July 1, not inconsistent with the General Statutes.

b. The transfer of all funds, contracts, obligations, assets, and liabilities relevant to the area to be transferred effective July 1, from the Nash-Rocky Mount Board of Education to the Edgecombe Board of Education, including, but not limited to, consideration of real property, furnishings and improvements, encumbered and unencumbered property, equipment, buses, band and sports equipment, textbooks, other instructional materials, and library resources, computers, and supplies.

c. Any other appropriate subject or function that may be necessary for the orderly transfer of the portion of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County to be transferred to the Edgecombe School Administrative Unit effective July 1.

If a written plan of transfer is not submitted as herein provided, or if the State Board of Education does not approve the submitted plan prior to the March 15 immediately preceding the transfer date of July 1, the State Board of Education shall prepare an approved plan of transfer to be effective June 1 for the July 1 transition. No plan of transfer shall become effective until approval is granted by the State Board of Education. Upon approval of the State Board of Education, the plan of transfer shall become final and shall be deemed to have been made by authority of law and shall not be changed or amended except by an act of the General Assembly. The approved written plan shall be placed in the custody of the Nash Board of Education and Edgecombe Board of Education and a copy filed with the Secretary of State.

(5) Except as otherwise provided for in the transfer agreement approved as provided in subdivision (4) of this section, the title to and ownership of all property of the Nash-Rocky Mount Board of Education located in Edgecombe County, both real and personal of every kind and description, shall be vested in the Edgecombe Board of Education, and the Boards of Education shall execute all deeds and other instruments of conveyance as may be necessary and appropriate to vest record title to and ownership of any property located in Edgecombe County held by the Nash-Rocky Mount Board of Education in and to the Edgecombe Board of Education on or before the transfer date of July 1.

(6) Except as otherwise provided for in the transfer agreement approved as provided in subdivision (4) of this section:

a. All claims and demands of every kind related to the public schools of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County as of the July 1 transfer date, shall pass and be transferred to the Edgecombe Board of Education, and the Edgecombe Board of Education shall have the same powers and authority to enforce said claims and demands as the Nash-Rocky Mount School Administrative Unit would have had in the event of the continued control of those public schools.

b. Any obligations and liabilities related to the public schools of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County existing as of the July 1 transfer date shall become the obligations and liabilities of the Edgecombe Board of Education as of that July 1, and such obligations and liabilities may be enforced against the Edgecombe Board of Education thereafter to the same extent that they might have been enforced against the Nash-Rocky Mount Board of Education prior to the transfer.

SECTION 8. If any provision of this act or its application is held invalid, the invalidity does not affect the other provisions or applications of this act that can be given effect

without the invalid provisions or applications, and to this end, the provisions of this act are severable.

SECTION 9. Except as otherwise provided, this act is effective when it becomes law.

This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 382: Revision of SB 612.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 14, 2016
Introduced by:	Sens. Rabon, Harrington, Meredith	**Prepared by:**	Kara McCraw Committee Co-Counsel
Analysis of:	PCS to Second Edition S382-CSTC-80		

SUMMARY: ***The PCS for SB 382 eliminates the prior contents of the bill, and creates new local funding requirements for the Nash-Rocky Mount School Administrative Unit, and a moratorium on litigation related to local school funding for that school administrative unit.***

The revised PCS adds a new Section 7 that would transfer that portion of the Nash-Rocky Mount School Administrative Unit located in Edgecombe County to the Edgecombe School Administrative Unit if the Edgecombe Board of Commissioners or City of Rocky Mount failed to provide required funding.

CURRENT LAW: S.L. 1991-391 (SB 612) merged the Nash County and Rocky Mount City School Administrative Units to create the Nash-Rocky Mount School Administrative Unit (NRMS). NRMS includes all of Nash County and the portion of the City of Rocky Mount located in Edgecombe County.

Section 20 of S.L. 1991-391 requires the County Commissioners of Edgecombe County to appropriate local current expense funds to NRMS on the same per pupil basis as provided the Edgecombe School Administrative Unit. Additionally, the Edgecombe County Commissioners must apportion capital outlay funds between the Edgecombe School Administrative Unit and that portion of NRMS located in Edgecombe County on a per capita basis according to the membership of each unit.

Section 21 of S.L. 1991-391 requires the City of Rocky Mount to appropriate to NRMS, from funds derived from sources other than ad valorem taxation, funds for the current expense and capital outlay needs of the NRMS in an amount equal to any current expenditure differential between Nash and Edgecombe Counties, calculated based on the difference in the per pupil expenditure by county multiplied by the number of students residing in the portion of the City in the county with the lowest per pupil expenditure.

G.S. 115C-431 provides a process for dispute resolution and litigation over the sufficiency of county appropriations for a local school administrative unit annual school budget.

BILL ANALYSIS: The PCS for SB 382 would make the following changes:

Section 1 (Effective when it becomes law):

- Would require the NRMS Board of Education (NRMS Board) to submit an annual school budget to the Nash County Board of Commissioners (Nash BOC) for approval and to the Edgecombe County Board of Commissioners (Edgecombe BOC) for review. The Edgecombe BOC would provide recommendations to the Nash BOC, who would give final approval to the budget.

Karen Cochrane-Brown
Director

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- The NRMS Board and Nash BOC would be required to make best efforts to achieve a fair, reasonable, and practical appropriation of capital outlay and debt service funds for those schools in the NRMS located in Edgecombe County.
- If the respective finance officers could not agree by consensus on the amounts to be paid, a certified public accountant with expertise in school finance would be selected by consensus to determine the amounts to be paid.
- The Edgecombe BOC would be required, beginning July 1, 2016, to provide the Edgecombe proportional share of the capital outlay fund for NRMS - the percentage of the appropriated capital outlay budget equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 2 (Effective July 1, 2020): The Edgecombe BOC would be required to appropriate the Edgecombe proportional share of the local current expense funds - the percentage of the appropriated local current expense funds equal to the percentage of students enrolled in the NRMS domiciled in Edgecombe County.

Section 3 (Effective July 1, 2016): The City of Rocky Mount would be required to appropriate the current expense differential for local current expense funds for NRMS, but would not be required to appropriate the current expense differential for capital outlay funds.

Section 4: (Effective July 1, 2020): The City of Rocky Mount would no longer be required to appropriate funding for NRMS.

Section 5: (Effective July 1, 2020): The Nash-Rocky Mount School Administrative Unit would be renamed the Nash School Administrative Unit, and the Nash-Rocky Mount Board of Education would be renamed the Nash Board of Education.

Section 6: (Effective when law): The board of education for the NRMS would be prohibited from initiating litigation with Nash County over the sufficiency of the local appropriation to the local current expense fund, the capital outlay fund, or both beginning with the 2016-2017 fiscal year and ending with the adoption of the 2026-2027 fiscal year budget. The Nash BOC would be required to approve a school budget that provided an amount per pupil annually equal to or greater than the per pupil amount appropriated for the 2016-2017 fiscal year.

Section 7: (Effective when law): If the Edgecombe BOC or City of Rocky Mount failed to provide the required funding to NRMS, as determined by the Local Government Commission, and failed to remedy the deficiency within 30 days of that determination, the portion of the NRMS located in Edgecombe County would become part of the Edgecombe School Administrative Unit effective July 1 of the following year. Both local boards would be required to revise electoral districts and call special elections as needed. The boards would jointly develop a transfer agreement subject to approval by the State Board of Education. Property, claims, demands, obligations, and liabilities related to NRMS schools located in Edgecombe County would be transferred to the Edgecombe Board of Education.

Section 8: Severability Clause.

EFFECTIVE DATE: Except as otherwise provided, SB 382 would become effective when it become law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL

HB **499** Study/Public Records & Open Meetings.

Draft Number:	H499-PCS30520-TG-64
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Collins

FAVORABLE COM SUB JOINT RESOLUTION, UNFAVORABLE ORIGINAL JOINT RESOLUTION

HJR **1130** Pledge to Uphold the Bill of Rights.

Draft Number:	H1130-PCS30521-SU-49
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Pittman

FAVORABLE HOUSE COM SUB NO. 3, UNFAVORABLE HOUSE COM SUB NO. 2

SB **363** **(HCS#2)** Wage & Hour/Local Gov't Assessments/Parks.

Draft Number:	S363-PCS45518-SVxr-52
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Stam

TOTAL REPORTED: 3

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HB **1146** Modify Various Appointments.

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

SJR **718** Honor Harris Blake, Former Senator.

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

SB **748** Change Report - Build. & Infrastructure Comm.

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

TOTAL REPORTED: 3

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

HJR **1149** Confirm Fred Steen/Board of Review.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **382** **(CS#1)** RFI/Privatization of Ferry System.

Draft Number:	S382-PCS45520-TC-80
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 2

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Calvin Rowell	Zebulon
Suzanne Bradley	SWVC
Susanna Birdsong	ACLU-NC
Matt Gross	NCPL
Seth Parker	NC REALTORS
[illegible]	Misc. RETIN & others
Matt Grabowski	STATE HEALTH Plan
Daniel Jordan	NCHFA

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelsey Klingenmeyer	Noble Law, Asheville
Paul Hogeman	Invista Inc.
Meghan Lewis	NCC
Bailey [redacted]	NCLM
Keenan Conte	DOT
Kohnor Gregory	DOT
Matthew Starr	Riverkeeper
Patrick G. W	R. W. & assoc.
Chuck Greene	AT+T
Kathy Hawkins	Duke Energy
Eadie Powell	Zebulon

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Meghan Cook	NC DIT
Sarah Hardin	CTZ
Caroline Dalley	Governor's Office
Kasey Ginsberg	Governor's office
MATT ARSENAULT	SIERRA CLUB
Sarah Collins	NCLM
Mary Cain	Noble Kava, Boone
Jackson Grotophorst	Noble Kava, Boone
Keely Flow	Noble Kava, 428C Haywood Rd Asheville, NC
Daniel Jay	Noble Kava, Boone
Patrick Sanderson	Noble Kava, Asheville

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	NCFPC
Mia Bailey	ElectriCities
Catherine Harward	NCFB
Paul Sherman	NCFB
[signature]	[illegible]
Adam Prideaux	NCASA
Michelle Frazier	MFS
[signature]	MCA
Phoebe Landon	NWC
Rivian Mcwaid	WNC
Courtney Lowery	Randolph Cloud & Assoc.

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Julee White	NCMMC
Sarah McQuillan	SSONC
Michael Houser	THCG
JEREMY COHEN	NM
Sal Sadi	NP
Tom West	NCICU
Thomas Wilcox	C Lot
Wendy Kelly	Forsyth carolina
Carson White	MVA
Brandon Robinson	Hornet
Rob Hamer	PLA
Scott Laster	ESSNC

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar,and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelsey Byerly	Lawrie Orvis LLC
Betsy McCorkle	SSGNC
Joy Hicks	NCDA&CS
Julie Robinson	NCSEA
Amanda Donovan	TSS
Chris McClure	BP
Elizabeth Bise	BP
Alex Holbrook	NCDOT
Fred Boye	Boye Assoc.
David Heinen	NC Center for Nonprofits
Mark Billings	BLG

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar, and Operations — 06/14/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	[illegible]
Adam Pridemore	NCASA
Bruce Mildwurf	NCSFA
GERRY COHEN	Nelson Mullins
[illegible]	AMGA
Colleen Kachmarek	KCG
[illegible]	NCMA
[illegible]	MWC
Courtney Lukamy	Randolph Cloud + Assoc.
Mary Swaim	NCCCS
Tom Tibbet	NCICU

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar, and Operations
Name of Committee

06/14/2016
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	SA
Jonathan Bonbaker	Bonbaker Assoc.
Chris McClure	Brooks Pierce
Amanda Donovan	TJCJ
Hayden Bourgeois	FSP
[signature]	Bonn Assoc
Robb Jansen	State Bd. of Ed.
[signature]	NC Justice Center
LAURA PURYEAR	LOLLC
KELSEY BYERLY	LOLLC
[signature]	NSS

VISITOR REGISTRATION SHEET

House Committee on Rules,Calendar, and Operations
Name of Committee

06/14/2016
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lori Ann Harris	LAHA

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 16, 2016 at Immediately After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at Immediately After Session on June 16, 2016 in Room 1228/1327 of the Legislative Building. Representatives Boles, Bumgardner, Carney, Cotham, Daughtry, Davis, Fraley, Jackson, Lewis, Szoka, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 600 Appraiser Compensation/Judge Perform Marriage. (Senators Meredith, Rabon, Lowe)
Torbett moves for a favorable report. The motion carries.

The meeting adjourned at 3:05 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

SENATE BILL 600: Appraiser Compensation/Judge Perform Marriage.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 16, 2016
Introduced by:	Sens. Meredith, Rabon, Lowe	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	PCS to Third Edition S600-CSSU-51		

SUMMARY: The Proposed Committee Substitute for Senate Bill 600 amends the law as follows:

- ***Requires appraisal management companies to pay appraisers customary and reasonable fees in a manner consistent with federal law.***
- ***Authorizes a Justice of the US Supreme Court or Judge of the US Court of Appeals to perform a marriage in North Carolina for the period of July 2, 2016 - July 5, 2016.***

BILL ANALYSIS:

Section 1 of the PCS requires that appraisal management companies compensate appraisers in compliance with federal law, which provides for customary and reasonable fees, and authorizes the Appraisal Board to adopt rules defining customary and reasonable in a manner consistent with federal law. This section also makes a conforming change authorizing the Board to take disciplinary action against an appraisal management company for failure to compensate appraisers in compliance with the law.

Section 2 of the PCS authorizes a Justice of the United States Supreme Court or a Judge of the United States Court of Appeals to solemnize a marriage in North Carolina. Current law requires that a marriage be solemnized in the presence of a minister or magistrate but does not allow solemnization by judges. This authorization would only be in effect for the period of July 2, 2016, to July 5, 2016.

EFFECTIVE DATE: Section 1 of the act, related to appraisal management companies, becomes effective January 1, 2017. Section 2, related to solemnization of marriage, becomes effective July 2, 2016, and expires July 5, 2016.

Karen Cochrane-Brown
Director

S600-SMSU-144 CSSU-51 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 600
Transportation Committee Substitute Adopted 4/29/15
House Committee Substitute Favorable 6/2/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S600-CSSU-51 [v.1]
06/16/2016 12:09:56 PM

Short Title: Appraiser Compensation/Judge Perform Marriage. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE APPRAISAL MANAGEMENT COMPANIES TO COMPENSATE APPRAISERS IN COMPLIANCE WITH FEDERAL LAW AND TO ALLOW FEDERAL APPELLATE JUDGES TO PERFORM MARRIAGE CEREMONIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 93E-2-4 is amended by adding the following new subsection to read:

"**§ 93E-2-4. Qualifications for registration; duties of registrants.**

...

(i) For appraisal assignments of one- to four-family residential dwellings, an appraisal management company shall compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act (15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. The Board shall adopt rules necessary to enforce this subsection."

SECTION 1.(b) G.S. 93E-2-8(a) is amended by adding the following new subdivision to read:

"**§ 93E-2-8. Disciplinary authority.**

(a) The Board may, by order, deny, suspend, revoke, or refuse to issue or renew a registration of an appraisal management company under this Article or may restrict or limit activities of a person who owns an interest in or participates in the business of an appraisal management company if the Board determines that an applicant, registrant, or any partner, member, manager, officer, director, compliance manager, or person occupying a similar status, performing similar functions, or directly or indirectly controlling the applicant or registrant has done any of the following:

...

(9) Failed to compensate appraisers in compliance with G.S. 93E-2-4(i)."

SECTION 1.(c) This section becomes effective January 1, 2017.

SECTION 2.(a) Notwithstanding the limitations in G.S. 51-1 (1) and (2), a marriage that meets all other requisites of marriage may be solemnized by a Justice of the United States Supreme Court or a Judge or the United States Court of Appeals.

SECTION 2.(b) This section becomes effective July 2, 2016, and expires July 5, 2016.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **600** **(HCS#1)** Appraiser Compensation/Judge Perform Marriage.

Draft Number:	S600-PCS45530-SU-51
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Szoka

TOTAL REPORTED: 1

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/16/2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Bales	Bulaker & Associates
Tim Moore	NCHBA
Tom Holt	NCICU
Heather Robinson	NCRMA
Penny Hodges	COG
DANIEL JORDAN	NCAFA
Will Ramey - Hia	NCHFA

VISITOR REGISTRATION SHEET

House Committee on Rules — Name of Committee

06/16/2016 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McDowell	KTS
Sonny Ribon	Charter
Trey Rabon	AFP-T
Elizabeth Bise	BP
MARK BABBS	CLPC
Chris McClure	BP

House Committee on Rules, Calendar, and Operations of the House
Tuesday, June 28, 2016 at 15 Minutes After Session
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 15 Minutes After Session on June 28, 2016 in Room 1228/1327 of the Legislative Building. Representatives J. Bell, Blust, Boles, Bumgardner, Burr, Carney, Cotham, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hastings, Jackson, L. Johnson, Lewis, Robinson, Stevens, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

HB 151 Vacation Rentals/Orange Co. Jail Construction. (Representatives Tine, Setzer, J. Bell, Jackson)
Discussion only. Daughtry moves for a favorable report for concurrence. The motion carries.

SB 747 State-Owned Real Property Management/PED. (Senators Gunn, Hartsell, Krawiec)
Rep. Boles moves favorable for concurrence. The motion carries.

SB 673 Natural Gas Econ. Dev. Infrastructure. (Senator Apodaca)
Rep. Daughtry moves favorable report to the PCS. The motion carries.

SB 349 Amd Various Laws/Study Golf Course Tax Policy. (Senator Randleman)
Rep. Lewis moves favorable report to the PCS. The motion carries.

SB 53 Private Alternative Teacher Preparation. (Senators Krawiec, Lowe)
Rep. Floyd moves favorable report to the PCS. The motion carries.

The meeting adjourned at 6:02 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Rules - 6/28/16 (5:13 pm)

HB 151 → Discussion Only (Daughtry) Favorable Report (CCS)

SB 747 → Concur (Boles) Passes

SB 673 → Heard by Committee (Daughtry) (PCS)

- Chris Harris - Utilities Commission
- John Carr - NC Lobbyists Propane Gas
- Sharon Miller - NC Utilities Users Assoc.
- Jazz Tennell - Piedmont Nat. Gas Co.

Favorable Report (Daughtry)

SB 349 → Heard by Committee (Tine)

Favorable Report (Lewis) → Passes

SB 53 → (PCS)

Favorable Report (Floyd)

SB 326 → (PCS)

Moved to tomorrow

Adjourn (6:02 pm)

Corrected #2:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Tuesday, June 28, 2016
TIME: **15 Minutes After Session**
LOCATION: **1228/1327 LB**
COMMENTS: **15 Minutes after the adjournment of session.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 151	Vacation Rentals/Orange Co. Jail Construction.	Representative Tine Representative Setzer Representative J. Bell Representative Jackson
SB 747	State-Owned Real Property Management/PED.	Senator Gunn Senator Hartsell Senator Krawiec
SB 673	Natural Gas Econ. Dev. Infrastructure.	Senator Apodaca
SB 349	Amd Various Laws/Study Golf Course Tax Policy.	Senator Randleman
SB 53	Private Alternative Teacher Preparation.	Senator Krawiec Senator Lowe
SB 326	Local Gov'ts/Bldgs/Structures/Inspections.	Senator Gunn Senator Meredith Senator Apodaca

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:16 PM on Tuesday, July 12, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

House Committee on Rules, Calendar, and Operations of the House
Tuesday, June 28, 2016, 15 Minutes After Session
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 151	Vacation Rentals/Orange Co. Jail Construction.	Representative Tine Representative Setzer Representative J. Bell Representative Jackson
SB 747	State-Owned Real Property Management/PED.	Senator Gunn Senator Hartsell Senator Krawiec
SB 673	Clarify Motor Vehicle Dealer Laws.	Senator Apodaca
SB 349	Restore Driving Privileges/Competency.	Senator Randleman
SB 53	Cities/Overgrown Vegetation Notice.	Senator Krawiec Senator Lowe

Presentations

HB 151 is for discussion only

Other Business

Adjournment

HOUSE BILL 151:
Vacation Rentals/Orange Co. Jail Construction.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 8, 2016
Introduced by:	Reps. Tine, Setzer, J. Bell, Jackson	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	Fifth Edition		

SUMMARY: House Bill 151 makes changes to the Vacation Rental Act, amends provisions of law related to summary ejectment and residential rental agreements, and amends a State land lease to facilitate construction of a new jail in Orange County as follows:

- ***Amends the Vacation Rental Act by adding definitions of terms used in the Act, clarifying when a real estate broker may deduct management fees from advanced payments, requiring landlords to provide carbon monoxide detectors in rental properties, setting out responsibilities of real estate brokers managing rental properties, and providing for early termination of vacation rental agreements when a member of the Armed Forces is deployed or relocated.***
- ***Provides that a writ for possession in a summary ejectment be returned unexecuted and entered as satisfied upon written statement by the landlord.***
- ***Provides that a real estate broker or firm is not personally liable in a civil action between landlord and tenant because he or she fails to identify the landlord in a rental agreement.***
- ***Provides that a landlord may charge a court-appearance fee in a successfully prosecuted summary ejectment action, but the fee is vacated if the tenant appeals the judgment.***
- ***Amends a land lease between the Department of Administration and Orange County to facilitate construction of a new jail by allowing the County to grant a leasehold of trust in the land and buildings, allowing the mortgage holder to foreclose if the County defaults, and extending the original lease dates for commencement and completion of construction by 18 months.***

BILL ANALYSIS: House Bill 151 does the following:

Part I of the bill makes changes to statutes related to vacation rentals, residential rental agreements, and summary ejectment procedures.

Section 1 provides definitions for "advanced payments" and "landlord", terms that are currently used but not defined in the Vacation Rental Act.

Section 1.2 provides that a real estate broker holding advanced payments from a tenant when a landlord's interest in a rental property terminates may deduct management fees earned prior to the transfer per the agency agreement between the broker and landlord. The landlord would be responsible to his or her successor in interest for any amount deducted.

Karen Cochrane-Brown
Director

H151-SMSU-149 E5 -V-1

Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Section 1.3 requires the landlord of a vacation rental property to provide one carbon monoxide alarm for each level of each rental unit if the unit has a fossil-fuel burning heater, appliance, or fireplace, or if the unit has an attached garage.

This section also sets out responsibilities and liabilities of real estate brokers who manage vacation rental properties on behalf of a landlord.

Section 1.4 provides for early termination of a vacation rental agreement for a member of the Armed Forces of the United States if he or she receives an order for deployment or a permanent change of station after executing the vacation rental agreement. The member would have to provide written notice of cancellation to the landlord within ten calendar days of receipt of the order and provide a copy of the order or verification signed by the member's commanding officer. This right to terminate also extends to the spouse of a member of the Armed Forces.

Section 1.5 provides that the sheriff shall return the writ of possession as unexecuted and the clerk shall enter the judgment as satisfied upon the receipt of a written statement by the landlord that the landlord does not want to eject the tenant because the tenant has satisfied the debt as well as the court costs,.

Section 1.6 provides that a real estate broker or firm managing a rental property on behalf of a landlord is not personally liable in a civil action between the landlord and tenant when the broker fails to identify the landlord in the rental agreement.

Section 1.7 authorizes a landlord to charge a court-appearance fee when a tenant is in default of a lease and the landlord successfully prosecutes a complaint for summary judgment, but provides that the fee awarded shall be vacated if the tenant appeals.

Section 1.8 is a conforming change to a cross-reference needed due to the renumbering of definitions in Section 1.1.

Part II of the bill authorizes amendments to a lease of State property to Orange County in order to facilitate construction of a new jail.

Sections 2.1-2.4 require the Department of Administration, upon agreement by Orange County, to amend its lease of land to the County to provide:

- That the County may grant a leasehold deed of trust in the land and buildings for up to 40 years.
- That the mortgage holder may foreclose and evict the County if it defaults.
- That the dates for commencement and completion of construction set out in the original lease are extended by 18 months.

The amendments would not be required to be submitted to the Governor or Council of State for approval.

EFFECTIVE DATE: Part I of the bill, pertaining to vacation and residential rental agreements, would become effective July 1, 2016, but would not affect any litigation pending on that date. The remainder of the act would be effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H 5

HOUSE BILL 151

Committee Substitute Favorable 3/24/15
Senate Commerce Committee Substitute Adopted 5/31/16
Senate Judiciary I Committee Substitute Adopted 6/14/16
Fifth Edition Engrossed 6/16/16

Short Title: Vacation Rentals/Orange Co. Jail Construction. (Public)

Sponsors:

Referred to:

March 5, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND THE VACATION RENTAL ACT TO CLARIFY THE ROLE OF REAL ESTATE BROKERS IN TRANSACTIONS BETWEEN LANDLORDS AND TENANTS, TO PROTECT MEMBERS OF THE ARMED FORCES BY ALLOWING TERMINATION OF RENTAL AGREEMENTS UPON TRANSFER OR REDEPLOYMENT, TO CLARIFY THE PROCEDURE FOR AWARDING AND COLLECTING CERTAIN COURT FEES IN EVICTION PROCEEDINGS, AND TO ALLOW AMENDMENTS TO A LEASE OF REAL PROPERTY TO ORANGE COUNTY TO FACILITATE JAIL CONSTRUCTION.

The General Assembly of North Carolina enacts:

PART I. CHANGES TO THE VACATION RENTAL ACT/SUMMARY EJECTMENT/RESIDENTIAL RENTAL AGREEMENTS

SECTION 1.1. G.S. 42A-4 reads as rewritten:

"**§ 42A-4. Definitions.**

The following definitions apply in this Chapter:

(1) Advanced payments. – All payments made by a tenant in a vacation rental agreement to a landlord or the landlord's real estate broker prior to occupancy for the purpose of renting a vacation rental property for a future period of time as specified in the vacation rental agreement.

(2) Landlord. – An owner of residential property offered for lease as a vacation rental with or without the assistance of a real estate broker.

(3) Reserved.

~~(1)~~(4) Real estate broker. – A real estate broker as defined in G.S. 93A-2(a).

~~(2)~~(5) Residential property. – An apartment, condominium, single-family home, townhouse, cottage, or other property that is devoted to residential use or occupancy by one or more persons for a definite or indefinite period.

~~(3)~~(6) Vacation rental. – The rental of residential property for vacation, leisure, or recreation purposes for fewer than 90 days by a person who has a place of permanent residence to which he or she intends to return.

~~(4)~~(7) Vacation rental agreement. – A written agreement between a landlord or his or her real estate broker and a tenant in which the tenant agrees to rent residential property belonging to the landlord for a vacation rental."

SECTION 1.2. G.S. 42A-19(b) reads as rewritten:

"(b) Except as otherwise provided in this subsection, upon termination of the landlord's interest in the residential property subject to a vacation rental agreement, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent, or the real estate broker, shall, within 30 days, transfer all advance rent paid by the tenant, and the portion of any fees remaining after any lawful deductions made under G.S. 42A-16, to the landlord's successor in interest and thereafter notify the tenant by mail of such transfer and of the transferee's name and address. If a real estate broker is holding advanced rents paid by the tenant pursuant to a vacation rental agreement at the time of the termination of the landlord's interest, the real estate broker may deduct from the advanced rents transferred to the landlord's successor in interest any management fee earned by the real estate broker prior to the transfer. The written agency agreement between the landlord and the real estate broker shall govern when the fee has been earned. If the real estate broker deducts an earned management fee from the advanced rents, the landlord shall be responsible to the landlord's successor in interest for the amount deducted. For vacation rentals that end more than 180 days after the recording of the interest of the landlord's successor in interest, unless the landlord's successor in interest has agreed in writing to honor the vacation rental agreement, the landlord or the landlord's agent, or the real estate broker, shall, within 30 days, transfer all advance rent paid by the tenant, and the portion of any fees remaining after any lawful deductions made under G.S. 42A-16, to the tenant. Compliance with this subsection shall relieve the landlord or real estate broker of further liability with respect to any payment of rent or fees. Funds held as a security deposit shall be disbursed in accordance with G.S. 42A-18."

SECTION 1.3. Article 5 of Chapter 42A of the General Statutes reads as rewritten:

"Article 5.

"Landlord and Tenant Duties.

"**§ 42A-31. Landlord to provide fit premises.**

A landlord of a residential property used for a vacation rental shall:

(1) Comply with all current applicable building and housing ~~codes.~~codes to the extent required by the operation of the codes. However, no new requirement is imposed if a structure is exempt from a current building or housing code.

...

(6) Provide a minimum of one operable carbon monoxide alarm per rental unit per level, either battery-operated or electrical, that is listed by a nationally recognized testing laboratory that is OSHA-approved to test and certify to American National Standards Institute/Underwriters Laboratories Standards ANSI/UL2034 or ANSI/UL2075, and install the carbon monoxide alarms in accordance with either the standards of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the landlord shall retain or provide as proof of compliance. A landlord that installs one carbon monoxide alarm per rental unit per level shall be deemed to be in compliance with standards under this subdivision covering the location and number of alarms. The landlord shall replace or repair the carbon monoxide alarms within three days of receipt of notification if the landlord is notified of needed replacement or repairs in writing by the tenant. At least every six months, the landlord shall ensure that a carbon monoxide alarm is operable and in good repair. Unless the landlord and the tenant have a written agreement to the contrary, the landlord shall place new batteries in a battery-operated carbon monoxide alarm annually and the tenant shall replace the batteries as needed during the tenancy. Failure of the tenant to replace the batteries as needed shall not be considered as negligence on the part of the tenant or the landlord. A carbon monoxide alarm may be combined with smoke alarms if the combined alarm does both of the following: (i) complies with ANSI/UL2034 or

ANSI/UL2075 for carbon monoxide alarms and ANSI/UL217 for smoke alarms and (ii) emits an alarm in a manner that clearly differentiates between detecting the presence of carbon monoxide and the presence of smoke. This subdivision applies only to dwelling units having a fossil-fuel burning heater, appliance, or fireplace and in any dwelling unit having an attached garage. Any operable carbon monoxide detector installed before January 1, 2015, shall be deemed to be in compliance with this subdivision.

These duties shall not be waived; however, the landlord and tenant may make additional covenants not inconsistent herewith in the vacation rental agreement.

...

"**§ 42A-33. Responsibilities and liability of real estate broker.**

(a) A real estate broker managing a vacation rental property on behalf of a landlord shall do all of the following:

(1) Manage the property in accordance with the terms of the written agency agreement signed by the landlord and real estate broker.

(2) Offer vacation rental property to the public for leasing in compliance with all applicable federal and State laws, regulations, and ethical duties, including, but not limited to, those prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicapping condition, or familial status.

(3) Notify the landlord regarding any necessary repairs to keep the property in a fit and habitable or safe condition and follow the landlord's direction in arranging for any such necessary repairs, including repairs to all electrical, plumbing, sanitary, heating, ventilating, and other facilities and major appliances supplied by the landlord upon written notification from the tenant that repairs are needed.

(4) Verify that the landlord has installed operable smoke detectors and carbon monoxide alarms.

(5) Verify that the landlord has annually placed new batteries in a battery-operated smoke detector or carbon monoxide alarm. Failure of the tenant to replace the batteries as needed shall not be considered negligence on the part of the real estate broker.

(b) A real estate broker or firm managing a vacation rental property on behalf of a landlord client shall not become personally liable as a party in any civil action between the landlord and tenant solely because the real estate broker or firm fails to identify the landlord of the property in the vacation rental agreement."

SECTION 1.4. Article 6 of Chapter 42A of the General Statutes is amended by adding a new section to read:

"**§ 42A-37. Early termination of vacation rental agreement by military personnel.**

(a) Any member of the Armed Forces of the United States who executes a vacation rental agreement and subsequently receives (i) an order for deployment with a military unit for a period overlapping with the rental period or (ii) permanent change of station orders requiring the member to relocate on a date prior to the beginning of the lease term may terminate the member's vacation rental agreement by providing the landlord or landlord's agent with a written notice of termination within 10 calendar days of receipt of the order. The notice must be accompanied by either a copy of the official military orders or a written verification signed by the member's commanding officer. Termination of a lease pursuant to this subsection is effective immediately upon receipt of the notice by the landlord or landlord's agent. All monies paid by the terminating member, with the exception of nonrefundable fees paid to third parties as described in G.S. 42-16(a), in connection with the vacation rental agreement shall be refunded to the member within 30 days of termination of the agreement.

(1) A landlord who claims fees under subsections (e) through (g) of this section is entitled to charge and retain only one of the above fees for the landlord's complaint for summary ejectment and/or money owed.

(2) A landlord who earns a fee under subsections (e) through (g) of this section may not deduct payment of that fee from a tenant's subsequent rent payment or declare a failure to pay the fee as a default of the lease for a subsequent summary ejectment action.

(3) It is contrary to public policy for a landlord to put in a lease or claim any fee for filing a complaint for summary ejectment and/or money owed other than the ones expressly authorized by subsections (e) through (g) of this section, and a reasonable attorney's fee as allowed by law.

(4) Any provision of a residential rental agreement contrary to the provisions of this section is against the public policy of this State and therefore void and unenforceable.

(5) If the rent is subsidized by the United States Department of Housing and Urban Development, by the United States Department of Agriculture, by a State agency, by a public housing authority, or by a local government, any fee charged pursuant to this section shall be calculated on the tenant's share of the contract rent only, and the rent subsidy shall not be included."

SECTION 1.8. G.S. 93A-2(c)(6) reads as rewritten:

"(6) Any salaried person employed by a licensed real estate broker, for and on behalf of the owner of any real estate or the improvements thereon, which the licensed broker has contracted to manage for the owner, if the salaried employee's employment is limited to: exhibiting units on the real estate to prospective tenants; providing the prospective tenants with information about the lease of the units; accepting applications for lease of the units; completing and executing preprinted form leases; and accepting security deposits and rental payments for the units only when the deposits and rental payments are made payable to the owner or the broker employed by the owner. The salaried employee shall not negotiate the amount of security deposits or rental payments and shall not negotiate leases or any rental agreements on behalf of the owner or broker. However, in a vacation rental transaction as defined by ~~G.S. 42A-4(3),~~G.S. 42A-4(6), the employee may offer a prospective tenant a rental price and term from a schedule setting forth prices and terms and the conditions and limitations under which they may be offered. The schedule shall be written and provided by the employee's employing broker with the written authority of the landlord."

SECTION 1.9. This section becomes effective July 1, 2016. Nothing in this section shall be construed as being applicable to or affecting any litigation pending on that date.

PART II. FACILITATE ORANGE COUNTY JAIL CONSTRUCTION

SECTION 2.1. Upon agreement by Orange County, the Department of Administration shall amend the land lease, recorded in Book 6085 at Page 494, Orange County Registry, to provide as follows:

(1) That Orange County may grant a leasehold deed of trust, with a duration of up to 40 years from the original lease date, in the land and the buildings on the land.

(2) That in the event of a default the mortgage holder may foreclose its security interest and evict the County from the premises.

(b) A member's termination of a vacation rental agreement pursuant to subsection (a) of this section shall also terminate any obligation a spouse or dependent of the member may have under the vacation rental agreement.

(c) The right to terminate a vacation rental agreement as described in subsection (a) of this section shall extend to the spouse of any member of the Armed Forces of the United States. A spouse exercising the right to terminate a rental agreement shall provide the same notice as described in subsection (a) of this section.

(d) The provisions of this section may not be waived or modified by the agreement of the parties."

SECTION 1.5. G.S. 42-36.2(a) reads as rewritten:

"(a) When Sheriff May Remove Property. – Before removing a tenant's personal property from demised premises pursuant to a writ for possession of real property or an order, the sheriff shall give the tenant notice of the approximate time the writ will be executed. The time within which the sheriff shall have to execute the writ shall be no more than five days from the sheriff's receipt thereof. The sheriff shall remove the tenant's property, as provided in the writ, no earlier than the time specified in the notice, unless:

(1) The landlord, or his authorized agent, signs a statement saying that the tenant's property can remain on the premises, in which case the sheriff shall simply lock the premises; or

(2) The landlord, or his authorized agent, signs a statement saying that the landlord does not want to eject the tenant because the tenant has paid all court costs charged to him and has satisfied his indebtedness to the landlord.

Upon receipt of ~~either statement by the landlord,~~a statement described in subdivision (2) of this subsection, the sheriff shall return the writ unexecuted to the issuing clerk of court and shall make a notation on the writ of his reasons. The sheriff shall attach a copy of the landlord's statement to the writ. If the writ is returned unexecuted because the landlord signed a statement described in subdivision (2) of this subsection, the clerk shall make an entry of satisfaction on the judgment docket. If the sheriff padlocks, the costs of the proceeding shall be charged as part of the court costs."

SECTION 1.6. G.S. 42-44 reads as rewritten:

"**§ 42-44. General remedies, penalties, and limitations.**

...

(c1) A real estate broker or firm as defined in G.S. 93A-2 managing a rental property on behalf of a landlord shall not be personally liable as a party in a civil action between the landlord and tenant solely because the real estate broker or firm fails to identify the landlord of the property in the rental agreement.

...."

SECTION 1.7. G.S. 42-46 reads as rewritten:

"**§ 42-46. Authorized ~~fees.~~late fees and eviction fees.**

...

(f) Court-Appearance Fee. – Pursuant to a written lease, a landlord may charge a court-appearance fee in an amount equal to ten percent (10%) of the monthly rent only if the tenant was in default of the ~~lease;~~lease and the landlord filed, served, and prosecuted successfully a complaint for summary ejectment and/or monies owed in the small claims ~~court; and neither party appealed the judgment of the magistrate.~~court. If the tenant appeals the judgment of the magistrate, a fee awarded by a magistrate to the landlord under this subsection shall be vacated.

(g) Second Trial Fee. – Pursuant to a written lease, a landlord may charge a second trial fee for a new trial following an appeal from the judgment of a magistrate. To qualify for the fee, the landlord must prove that the tenant was in default of the lease and the landlord prevailed. The landlord's fee may not exceed twelve percent (12%) of the monthly rent in the lease.

(h) Limitations on Charging and Collection of Fees.

(3) That both the date for commencement of construction and the date for completion of construction and occupation shall be extended by 18 months from the dates set forth in the original lease.

SECTION 2.2. Notwithstanding Chapter 146 of the General Statutes or any other provision of law, the lease amendments described in Section 1 of this act shall not require Governor or Council of State Approval.

SECTION 2.3. Once the lease amendments described in Section 1 of this act have been made, any term or provision of the lease that is contrary to the language of those amendments shall be deemed of no effect and the terms of the lease as amended shall control.

SECTION 2.4. The lease amendments required by this act shall be in such form as the Secretary of Administration, or the Secretary's designee, may approve.

PART III. EFFECTIVE DATE

SECTION 3.1. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 747:
State-Owned Real Property Management/PED.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 27, 2016
Introduced by:	Sens. Gunn, Hartsell, Krawiec	**Prepared by:**	Bill Patterson Committee Co-Counsel
Analysis of:	Second Edition		

SUMMARY: Senate Bill 747[1] implements various recommendations of the Program Evaluation Division regarding the way in which State-owned real property is managed and disposed of, as set forth in its report entitled "North Carolina Should Dispose of Unneeded Real Property and Improve Portfolio Management to Reduce Costs, Report Number 2015-04 (June 2015)." Broadly speaking, these changes would require more active management of State-owned real property, ongoing identification and disposal of surplus State-owned real property, ongoing measurement and reporting of utilization of State-owned real property, ongoing updating of State-owned real property inventories, and ensuring that State-owned property is not available before leases are approved or renewed.

CURRENT LAW: G.S. 146-27 provides that the sale or lease of most State-owned real property is to be conducted by the Department of Administration and approved by the Governor and Council of State. The process of selling a particular piece of State-owned real property can be commenced as a result of the Department of Administration's own initiative, a State agency request, or in response to a legal requirement that the property be sold. There is, however, currently no statutory mechanism in place for regular identification and disposal of State-owned real property that is no longer needed for State purposes. Nor is there any statutory mechanism in place for an agency to continuously monitor and report on its utilization of State-owned real property.

The State Budget Act (Chapter 143C of the General Statutes) requires agencies to biennially submit estimates of their capital needs for the following six years to the Office of State Budget and Management and to the Fiscal Research Division of the General Assembly. It also requires the Director of the Budget, who is the Governor, to biennially submit a six-year State capital improvements plan to the General Assembly.

Chapters 143 and 143C of the General Statutes require the Department of Administration to maintain inventories of State-owned or State-leased real property.

Chapters 143 and 146 of the General Statutes authorize the Department of Administration to compel State agencies to use available State-owned or State-leased space instead of acquiring or leasing new space.

BILL ANALYSIS: The statute enacted by **Section 1(a)** of the bill sets forth new duties of the Department of Administration and other State agencies with respect to how those agencies manage State-owned real property. Specifically, this section requires that the Department of Administration do the following:

[1] House Bill 975 is the companion bill; it's in the House Regulatory Reform Committee.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- No later than December 1, 2018, and every five years thereafter, develop and implement a State facilities plan to comprehensively manage, acquire, and dispose of the facilities and spaces required to fully support State government operations.
- Develop a performance management system to measure the State's achievement of the priorities and objectives set forth in comprehensive State facilities plans.
- No later than December 1, 2016, develop procedures to be used by State agencies to measure the utilization of State-owned and State-leased buildings and structures.
- No later than December 1, 2016, develop space planning standards to be used by State agencies to determine workspace size and to govern the use of shared space. The Department is required to annually perform audits of State agencies to determine their adherence to these standards and to send formal letters of admonishment to any agency that fails to justify any deviation from those standards.
- Incorporate information received from other State agencies about real property use into the State-owned real property inventories maintained by the Department and notify each agency when that agency's information has been updated in the inventories.
- Establish a definition of surplus State-owned real property and a system that continuously identifies and disposes of surplus real property.
- Make reports to the Joint Legislative commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division of the General Assembly.

This section also requires that each State agency do the following:

- No later than July 1, 2018, and annually thereafter, submit to the Department of Administration statutorily required information regarding the agency's use of real property. These submissions may be audited by the State Auditor.
- Verify the accuracy of the information about the agency maintained in the real property inventories maintained by the Department of Administration.
- No later than July 1, 2018, and every five years thereafter, develop a five-year real property management plan and submit the plan to the Department of Administration for review.

Section 1(b) of the bill requires the Department of Administration to develop a plan to analyze the utilization of all State-owned or State-leased facilities. No later than June 1, 2017, the plan must be reported to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research and Program Evaluation Divisions of the General Assembly.

Section 1(c) of the bill requires the Department of Administration to make one unannounced visit to a facility owned by or allocated to each State agency no later than June 1, 2017. The purpose of the visit is to obtain utilization information about the property visited, to provide guidance to the agency about employing the real property utilization measures developed by the Department of Administration, and to obtain information to be used to refine those measures.

Section 1(d) of the bill is a conforming statutory change.

Section 2(a) of the bill amends the statutes that govern what information is required to be included in the databases of State-owned real property maintained by the Department of Administration. This section requires greater specificity in the information maintained than do current statutes.

Section 2(b) of the bill repeals a section in the State Budget Act that would be duplicative in light of the statutory changes made in Section 2(a). **Sections 2(c)** is a conforming statutory change.

Section 2(d) of the bill requires that no later than December 1, 2016, the Department of Administration report to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division of the General Assembly, and the Program Evaluation Division of the General Assembly on the changes made to the real property inventories maintained by the Department in response to the statutory changes enacted in Section 2(a) of the bill.

Section 3(a) of the bill amends the statute that governs the actions of the Department of Administration when an agency requests to acquire additional land. Specifically, it requires that in investigating the availability of land already owned by the State that might meet the requirements of the requesting agency, the Department review the real property utilization information contained in the real property databases maintained by the Department. **Section 3(b)** of the bill makes a similar change.

Section 3(c) of the bill requires that upon the expiration of certain enumerated leases, the Department of Administration shall reallocate the State functions, personnel, and other resources that current reside at the affected locations to suitable State-owned space. If suitable State-owned space is not available, **Section 3(d)** of the bill authorizes renewals of affected leases but only if the Department consults with the Joint Legislative Commission on Governmental Operations at least 60 days prior to the renewal.

Section 3(e) of the bill provides that prior to July 1, 2018, no State agency may request to enter into or renew a lease unless at the time it makes the request, it certifies to the Department of Administration that it has searched existing State-owned real property, contacted other State agencies to identify existing unused State-owned property, and found none that would be suitable for the agency's needs.

EFFECTIVE DATE: Section 3(a) and **(b)** of the bill are effective July 1, 2018. **Section 6** of the bill provides that the remainder of the bill is effective when it becomes law.

BACKGROUND: The bill is based on the Program Evaluation Division report entitled *North Carolina Should Dispose of Unneeded Real Property and Improve Portfolio Management to Reduce Costs*, Report Number 2015-04 (June 2015).

Cindy Avrette, counsel to Senate Finance, and Ben Stanley, counsel to the Joint Legislative PED Oversight Committee, substantially contributed to this summary.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 2

SENATE BILL 747*
Second Edition Engrossed 6/20/16

Short Title:	State-Owned Real Property Management/PED.	(Public)
Sponsors:	Senators Gunn, Hartsell, Krawiec (Primary Sponsors); and Waddell.	
Referred to:	Finance	

April 26, 2016

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE DEPARTMENT OF ADMINISTRATION TO ACTIVELY MANAGE THE STATE'S PORTFOLIO OF REAL PROPERTY; TO REQUIRE MEASUREMENT OF THE CURRENT UTILIZATION OF STATE-OWNED FACILITIES; TO ENSURE THE ACCURACY OF THE REAL PROPERTY INVENTORIES MAINTAINED BY THE DEPARTMENT OF ADMINISTRATION; AND TO ENSURE THAT THE USE OF STATE-OWNED SPACE IS MAXIMIZED BEFORE LEASES ARE ENTERED INTO OR RENEWED, AS RECOMMENDED BY THE PROGRAM EVALUATION DIVISION OF THE GENERAL ASSEMBLY.

Whereas, State law designates the Department of Administration as the State agency responsible for managing North Carolina's portfolio of real property; and

Whereas, the Department of Administration's management duties include oversight of the acquisition, disposition, allocation, and reallocation of land, buildings, and space in buildings by and between State agencies and institutions; and

Whereas, in a report entitled "North Carolina Should Dispose of Unneeded Real Property and Improve Portfolio Management to Reduce Costs (June 2015)," the Program Evaluation Division of the General Assembly concluded that the State should dispose of unneeded real property and that it could reduce costs through more active portfolio management; and

Whereas, this legislation establishes a multiyear process to improve the State's real property data collection, quality assurance, and reporting standards; and

Whereas, this legislation requires the Department of Administration to develop a consolidated database of real property assets to facilitate active oversight and control of the State's portfolio of real property based on strategic State priorities; and

Whereas, this legislation requires greater transparency in the control and management of State-owned real property by requiring more robust reporting; and

Whereas, the General Assembly will monitor the implementation of this legislation; and

Whereas, if the General Assembly deems implementation of this legislation to be insufficient, it may explore alternative options for organizing and implementing the management of State-owned real property; and

Whereas, the alternatives explored may include outsourcing and consolidation of State agencies that currently have a role in State-owned real property management into a single agency; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. REQUIRE THE DEPARTMENT OF ADMINISTRATION TO ACTIVELY MANAGE THE STATE'S PORTFOLIO OF REAL PROPERTY

SECTION 1.(a) Article 36 of Chapter 143 of the General Statutes is amended by adding the following new sections to read:

"**§ 143-341.2. Proactive management of State-owned and State-leased real property portfolio.**

(a) Duties of the Department of Administration. – The Department of Administration shall have the following powers and duties:

(1) Development of comprehensive State facilities plan. – No later than December 1, 2018, and every five years thereafter, the Department of Administration shall develop and implement a plan to comprehensively manage, acquire, and dispose of the facilities and spaces required to fully support State government operations. The plan shall do all of the following:

a. Identify the type, quantity, and location of facilities and spaces required to fully support State government operations.

b. Include an in-depth analysis of existing State-owned facilities' locations, capability, utilization, and condition.

c. Establish strategic priorities and objectives that allow the Department of Administration to manage the performance of the State's portfolio of real property in a way that maximizes the utilization of State-owned facilities and minimizes operating and maintenance costs.

d. Take into consideration the information provided to the Department in five-year real property management plans submitted by State agencies pursuant to subdivision (b)(4) of this section.

e. Provide a mechanism for allocating available facilities or space to State agencies that need it in a manner that reduces the need to acquire new space through purchase, lease, or other means.

(2) Development of performance management system. – The Department of Administration shall establish a performance management system to measure the State's achievement of the priorities and objectives set forth in plans developed pursuant to subdivision (1) of this section. The system shall set measurable goals and deadlines and shall be designed to focus on optimization and efficiency of the State's portfolio of real property. The system shall be used to report the information required by sub-sub-subdivision (7)c.1. of this section.

(3) Development of utilization measures. – No later than December 1, 2016, the Department of Administration shall develop and distribute to State agencies procedures to be used to measure the utilization of State-owned and State-leased real property. The procedures developed pursuant to this subdivision shall be all of the following:

a. Based on the percentage of usable square feet in a facility that is used for State agency functions or for storage, or on other trade industry standards of utilization measurement.

b. Adjusted as appropriate for each facility type.

c. Designed to yield an easily understandable index or ratio of facility utilization.

d. Developed in consultation with State agencies.

(4) Development and enforcement of space planning standards. – No later than December 1, 2016, the Department of Administration shall develop and distribute to State agencies space planning standards to be used to determine workspace size and to govern the use of shared space. The standards developed pursuant to this subdivision shall be based on the Federal GSA's Office of Real

Property Management Performance Measurement Division Workspace Utilization and Allocation Benchmark report unless the Department identifies another efficient industry standard upon which to base the space planning standards developed pursuant to this subdivision. The Department shall annually perform audits of a portion of State agencies to determine each agency's adherence to the space planning standards developed pursuant to this subdivision and shall send formal letters of admonishment to any agency that fails to justify, in the sole discretion of the Department, any deviation from those standards.

(5) Updating of real property inventories. – The Department of Administration shall do all of the following to ensure that the information contained in the inventories maintained pursuant to G.S. 143-341(4) is kept current:

a. Immediately incorporate information received from State agencies pursuant to subdivision (b)(1) of this section into the inventories.

b. Immediately notify State agencies when the incorporation of information into the inventories required by sub-subdivision a. of this subdivision is complete.

(6) Development of surplus property identification and disposal system. – The Department of Administration shall establish a surplus real property disposal system that limits the duration that unneeded property is retained by the State. As part of the system, the Department shall adopt rules defining surplus State-owned real property and establishing a system for continuously identifying and disposing of that property, subject to the approvals required by Chapter 146 of the General Statutes, which shall take into consideration all of the following:

a. The value each facility or parcel of land brings to the performance of the mission of the State or State agency and the fulfillment of its goals and objectives.

b. A general measure of the facility's condition calculated as a ratio of repair needs to replacement value.

c. The degree to which the property is utilized, measured in accordance with the procedures developed pursuant to subdivision (3) of this subsection.

d. The extent to which the property meets the purpose for which it was intended.

e. The extent to which the State or State agency is likely to need to continue to provide the service or function currently provided at the property.

f. Consideration of the best and most cost-effective manner in which these future needs can be met.

(7) Reporting. – The Department of Administration shall make the following reports:

a. No later than December 1, 2018, and every five years thereafter, the Department shall report the following to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division of the General Assembly:

1. The plan developed pursuant to subdivision (1) of this subsection.

2. A summary of the performance measurement procedures developed pursuant to subdivision (2) of this subsection.

b. If any State agency fails to submit the information required by subdivision (b)(1) of this section, the Department shall report the failure to the chairs of the Joint Legislative Commission on Governmental Operations and to the chairs of the Joint Legislative Program Evaluation Oversight Committee within 30 days.

c. No later than December 1, 2019, and each year thereafter, the Department shall report to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division of the General Assembly on the State's portfolio of real property. This report shall include at least the following information:

1. The status of achieving the goals and objectives set forth in the most recent plan developed pursuant to subdivision (1) of this section.
2. Trends in the inventory of leased and owned buildings and real property, including changes in value, square footage, and operation and maintenance costs.
3. Trends in the inventory of State-owned land, including changes in acreage and value.
4. Allocation of leased and owned space by facility type, by agency, and by county.
5. Benchmarks for comparable private sector leases across the regions of the State for both rural and urban locations, as appropriate.
6. An analysis of utilization targets and a list of owned and leased real property identified as unused or underutilized.
7. A list of the following information for the period beginning after submission of the most recent report pursuant to this sub-subdivision:
   I. State-owned properties identified as unused or underutilized.
   II. State-owned properties sold.
   III. State-owned properties in the process of being disposed of.
   IV. Properties reallocated between State agencies.

(b) Duties of Other State Agencies. – Each State agency shall have the following powers and duties:

(1) Collection and reporting of information on property use. – No later than July 1, 2018, and each year thereafter, each State agency shall submit to the Department of Administration all of the information described in G.S. 143-341(4)b.1. through 15. for each building, facility, or space in any building or facility that the agency occupies. This shall be in addition to any reports required pursuant to G.S. 143-341(4)h.

(2) Verification of information in real property inventories. – Within 60 days of receiving notice from the Department of Administration pursuant to sub-subdivision (a)(5)b. of this section, each State agency shall report to the Department one of the following, as applicable:

a. That the information submitted to the Department of Administration pursuant to subdivision (1) of this subsection is accurately reflected in the real property inventories.

b. A list of discrepancies between the information submitted to the Department of Administration pursuant to subdivision (1) of this subsection and the corresponding information in the real property inventories.

(3) Auditor may audit submissions. – The State Auditor may audit submissions made to the Department of Administration pursuant to subdivision (1) of this subsection and may recover any costs incurred in preforming such an audit from the State Land Fund, in accordance with G.S. 146-72.

(4) Development of five-year property management plan. – No later than July 1, 2018, and every five years thereafter, each State agency shall develop a five-year real property management plan and shall submit the plan to the Department of Administration for review. Each plan shall do all of the following:

a. Identify the type, quantity, and location of facilities and spaces required to fully support agency operations.

b. Include an in-depth analysis of existing facilities' locations, capabilities, utilization, and condition.

c. Establish agency-specific strategic priorities and objectives for each asset under its control.

(c) Exception for Property Not Subject to Department of Administration Oversight. – None of the requirements of this section shall apply to facilities that are not subject to the real property oversight of the Department of Administration under G.S. 143-341. A State agency that is entirely exempt from the real property oversight of the Department of Administration shall not be required to submit any information pursuant to subsection (b) of this section. A State agency that is partially exempt from the real property oversight of the Department of Administration shall submit information pursuant to subsection (b) of this section for those properties that are subject to the real property oversight of the Department of Administration."

SECTION 1.(b) No later than June 1, 2017, the Department of Administration shall report to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division of the General Assembly a plan to analyze the utilization of all State-owned or State-leased facilities, other than those that are not subject to the real property oversight of the Department of Administration. The plan shall be consistent with G.S. 143-341.2, as enacted by subsection (a) of this section. Prior to the submission of this report, the Department shall report quarterly to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division on the status of the plan's development.

SECTION 1.(c) No later than June 1, 2017, the Department of Administration shall perform an unannounced visit to a random facility owned by or allocated to each State agency that is subject in whole or in part to the real property oversight authority of the Department of Administration. Facilities selected pursuant to this subsection shall not include any facility to which federal or State law would prohibit entry by Department personnel. Each State agency shall fully cooperate with the Department of Administration with respect to these visits. The Department of Administration shall use the visits required by this subdivision to do all of the following:

(1) Obtain utilization information about the properties visited.

(2) Provide guidance and training to State agencies on the proper methods for employing the utilization measures developed pursuant to G.S. 143-341.2(a)(3), as enacted by subsection (a) of this section. This guidance and training shall include instructions on tailoring the utilization measures for use with specific facility types.

(3) Refine the utilization measures developed pursuant to G.S. 143-341.2(a)(3), as enacted by Section 1(a) of this act.

SECTION 1.(d) G.S. 146-72 reads as rewritten:

"**§ 146-72. Purpose.**

The State Land Fund may, in accordance with rules and regulations adopted by the Governor and approved by the Council of State, be used for the following purposes:

(1) To pay any expenses incurred in carrying out the duties and responsibilities created by the provisions of this Chapter.

(2) For the acquisition of land, when appropriation is made for that purpose by the General Assembly.

(3) To pay any expenses incurred by the State Auditor in carrying out the duties and responsibilities created by G.S. 143-341.2(b)(3)."

PART II. ENSURE THE ACCURACY OF THE REAL PROPERTY INVENTORIES MAINTAINED BY THE DEPARTMENT OF ADMINISTRATION PURSUANT TO G.S. 143-341(4)

SECTION 2.(a) G.S. 143-341(4) reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

...

(4) Real Property Control:

a. To prepare and keep current a complete and accurate inventory of all land owned or leased by the State or by any State agency. This inventory shall show the ~~location,~~location, including the latitude and longitude of the center of the property, acreage, description, source of title and current use of all land (including swamplands or marshlands) owned by the State or by any State agency, and the agency to which each tract is currently allocated. Surveys may be made where necessary to obtain information for the purposes of this inventory. Accurate plats or maps of all such land may be prepared, or copies obtained where such maps or plats are available.

b. To prepare and keep current a complete and accurate ~~inventory~~ database of all buildings owned or leased (in whole or in part) by the State or by any State agency. This ~~inventory~~ database shall ~~show the location, amount of floor space and floor plans of every building owned or leased by the State or by any State agency, and the agency to which each building, or space therein, is currently allocated. Floor~~ serve as the State inventory and shall include all of the following information and floor plans of every such building shall be prepared or copies obtained where such floor plans are available, where needed for use in the allocation of space ~~therein.~~therein:

1. The building's location, including the latitude and longitude of the center of the building.
2. A description of the operations supported by the building.
3. The agency or agencies that occupy the building.
4. Ownership information for the building.
5. The size of the building in terms of both gross and usable square feet.
6. A description of the building.

7. The building's condition assessment, including the estimated cost to make needed repairs and renovations as well as the date that the last condition assessment was completed.
8. The building's annual operating costs.
9. The building's annual maintenance costs.
10. The number of usable workspaces contained in the building.
11. The number of full-time equivalent positions assigned to the building by each agency occupant.
12. The amount of the building that is utilized, measured in accordance with the procedures developed pursuant to G.S. 143-341.2(a)(3).
13. Maintenance record, including replacement and maintenance schedules for all major mechanical systems.
14. Parking and employee facilities.
15. Any other information deemed relevant by the Department of Administration.

b1. The Department of Administration shall develop procedures that ensure that the data included in the inventories required by sub-subdivisions a. and b. of this subdivision is collected and displayed in a consistent manner across State agencies and land and building types.

b2. The Department of Administration shall use the North Carolina Identity Management service, or a similar successor program when updating the inventories required by sub-subdivisions a. and b. of this subdivision.

b3. Nothing in this sub-subdivision shall be construed to require the release or display of floor plans except upon request by a unit of the executive, legislative, or judicial branch of State government, such as a department, an institution, a division, a commission, a board, a council, or The University of North Carolina."

SECTION 2.(b) G.S. 143C-8-2 is repealed.

SECTION 2.(c) G.S. 143C-8-1(b)(1) reads as rewritten:

"(1) ~~An inventory~~ A database of facilities owned by State ~~agencies.~~agencies, maintained pursuant to G.S. 143-341(4)."

SECTION 2.(d) No later than December 1, 2016, the Department of Administration shall report to the Joint Legislative Commission on Governmental Operations, to the Fiscal Research Division of the General Assembly, and to the Program Evaluation Division of the General Assembly on the changes to the real property databases operated pursuant to G.S. 143-341(4) in response to the amendments to that section made by subsection (a) of this section.

PART III. ENSURE THAT THE USE OF STATE-OWNED SPACE IS MAXIMIZED BEFORE LEASES ARE ENTERED INTO OR RENEWED

SECTION 3.(a) G.S. 146-23 reads as rewritten:

"**§ 146-23. Agency must file statement of needs; Department must investigate.**

Any State agency desiring to acquire land, whether by purchase, condemnation, lease, or rental, shall file with the Department of Administration an application setting forth its needs, and shall furnish such additional information as the Department may request relating thereto. Upon receipt of such application, the Department of Administration shall promptly investigate all aspects of the requested acquisition, including the existence of actual need for the requested property on the part of the requesting agency; the availability of land already owned by the State or by any State agency which might meet the requirements of the requesting agency; the availability, value, and status of title of other land, whether for purchase, condemnation, lease, or

rental, which might meet the requirements of the requesting agency; and the availability of funds to pay for land if purchased, condemned, leased, or rented. In investigating the availability of land already owned by the State or by any State agency which might meet the requirements of the requesting agency, the Department of Administration shall review the utilization information maintained in the real property inventories pursuant to G.S. 143-341(4). The Department of Administration may make acquisitions at the request of the Governor and Council of State upon compliance with the investigation herein required."

SECTION 3.(b) G.S. 143-341(4)d1. reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

...

(4) Real Property Control:

...

d1. To require all State departments, institutions, and agencies to use State-owned office space instead of negotiating or renegotiating leases for rental of office space. In investigating the availability of office space already owned by the State or by a State agency which might meet the requirements of the requesting agency, the Department of Administration shall review the utilization information maintained in the real property database pursuant to this subdivision. Any lease entered into contrary to the provisions of this paragraph is voidable in the discretion of the Governor and the Council of State.

The Department of Administration shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division no later than May 1 of each year on leased office space."

SECTION 3.(c) Upon the expiration of the relevant leases, the Department of Administration shall reallocate the State functions, personnel, and other resources that currently reside at the following locations to suitable State-owned space:

(1) Department of Commerce – Division of Employment Security.
(2) Department of Commerce – Rural Electrification Authority.
(3) Department of Environment and Natural Resources – Waste Management.
(4) Department of Labor – OSHA.
(5) Department of Public Safety – Office for Substance Abuse.
(6) Department of Public Safety – Inmate Grievance Resolution Board.
(7) Department of Transportation – Right-of-Way Appraisal Office.

SECTION 3.(d) If suitable State-owned space is not available to reallocate any of the functions required to be reallocated to State-owned space by subsection (c) of this section, the Department of Administration may renew the applicable lease, or enter into a new lease, but only after consulting with the Joint Legislative Commission on Governmental Operations at least 60 days prior to the renewal.

SECTION 3.(e) Prior to July 1, 2018, no State agency shall request to enter into or renew any lease unless at the time it makes the request it certifies to the Department of Administration that it has searched existing State-owned real property, contacted other State agencies to identify existing unused State-owned property, and found none that would be suitable for the agency's needs.

SECTION 3.(f) Subsections (a) and (b) of this section become effective July 1, 2018. The remainder of this section is effective when this act becomes law.

PART IV. EFFECTIVE DATE

SECTION 4. Except as otherwise provided, this act becomes effective when it becomes law.

SENATE BILL 673:
Natural Gas Econ. Dev. Infrastructure.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 27, 2016
Introduced by:	Sen. Apodaca	**Prepared by:**	Layla Cummings Staff Attorney
Analysis of:	PCS to Second Edition S673-CSTG-72		

SUMMARY: The PCS for Senate Bill 673 would allow natural gas local distribution companies to recover the infeasible portion of a line extension through its rates for line extensions to companies that will invest at least $200 million in improvements and employ at least 1,500 employees. The PCS entirely rewrites the original bill.

CURRENT LAW: The rates for natural gas local distribution companies (LDCs) are regulated by the Utilities Commission under G.S. 62-133 and 62-133.4. The rates include the wholesale cost of gas and the "margin." The margin amount includes the prudently incurred costs for delivering the gas sold and a rate of return on the capital investment made by the company. The wholesale cost of the natural gas distributed is passed through directly to the customer. Natural gas local distribution companies do not profit from fluctuations in the wholesale price of natural gas.

When service of natural gas is extended to a new customer, the LDC will calculate what portion of the cost of the line extension will be recovered through the margin generated by the increase in gas distributed through the line extension. The cost of the line extension that would be recovered through the margin is considered "feasible" where the cost of the line extension that would not be recovered through the margin is considered "infeasible." The customer requesting the line extension must cover the infeasible costs of the line extension.

The General Assembly has created several economic development tools to provide funding to expand natural gas for job creation:

- Industrial Development Fund Utility Account. Funds can be used to construct or improve gas lines in economically distressed counties.
- Site Infrastructure Development Fund. Grants authorized for site development for businesses that will invest $100 million and employ 100 new employees.
- Expanded Gas Products Service to Agriculture Fund. In Section 15.13 of S.L. 2014-100 the General Assembly allocated $5 million for grants to expand natural gas service to agricultural projects under G.S. 143B-437.020.

BILL ANALYSIS: The PCS for Senate Bill 673 would allow a LDC to recover the infeasible portion of natural gas infrastructure to eligible projects in rates through an annual rider.

Commerce Approval: The Department of Commerce must first determine that the natural gas infrastructure is for an eligible project, and no more than three eligible projects are authorized. To be eligible, a project must meet all of the following conditions:

- The project will provide opportunities for natural gas usage, jobs and other economic development benefits.

Karen Cochrane-Brown
Director

S673-SMTS-61 CSTG-72 -V-1

Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- The business has invested or intends to invest at least $200 million in private funds for real and personal property.
- The business will employ or intends to employ at least 1,500 full time employees.

The business must also meet a wage standard of 110% of the average wage in the county where the project is located, the business must pay at least 50% of the premiums for health insurance coverage for its employees, must not have any safety and health program violations, and must not have a disqualifying environmental event as determined by the Department of Environmental Quality.

Utilities Commission: Costs for natural gas infrastructure may be recovered in a rider by a LDC for infrastructure related to projects approved by the Department of Commerce, if the Commission determines the project meets all of the following conditions:

- The project is located in an area where the natural gas infrastructure for the project is not economically feasible.
- The developer of the project, the prospective customer, or the occupant of the project provides a binding commitment that the project will use the natural gas service for at least 10 years.
- The projected margin generated by the eligible project will not cover the cost of the natural gas infrastructure.

Once approved, the economically infeasible costs of the infrastructure will be recovered in a rider. The costs recovered in the rider will include the costs normally recovered for infrastructure, including the planning and development costs, construction costs, financing costs, depreciation, and property taxes.

The Commission is directed to adopt rules to implement the rider mechanism. The rider may be allowed on an annual or semiannual basis, and will be subject to periodic reconciliation. The rider will terminate when the costs are fully recovered, or with the LDC's next general rate case, whichever occurs first. A LDC may not invest more than $25 million a year in infrastructure development costs, and the amount recovered in the rider may not exceed 5% of the margin revenues approved in the last rate case of the LDC. The total amount of infrastructure costs that can be recovered by all LDC's in the state is limited to $75 million.

EFFECTIVE DATE: This act is effective when it becomes law and expires July 1, 2021.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 673
Commerce Committee Substitute Adopted 4/23/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S673-CSTG-72 [v.3]
06/27/2016 06:29:28 PM

Short Title: Natural Gas Econ. Dev. Infrastructure. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE RECOVERY OF CAPITAL-RELATED COSTS INCURRED BY A NATURAL GAS UTILITY FOR CONSTRUCTING NATURAL GAS INFRASTRUCTURE FOR A LARGE MANUFACTURING EMPLOYER.

The General Assembly of North Carolina enacts:

SECTION 1. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-133.15. Cost recovery for natural gas economic development infrastructure.**

(a) Purpose. – The purpose of this section is to prescribe a methodology for cost recovery by a natural gas local distribution company that constructs natural gas economic development infrastructure to serve a project the Department of Commerce determines is an eligible project under G.S. 143B-437.021. The Commission shall adopt rules to implement this section.

(b) Eligibility. – Cost recovery under this section is limited to natural gas economic development infrastructure the Commission determines satisfies all of the following conditions:

(1) The project will be located in an area where adequate natural gas infrastructure for the eligible project is not economically feasible.

(2) Either the developer, prospective customer, or the occupant of the eligible project provides, prior to initiation of construction of the natural gas economic development infrastructure, a binding commitment in the form of a commercial contract or other form acceptable to the Commission to the natural gas local distribution company regarding service needed for a period of at least 10 years from the date the gas is made available.

(3) The projected margin revenues not recoverable under G.S. 62-133.4 from the eligible project will not be sufficient to cover the cost of the natural gas infrastructure associated with the project.

(c) Economic Feasibility. – The Commission shall permit a natural gas local distribution company to recover reasonable and prudent natural gas economic development infrastructure costs only to the extent necessary to make the construction of the infrastructure economically feasible, as determined by the Commission. In determining economic feasibility, the Commission shall employ the net present value method of analysis. Only natural gas economic development infrastructure with a negative net present value shall be determined to be economically infeasible.

(d) Costs Recoverable. – Eligible economic development infrastructure development costs are the reasonable and prudent costs determined by the Commission to be both directly related to the construction of natural gas infrastructure for an eligible project and economically infeasible. The costs may include any of the following:

(1) Planning costs.
(2) Development costs.
(3) Construction costs and an allowance for funds used during construction and a return on investment once the project is completed calculated using the pretax overall rate of return approved by the Commission in the company's most recent general rate case.
(4) A revenue retention factor.
(5) Depreciation.
(6) Property taxes.

(e) Rate Adjustment Surcharge Mechanism. – The Commission shall permit recovery of eligible economic development infrastructure costs in a rate adjustment surcharge mechanism. The mechanism shall allow for recovery on an annual or semiannual basis, as determined by the Commission, subject to audit and reconciliation procedures. Any rate adjustment surcharge mechanism adopted under this section shall terminate upon the earlier of the full recovery of the costs allowed under subsection (d) of this section or the natural gas local distribution company's next general rate case in which the eligible infrastructure development costs shall be included in the natural gas distribution company's rate base. Nothing in this section precludes the natural gas local distribution company from recovering eligible economic development infrastructure costs in a general rate case.

(f) Limitations. – A natural gas local distribution company shall not invest more than twenty-five million dollars ($25,000,000) of eligible infrastructure development costs in any year. The aggregate amount of eligible infrastructure development costs recovered under rate adjustment surcharge mechanisms for all natural gas local distribution companies in the State cannot exceed seventy-five million dollars ($75,000,000). Cumulative rate adjustments allowed under a rate adjustment surcharge mechanism approved by the Commission under this section shall not exceed five percent (5%) of the total annual service margin revenues not recoverable under G.S. 62-133.4 approved by the Commission in the natural gas local distribution company's last general rate case."

SECTION 2. Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-437.021. Natural gas economic development infrastructure.**

(a) Purpose and Definitions. – The purpose of this section is to provide eligibility criteria for projects that require natural gas service infrastructure. Costs of natural gas service infrastructure for projects the Department determines are eligible projects under this section may be recovered by natural gas local distribution companies with approval of the North Carolina Utilities Commission under G.S. 62-133.15. The definitions used in G.S. 143B-437.01 apply in this section. In addition, as used in this section, the term "Department" means the Department of Commerce.

(b) Eligibility. – An eligible project is an economic development project that the Department determines satisfies all of the following conditions:

(1) The eligible project will provide opportunities for natural gas usage, jobs, and other economic development benefits in addition to those provided by the project.
(2) The Department certifies that the business has invested or intends to invest at least two hundred million dollars ($200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project.
(3) The business employs or intends to employ at least 1,500 full-time employees or equivalent full-time contract employees at the project at the time the application is made and the business agrees to maintain at least 1,500 full-time employees or equivalent full-time contract employees at the project.

(c) Wage Standard. – A project may be considered an eligible project under this section only if the project is undertaken by a business that satisfies a wage standard at the project. A business satisfies the wage standard if it pays an average weekly wage that is at least equal to one hundred and ten percent (110%) of the average wage for all insured private employers in the county. The Department of Commerce shall annually publish the wage standard for each county. In making the wage calculation, the business shall include any jobs that were filled for at least 1,600 hours during the calendar year, regardless of whether the jobs are full-time positions or equivalent full-time contract positions. Each year that a rate adjustment surcharge mechanism under G.S. 62-133.15 is in effect, the business shall provide the Department a certification that the business continues to satisfy the wage standard.

(d) Health Insurance. – A project may be considered an eligible project under this section only if the project is undertaken by a business that makes available health insurance for all of the full-time employees and equivalent full-time contract employees of the project with respect to which the application is made. For the purposes of this subsection, a business makes available health insurance if it pays at least fifty percent (50%) of the premiums for health care coverage.

Each year that a rate adjustment surcharge mechanism under G.S. 62-133.15 is in effect, the business shall provide the Department a certification that the business continues to make available health insurance for all full-time employees of the project governed by the agreement.

(e) Safety and Health Programs. – A project may be considered an eligible project under this section only if the project is undertaken by a business that has no citations under the Occupational Safety and Health Act that have become a final order within the last three years for willful serious violations or for failing to abate serious violations with respect to the location for which the eligible project is located. For the purposes of this subsection, "serious violation" has the same meaning as in G.S. 95-127.

(f) Environmental Impact. – A project may be considered an eligible project under this section only if the project is undertaken by a business that certifies that, at the time of the application, the business satisfies the environmental impact standard under G.S. 105-129.83.

(g) Limitations – No more than three eligible projects are authorized under this section."

SECTION 3. This act is effective when it becomes law and expires July 1, 2021. The expiration does not affect the validity of any rate adjustment surcharge mechanism imposed or authorized under the provisions of this act prior to the effective date of the expiration.

SENATE BILL 349:
Amend Various Laws.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 28, 2016
Introduced by:	Sen. Randleman	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	PCS to First Edition S349-CSSU-53		

SUMMARY: The PCS for Senate Bill 349 amends various laws as follows:

- ***Clarifies laws related to filing of documents by clerks of courts and directs AOC to develop and implement a pilot project to allow the clerk of superior court of a county to hire a deputy or assistant clerk in lieu of a magistrate position.***
- ***Provides for mediated settlement conferences in district court civil actions.***
- ***Creates the Joint Legislative Study Committee on Public Records and Open Meetings.***
- ***Allows the Board of Pharmacy to obtain criminal record reports from approved reporting services.***
- ***Prohibits hunting from the right-of-ways of public roads in Buncombe County.***
- ***Creates a definition for "provisional provider" of child care and allows those providers to be employed prior to completion of a criminal history check with specified limitations.***

BILL ANALYSIS:

Section 1 amends the rules of civil procedure to clarify when a document is "filed with the clerk."

This section also directs the Administrative Office of the Courts (AOC) to create and implement a pilot project that would permit a county's clerk of superior court, with the written consent of the chief district court judge for the district in which the county is located, to hire a deputy clerk or assistant clerk to perform some of the duties of a magistrate if the following conditions are met:

- The hiring of the deputy clerk or assistant clerk must be in accordance with the assistant clerk allocation formula established by AOC.
- The county is one that has been allocated 3 or 4 magistrate positions under G.S. 7A-133(c).
- The clerk of superior court's office will provide services normally performed by magistrates during regular courthouse hours.

AOC must report as specified to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2017.

Section 2 – G.S. 7A-38.4A establishes procedures for mediated settlement conferences to be ordered in district court civil cases involving family issues, such as equitable distribution, alimony or support. This

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

section amends the catch line of G.S. 7A-38.4A to clarify its application only to family financial actions and make a conforming change. It also creates a new G.S. 7A-38.4B to authorize mediated settlement conferences in all other district court civil actions. The court would be authorized to order the parties to participate in a mediated settlement conference or other settlement procedure authorized by the Supreme Court. The Supreme Court would be given the authority to adopt rules governing the proceedings and the standards for mediators and other neutrals used in settlement procedures.

The new statute is modeled on and similar to the existing statutes for mediated settlement conferences in district court civil cases involving family issues (G.S. 7A-38.4A) and superior court civil actions (G.S. 7A-38.1).

Section 3 creates the Joint Legislative Study Committee on Public Records and Open Meetings to be made up of five members of the House and five members of the Senate. The Committee would be required to study ways to improve transparency of State and local government. The Committee would be required to submit a final report, including any legislative recommendations to the 2017 General Assembly, and it would terminate upon filing of its report.

Section 4 provides that applicants seeking licensure as a pharmacist must obtain a criminal record report from a designated reporting service and pay for the cost of the report. Similar authority exists for the licensing of real estate brokers and individuals licensed by the private protective services and alarm systems licensing boards. The Board of Pharmacy estimates the cost of a report will be approximately $25-40. Current law allows the Department of Public Safety (DPS) to provide criminal record reports to the Board of Pharmacists. Those reports are based on fingerprints taken by DPS, and forwarded to the State and Federal Bureaus of Investigation.

Section 5 prohibits hunting with a firearm or deadly weapon on, from, or across the right-of-way of any public road or highway. Violation would be a Class 3 misdemeanor. This section is only applicable in Buncombe County.

Section 6 establishes a definition for "provisional provider" of child care. A provisional provider is one whose notification of qualification following a criminal history check is pending. This section would allow provisional providers to be employed so long as they are supervised by qualified child care providers and are clearly identified by wearing a badge in plain sight identifying them as provisional providers. Parents would also have to be provided an explanation of the status in a policy statement that must also be posted in a conspicuous place in a child care facility.

EFFECTIVE DATE: Unless otherwise provided in the act, the act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 349
PROPOSED HOUSE COMMITTEE SUBSTITUTE S349-CSSU-53 [v.3]
06/28/2016 08:49:08 AM

Short Title: Amend Various Laws. (Public)

Sponsors:

Referred to:

March 23, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY CERTAIN LAWS RELATING TO THE FILING OF DOCUMENTS BY THE CLERK OF COURT AND TO DIRECT THE ADMINISTRATIVE OFFICE OF THE COURTS TO DEVELOP AND IMPLEMENT A PILOT MAGISTRATE/CLERK STAFFING PROJECT; TO PROVIDE FOR MEDIATED SETTLEMENT CONFERENCES IN DISTRICT COURT CIVIL ACTIONS; TO CREATE THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC RECORDS AND OPEN MEETINGS; TO ALLOW THE BOARD OF PHARMACY TO OBTAIN CRIMINAL RECORD REPORTS FROM APPROVED REPORTING SERVICES; TO PROHIBIT HUNTING FROM THE RIGHT-OF-WAYS OF PUBLIC ROADS IN BUNCOMBE COUNTY; AND TO CREATE A DEFINITION FOR PROVISIONAL PROVIDERS IN CHILD CARE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 1A-1, Rule 5, reads as rewritten:

"**Rule 5. Service and filing of pleadings and other papers.**

...

(e) (1) Filing with the court defined. – The filing of pleadings and other papers with the court pursuant to the rules promulgated under G.S. 7A-109 or subdivision (2) of this subsection as required by these rules shall be made by filing them with the clerk of the court, except that the judge may permit the papers to be filed with him, in which event he shall note thereon the filing date and forthwith transmit them to the office of the clerk. The failure to affix a date stamp or file stamp on any pleading or other papers filed in the courts shall not affect the sufficiency, validity, or enforceability of the document.

(2) Filing by electronic means. – If, pursuant to ~~G.S. 7A-34~~ G.S. 7A-34, G.S. 7A-49.5, and G.S. 7A-343, the Supreme Court and the Administrative Officer of the Courts establish uniform rules, regulations, costs, procedures and specifications for the filing of pleadings or other court papers by electronic means, filing may be made by the electronic means when, in the manner, and to the extent provided therein."

SECTION 1.(b) G.S. 1A-1, Rule 58, reads as rewritten:

"**Rule 58. Entry of judgment.**

Subject to the provisions of Rule 54(b), a judgment is entered when it is reduced to writing, signed by the judge, and filed with the clerk of ~~court.~~ court in accordance with Rule 5. The party designated by the judge or, if the judge does not otherwise designate, the party who prepares the judgment, shall serve a copy of the judgment upon all other parties within three days after the judgment is entered. Service and proof of service shall be in accordance with Rule 5. If service is

by mail, three days shall be added to the time periods prescribed by Rule 50(b), Rule 52(b), and Rule 59. All time periods within which a party may further act pursuant to Rule 50(b), Rule 52(b), or Rule 59 shall be tolled for the duration of any period of noncompliance with this service requirement, provided however that no time period under Rule 50(b), Rule 52(b), or Rule 59 shall be tolled longer than 90 days from the date the judgment is entered. Subject to the provisions of Rule 7(b)(4), consent for the signing and entry of a judgment out of term, session, county, and district shall be deemed to have been given unless an express objection to such action was made on the record prior to the end of the term or session at which the matter was heard.

Notwithstanding any other law to the contrary, any judgment entered by a magistrate in a small claims action pursuant to Article 19 of Chapter 7A shall be entered in accordance with this Rule except judgments announced and signed in open court at the conclusion of a trial are considered to be served on the parties, and copies of any judgment not announced and signed in open court at the conclusion of a trial shall be served by the magistrate on all parties in accordance with this Rule, within three days after the judgment is entered. If service is by mail, three days shall be added to the time periods prescribed by G.S. 7A-228. All time periods within which a party may further act pursuant to G.S. 7A-228 shall be tolled for the duration of any period of noncompliance of this service requirement, provided that no time period shall be tolled longer than 90 days from the date judgment is entered."

SECTION 1.(c) Pilot Magistrate/Clerk Staffing Project. – The Administrative Office of the Courts shall establish and implement a pilot project that will allow the clerk of superior court of a county, with the written consent of the chief district court judge for the district in which the county is located, to hire one deputy clerk or assistant clerk, based on the assistant clerk allocation formula established by the Administrative Office of the Courts, in lieu of one of the magistrate positions allocated to that county, notwithstanding the minimum number of magistrates prescribed for each county under G.S. 7A-133(c). The pilot project is authorized for counties with three or four magistrate allocations. To provide accessibility to law enforcement personnel and citizens, in counties participating in this pilot project, the clerk of superior court's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours. The Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety on the outcomes of the pilot project by March 1, 2017, and shall include recommendations on continuation or expansion of the pilot.

SECTION 1.(d) G.S. 1A-1, Rule 5(e)(1), as enacted by Section 1(a) of this section, is effective when the section becomes law and applies to all pleadings and papers filed with the courts, including pleadings and papers filed prior to that date. G.S. 1A-1, Rule 5(e)(2), as enacted by Section 1(a) of this section, is effective when it becomes law and applies to all pleadings and papers filed with the courts on or after that date. The remainder of this section is effective when it becomes law.

SECTION 2.(a) The catch line of G.S. 7A-38.4A reads as rewritten:

"**§ 7A-38.4A. Settlement procedures in ~~district court~~family financial actions.**"

SECTION 2.(b) G.S. 7A-38.4A(c) reads as rewritten:

"(c) Any chief district court judge in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any action pending in that district involving issues of equitable distribution, alimony, child or post separation support, or claims arising out of contracts between the parties under G.S. 52-10, G.S. 52-10.1, or Chapter 52B of the General Statutes. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court."

SECTION 2.(c) Article 5 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"**§ 7A-38.4B. Settlement procedures in district court general civil actions.**

(a) The General Assembly finds that a system of settlement events should be established to facilitate the settlement of district court civil actions, other than those involving family issues covered by the provisions of G.S. 7A-38.4A, in order to make that litigation more economical, efficient, and satisfactory to the parties, their representatives, and the State. District courts should be able to require parties to those actions and their representatives to attend a pretrial mediated settlement conference or other settlement procedure conducted under this section and rules adopted by the Supreme Court to implement this section.

(b) The definitions in G.S. 7A-38.1(b)(2) and (b)(3) apply in this section.

(c) The chief district court judge, or that person's designee, in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any district court civil action, other than those involving family issues covered by the provisions of G.S. 7A-38.4A and issues exempted by the rules of the Supreme Court implementing this section. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court.

(d) The parties to a district court action where a mediated settlement conference or other settlement procedure is ordered, their attorneys, and other persons or entities with authority, by law or contract, to settle a party's claim, shall attend the mediated settlement conference or other settlement procedure, unless the rules ordering the settlement procedure provide otherwise. No party or other participant in a mediated settlement conference or other settlement procedure is required to make a settlement offer or demand that the party or participant deems contrary to that party's or participant's best interests. Parties who have been victims of domestic violence may be excused from physically attending or participating in a mediated settlement conference or other settlement procedure.

(e) Any person required to attend a mediated settlement conference or other settlement procedure under this section who, without good cause, fails to attend or fails to pay any or all of the mediator's or other neutral's fee in compliance with this section is subject to the contempt powers of the court and monetary sanctions imposed by a district court judge. A party seeking sanctions against another party or person shall do so in a written motion stating the grounds for the motion and the relief sought. The motion shall be served upon all parties and upon any person against whom sanctions are being sought. The court may initiate sanction proceedings upon its own motion by the entry of a show cause order. If the court imposes sanctions, it shall do so, after notice and hearing, in a written order making findings of fact and conclusions of law. An order imposing sanctions is reviewable upon appeal, and the entire record shall be reviewed to determine whether the order is supported by substantial evidence.

(f) The parties to a district court action in which a mediated settlement conference is to be held under this section shall have the right to designate a mediator. Upon failure of the parties to designate within the time established by the rules adopted by the Supreme Court, a mediator shall be appointed by a district court judge.

(g) A chief district court judge, or that judge's designee, at the request of a party and with the consent of all parties, may order the parties to attend and participate in any other settlement procedure authorized by rules adopted by the Supreme Court or adopted by local district court rules, in lieu of attending a mediated settlement conference. Neutrals acting under this section shall be selected and compensated in accordance with rules adopted by the Supreme Court. Nothing herein shall prohibit the parties from participating in other dispute resolution procedures, including arbitration, to the extent authorized under State or federal law. Nothing herein shall prohibit the parties from participating in mediation at a community mediation center operating under G.S. 7A-38.5.

(h) Mediators and other neutrals acting under this section shall have judicial immunity in the same manner and to the same extent as a judge of the General Court of Justice, except that mediators and other neutrals may be disciplined in accordance with enforcement procedures adopted by the Supreme Court under G.S. 7A-38.2.

(i) Costs of mediated settlement conferences and other settlement procedures shall be borne by the parties. Unless otherwise ordered by the court or agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties. The rules adopted by the Supreme Court shall set out a method whereby a party found by the court to be unable to pay the costs of settlement procedures is afforded an opportunity to participate without cost to that party and without expenditure of State funds.

(j) Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except in any of the following:

(1) Proceedings for sanctions under this section.

(2) Proceedings to enforce or rescind a settlement of the action.

(3) Disciplinary proceedings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals.

(4) Proceedings to enforce laws concerning juvenile or elder abuse.

As used in this subsection, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this section or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding under this section shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals, and proceedings to enforce laws concerning juvenile or elder abuse.

(k) The Supreme Court may adopt standards for the certification and conduct of mediators and other neutrals who participate in settlement procedures conducted under this section. The standards may also regulate mediator training programs. The Supreme Court may adopt procedures for the enforcement of those standards. The administration of mediator certification, regulation of mediator conduct, and decertification shall be conducted through the Dispute Resolution Commission.

(l) An administrative fee not to exceed two hundred dollars ($200.00) may be charged by the Administrative Office of the Courts to applicants for certification and annual renewal of certification for mediators and mediator training programs operating under this section. The fees collected may be used by the Director of the Administrative Office of the Courts to establish and maintain the operations of the Commission and its staff. The administrative fee shall be set by the Director of the Administrative Office of the Courts in consultation with the Dispute Resolution Commission.

(m) The Administrative Office of the Courts, in consultation with the Dispute Resolution Commission, may require the chief district court judge of any district to report statistical data about settlement procedures conducted under this section for administrative purposes.

(n) Nothing in this section or in rules adopted by the Supreme Court implementing this section shall restrict a party's right to a trial by jury.

(o) The Supreme Court may adopt rules to implement this section."

SECTION 2.(d). This section becomes effective October 1, 2016, and applies to actions filed on or after that date.

SECTION 3.(a) Creation. – There is created the Joint Legislative Study Committee on Public Records and Open Meetings. The Committee shall consist of 10 members to be appointed as follows:

(1) Five members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) Five members of the Senate appointed by the President Pro Tempore of the Senate.

SECTION 3.(b) Study. – The Joint Legislative Study Committee on Public Records and Open Meetings shall study ways to improve transparency of State and local government in North Carolina. In the conduct of its study, the Committee shall examine existing State laws regarding public access to government records and meetings and legislation enacted in other states that allow greater public access than currently exists in North Carolina. Specifically, the Committee shall study:

(1) Strategies for the executive branch of North Carolina State government to streamline the processes by which the public may access government records and meetings.

(2) Strategies for local government entities in North Carolina to streamline the processes by which the public may access government records and meetings.

(3) The development of legislative alternatives to existing provisions of the North Carolina Public Records Act and Open Meetings Law that restrict or entirely prohibit public access to government records of meetings.

SECTION 3.(c) Cochairs; Vacancies. – The Speaker of the House of Representatives shall designate one representative to serve as cochair, and the President Pro Tempore of the Senate shall designate one senator to serve as cochair. Vacancies on the Committee shall be filled by the same appointing authority making the initial appointment.

SECTION 3.(d) Powers. – The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative Building or in the Legislative Office Building.

SECTION 3.(e) Staffing. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee and the expenses relating to the clerical employees shall be borne by the Committee. Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 3.(f) Report. – The Committee shall submit a final report, including findings and legislative recommendations, to the 2017 General Assembly. The Committee shall terminate upon filing its final report.

SECTION 4. G.S. 90-85.15 reads as rewritten:

"§ 90-85.15. Application and examination for licensure as a pharmacist; prerequisites.

(a) Any person who desires to be licensed as a pharmacist shall file an application with the Executive Director on the form furnished by the Board, verified under oath, setting forth the applicant's name, age, the place at which and the time that ~~he~~ the applicant has spent in the study of pharmacy, and ~~his~~ the applicant's experience in compounding and dispensing prescriptions under the supervision of a pharmacist. The applicant shall also appear at a time and place designated by the Board and submit to an examination as to ~~his~~ the applicant's qualifications for

being licensed. The applicant must demonstrate to the Board ~~his~~ the applicant's physical and mental competency to practice pharmacy.

(b) On or after July 1, 1982, all applicants shall have received an undergraduate degree from a school of pharmacy approved by the Board. Applicants shall be required to have had up to one year of experience, approved by the Board, under the supervision of a pharmacist and shall pass the required examination offered by the Board. Upon completing these requirements and upon paying the required fee, the applicant shall be licensed.

(c) ~~The Department of Public Safety may provide a criminal record check to the Board for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.~~

~~The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.~~The Board may require an applicant to provide the Board with a criminal record report. All applicants shall obtain criminal record reports from one or more reporting services designated by the Board to provide criminal record reports. Applicants are required to pay the designated reporting service for the cost of these reports."

SECTION 5.(a) It is unlawful to hunt with a firearm or deadly weapon, or to attempt to hunt with a firearm or deadly weapon, any wild animal or wild bird on, from, or across the right-of-way of any public road or highway.

SECTION 5.(b) Violation of Section 5(a) of this section is a Class 3 misdemeanor.

SECTION 5.(c) This section is enforceable by law enforcement officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by other peace officers with general subject matter jurisdiction.

SECTION 5.(d) This section applies only to Buncombe County.

SECTION 5.(e) This section becomes effective October 1, 2016, and applies to acts committed on or after that date.

SECTION 6.(a) G.S. 110-90.2(a) is amended by adding a new subdivision to read:

"**§ 110-90.2. Mandatory child care providers' criminal history checks.**

(a) For purposes of this section:

...

(3a) "Provisional provider" means a person who has been employed as a child care provider whose notification of qualification under subsection (b) of this section is pending.

SECTION 6.(b) G.S. 110-90.2 is amended by adding a new subsection to read:

"(b2) A provisional provider may be hired, begin orientation and training, and be counted in staff/child ratio so long as the provisional provider is supervised by a qualified child care provider when supervising any child and is clearly identified as a provisional provider by wearing in plain view a badge identifying the person as a provisional provider. An explanation of the status of provisional provider shall be included in a policy statement provided to parents and shall also be posted in a conspicuous place in the child care facility.

(1) A child care provider subject to a criminal history check every three years in accordance with subsection (b) of this section shall be treated as a provisional

provider until receiving notification of the Department's determination under subsection (d) of this section.

(2) If the child care provider has not received notification of the Department's determination within 90 calendar days from the date the criminal history check was requested by the Department, the child care provider shall not enter or remain on the premises of the child care facility until such notification is received.

...."

SECTION 6.(c) This section becomes effective August 1, 2016.

SECTION 7. Except as otherwise provided in this act, this act is effective when it becomes law.

SENATE BILL 53:
Private Alternative Teacher Preparation.

2016-2017 General Assembly

Committee:	House Local Government	**Date:**	June 27, 2016
Introduced by:	Sens. Krawiec, Lowe	**Prepared by:**	Kara McCraw Committee Co-Counsel
Analysis of:	PCS to First Edition S53-CSMT-4		

SUMMARY: The PCS for SB 53 replaces the prior contents of the bill with a new program to provide for alternative, private, for-profit or nonprofit lateral entry teacher education preparation programs.

CURRENT LAW: Lateral entry teachers are individuals who have not completed teacher education programs, but who meet other requirements and are hired to teach by a local board of education. An individual hired as a lateral entry teacher is granted a three-year initial license. During that three-year period, the teacher must complete certain content and pedagogy requirements to receive a continuing license at the conclusion of the three year period.

G.S. 115C-296.12 requires that lateral entry teacher must have training in certain areas. These include preservice training in identification and education of children with disabilities, positive management of student behavior, effective communication for defusing and deescalating disruptive or dangerous behavior, and safe and appropriate use of seclusion and restraint.

The statute also permits the State Board of Education (SBE) to provide a competency-based program of study for lateral entry teachers to complete the coursework necessary to earn a teaching license within the North Carolina Community College System or approved educator preparation programs at private, nonprofit two-year colleges. The program must prepare lateral entry teachers by providing the following:

> (1) Adequate coursework in the teaching of reading and mathematics for lateral entry teachers seeking certification in elementary education.
>
> (2) Assessment of lateral entry teachers prior to licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's expectations.
>
> (3) Preparation of all lateral entry teachers to apply formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.
>
> (4) Demonstration of competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

BILL ANALYSIS: The PCS for SB 53 would require the SBE to approve alternative, private, for-profit or nonprofit lateral entry teacher education preparation programs that meet standards set by the SBE. Those standards must include the required preservice training and same minimum standards of preparation required for community college lateral entry programs.

Karen Cochrane-Brown
Director

Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

The SBE must request applications no later than September 1, 2016, and by October 1, 2016, must approve at least one program, including any application from North Carolina Teachers of Tomorrow, but no more than four programs that meet the requirements. Approved programs may begin operation in Spring 2017.

EFFECTIVE DATE: SB 53 would become effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 53
PROPOSED HOUSE COMMITTEE SUBSTITUTE S53-CSMT-4 [v.1]
06/24/2016 04:47:12 PM

Short Title: Private Alternative Teacher Preparation. (Public)

Sponsors:

Referred to:

February 11, 2015

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO APPROVE CERTAIN QUALIFYING ALTERNATIVE LATERAL ENTRY TEACHER EDUCATION PREPARATION PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-296.12 reads as rewritten:

"**§ 115C-296.12. Lateral entry teacher education preparation programs.**

(a) It is the policy of the State of North Carolina to encourage lateral entry into the profession of teaching by skilled individuals from the private sector. Skilled individuals who choose to enter the profession of teaching laterally may be granted an initial teaching license for no more than three years and shall be required to obtain licensure required for those who have taught more than three years before contracting for a fourth year of service with any local school administrative unit in this State. The criteria and procedures for lateral entry shall include preservice training in all of the following areas:

(1) The identification and education of children with disabilities.
(2) Positive management of student behavior.
(3) Effective communication for defusing and deescalating disruptive or dangerous behavior.
(4) Safe and appropriate use of seclusion and restraint.

(a1) The State Board of Education may approve alternative, private, for-profit or nonprofit lateral entry teacher education preparation programs that meet standards set by the State Board of Education. These standards shall include preservice training pursuant to subsection (a) of this section and the competency-based standards necessary to earn a teaching license pursuant to subdivisions (1) through (4) of subsection (b) of this section. Approved alternative, private, lateral entry teacher education preparation program providers shall administer the training to meet these standards.

...

(e) An individual who successfully completes ~~the~~ a lateral entry program of study and meets all other requirements of licensure set by the State Board of Education Shall be recommended for a North Carolina teaching license.

...."

SECTION 2. The State Board of Education shall request participation applications from alternative, private, for-profit or nonprofit lateral entry teacher education preparation programs no later than September 1, 2016. By October 15, 2016, the State Board shall approve at least one program, including any application from North Carolina Teachers of Tomorrow, but no

more than four programs, if those programs meet the requirements of G.S. 115C-296.12(a1). Approved programs may begin operating as early as the 2017 Spring academic term.

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SB **747** State-Owned Real Property Management/PED.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB **53** Cities/Overgrown Vegetation Notice.

Draft Number:	S53-PCS35381-MT-4
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Saine

SB **349** Restore Driving Privileges/Competency.

Draft Number:	S349-PCS45550-SU-53
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 3

Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Rules

DATE: 06/28/16 Room: 1228

House Sgt-At Arms:

1. Name: David Leighton
2. Name: Jim Moran
3. Name: Randy Wall
4. Name: Jonas Cherry
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/28/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Preston Howard	NCMA
Hayden Fargusson	FSP
Jonathan Bimbaker	BA
Sarah Bates	BA
Tim Minar	NCHBA
Rose Williams	NCLM
Leeann Winner	NCSBA
M. Lee James	ACP
Rachel Barkley	NCDPI
Jon Carr	Jordan Price
Sharon Miller	CUCA

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/28/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CS Hollis	CSH
J. Tunnell	PNG
Tamy Seum	MVA
David McAdoo	NCPC
Mark Fremen	NCHE
Sal	NN
Sue Am Forest	NCICU
MARK BIBBS	BLG
ANDY WALSH	SIA
JC	CSS
Ken Melton	KMA.

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/28/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	LALC
[signature]	[illegible]
Phoebe Landon	NWC
[signature]	AANA
Colleen Kachanek	AANC
Isabel Villa-Grana	NCAR
Martha Gentian	NCAR
[signature]	J.D.
[signature]	NCSA
Elizabeth Bisel	BP

VISITOR REGISTRATION SHEET

House Committee on Rules 06/28/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kirsan Mcnaild	WM
Mark Lanier	NNCW
Jane Royall	NCFPC
John Cooper	NRS
Sal Maynard	GPM, Assoc
Hugh Johnson	NCAcc
Josiah "Jed" Burdett	Bankers for Mutual
Scott Lassiter	BSENC
Henry Jones	Graduate Private Equity
Andy Ellen	NCPA
David Ferrell	VB

VISITOR REGISTRATION SHEET

House Committee on Rules 06/28/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Andy Chase	KMA
Julia Adams Schewick	Oak City GR
J Bussian	NCPA
Barbara Moore	NCACC
Doug Mishon	PSG
Zane Stilwell	TSG
Hall Hatfield	NCGA
Mia D Bailey	ElectriCities
Casandra Hickstra	NCACC
Chris Ayers	PSNCuc
Dianna Downey	PSNCuc

VISITOR REGISTRATION SHEET

House Committee on Rules 06/28/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Paul Sherman	NCFB
Jake Parker	NCFB
JOY HICKS	NCDA
Rabhanwi	RLA
GARY COHEN	NM
DANIEL BLUM	TRACTOR SALES
CADY THOMAS	Focus Carolina
Steve Mange	NCRLA

Cancelled Notice

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will **NOT** meet as follows:

DAY & DATE: Wednesday, June 29, 2016
TIME: **8:30 AM**
LOCATION: **1228/1327 LB**

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:18 PM on Tuesday, July 12, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

House Committee on Rules, Calendar, and Operations of the House
Wednesday, June 29, 2016 at 3:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 3:30 PM on June 29, 2016 in Room 1228/1327 of the Legislative Building. Representatives Blust, Boles, Bumgardner, Burr, Carney, Daughtry, Davis, Floyd, Fraley, Goodman, L. Hall, Hanes, Hastings, L. Johnson, Lewis, Reives, Robinson, Saine, Stam, Szoka, Tine, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 349 Amd Various Laws/Study Golf Course Tax Policy. (Senator Randleman)
Rep. Burr moves favorable report to the PCS as amended. The motion carries.

SB 803 Rev Laws Technical, Clarifying, & Admin. Chg. (Senators Wade, McKissick, Hartsell)
Rep. Torbett moves favorable report to the PCS. The motion carries.

SB 132 Columbia Elections/Hope Mills Quick Take. (Senator Sanderson)
Rep. Floyd moves favorable report to the PCS. The motion carries.

SB 848 Cary Charter Amendments. (Senators Barringer, Chaudhuri, Foushee)
Rep. Daughtry moves favorable report to the PCS. The motion carries.

SB 326 Local Gov'ts/Bldgs/Structures/Inspections. (Senators Gunn, Meredith, Apodaca)
Rep. Hastings moves favorable report. The motion carries.

HB 630 Drinking Water Protect'n/Coal Ash Cleanup Act. (Representative Yarborough)
Rep. Torbett moves favorable report to the PCS. The motion carries.

SB 814 Designate State CIO as Secretary of Dept. (Senators Tarte, Hise)
Rep. Saine moves favorable report. The motion carries.

The meeting adjourned at 4:36 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Eastpointe opposes (Sandhills)

- Does not want David to allow it to reach the House floor.

Vulavi Golf Provision → PCS 349

SB 326

SB 803

SB 848

SB 132

HB 630

SB 667 (80)

Rules - 6/29/16 (3:40)

PCS SB 848 (Daughtry) → Favorable Report

X SB 349 → Displaced

Tami Barnes - DHHS

PCS HB 630 (Torbett) Adopt → Adopted

Tom Reader - DEQ

* Recommend concurrence

PCS SB 803 (Torbett) → Favorable Report

PCS SB 132 (Floyd) → Favorable Report

SB 814 (Saine) → Favorable Report

SB 326 (Hastings) → Favorable Report

PCS SB 349 (Burr) → Favorable Report

(4:36)

Corrected #2: Adding Senate Bill 814

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Wednesday, June 29, 2016
TIME: **3:30 PM**
LOCATION: **1228/1327 LB**
COMMENTS: **PCSs will be distributed to the committee shortly.**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 349	Amd Various Laws/Study Golf Course Tax Policy.	Senator Randleman
SB 803	Rev Laws Technical, Clarifying, & Admin. Chg.	Senator Wade Senator McKissick Senator Hartsell
SB 132	Columbia Elections/Hope Mills Quick Take.	Senator Sanderson
SB 848	Cary Charter Amendments.	Senator Barringer Senator Chaudhuri Senator Foushee
SB 326	Local Gov'ts/Bldgs/Structures/Inspections.	Senator Gunn Senator Meredith Senator Apodaca
HB 630	Drinking Water Protect'n/Coal Ash Cleanup Act.	Representative Yarborough
SB 814	Designate State CIO as Secretary of Dept.	Senator Tarte Senator Hise

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:19 PM on Tuesday, July 12, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE BILL 349:
Amd Various Laws/Study Golf Course Tax Policy.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 29, 2016
Introduced by:	Sen. Randleman	**Prepared by:**	Bill Patterson Wendy Graf-Ray Committee Co-Counsel
Analysis of:	PCS to Second Edition S349-CSTG-77		

SUMMARY: The PCS for Senate Bill 349 amends various laws as follows:

- ***Clarifies laws related to filing of documents by clerks of courts and directs AOC to develop and implement a pilot project to allow the clerk of superior court of a county to hire a deputy or assistant clerk in lieu of a magistrate position.***
- ***Provides for mediated settlement conferences in district court civil actions.***
- ***Creates the Joint Legislative Study Committee on Public Records and Open Meetings.***
- ***Allows the Board of Pharmacy to obtain criminal record reports from approved reporting services.***
- ***Prohibits hunting from the right-of-ways of public roads in Buncombe County.***
- ***Creates a definition for "provisional provider" of child care and allows those providers to be employed prior to completion of a criminal history check with specified limitations.***
- ***(New in PCS) Moves Montgomery County from Prosecutorial District 19B to 20A.***
- ***(New in PCS) Directs the Revenue Laws Study Committee to study golf course tax policy.***

BILL ANALYSIS:

Section 1 of the PCS amends the rules of civil procedure to clarify when a document is "filed with the clerk."

This section also directs the Administrative Office of the Courts (AOC) to create and implement a pilot project that would permit a county's clerk of superior court, with the written consent of the chief district court judge for the district in which the county is located, to hire a deputy clerk or assistant clerk to perform some of the duties of a magistrate if the following conditions are met:

- The hiring of the deputy clerk or assistant clerk must be in accordance with the assistant clerk allocation formula established by AOC.
- The county is one that has been allocated 3 or 4 magistrate positions under G.S. 7A-133(c).
- The clerk of superior court's office will provide services normally performed by magistrates during regular courthouse hours.

AOC must report as specified to the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2017.

Section 2 – G.S. 7A-38.4A establishes procedures for mediated settlement conferences to be ordered in district court civil cases involving family issues, such as equitable distribution, alimony or support. This section amends the catch line of G.S. 7A-38.4A to clarify its application only to family financial actions and make a conforming change. It also creates a new G.S. 7A-38.4B to authorize mediated settlement conferences in all other district court civil actions. The court would be authorized to order the parties to participate in a mediated settlement conference or other settlement procedure authorized by the Supreme Court. The Supreme Court would be given the authority to adopt rules governing the proceedings and the standards for mediators and other neutrals used in settlement procedures.

The new statute is modeled on and similar to the existing statutes for mediated settlement conferences in district court civil cases involving family issues (G.S. 7A-38.4A) and superior court civil actions (G.S. 7A-38.1).

Section 3 creates the Joint Legislative Study Committee on Public Records and Open Meetings to be made up of five members of the House and five members of the Senate. The Committee would be required to study ways to improve transparency of State and local government. The Committee would be required to submit a final report. including any legislative recommendations to the 2017 General Assembly, and it would terminate upon filing of its report.

Section 4 provides that applicants seeking licensure as a pharmacist must obtain a criminal record report from a designated reporting service and pay for the cost of the report. Similar authority exists for the licensing of real estate brokers and individuals licensed by the private protective services and alarm systems licensing boards. The Board of Pharmacy estimates the cost of a report will be approximately $25-40. Current law allows the Department of Public Safety (DPS) to provide criminal record reports to the Board of Pharmacists. Those reports are based on fingerprints taken by DPS, and forwarded to the State and Federal Bureaus of Investigation.

Section 5 prohibits hunting with a firearm or deadly weapon on, from, or across the right-of-way of any public road or highway. Violation would be a Class 3 misdemeanor. This section is only applicable in Buncombe County.

Section 6 establishes a definition for "provisional provider" of child care. A provisional provider is one whose notification of qualification following a criminal history check is pending. This section would allow provisional providers to be employed so long as they are supervised by qualified child care providers and are clearly identified by wearing a badge in plain sight identifying them as provisional providers. Parents would also have to be provided an explanation of the status in a policy statement that must also be posted in a conspicuous place in a child care facility.

Section 7 (added by PCS):

Section 7.(a) moves Montgomery County from Prosecutorial District 19B, which it currently shares with Randolph County, and places it in Prosecutorial District 20A with Stanly County.

Section 7.(b) provides that the office and term of the district attorney for Prosecutorial District 19B shall be filled by the current District Attorney who is serving Prosecutorial District 19B and who resides in Randolph County. The current District Attorney's term expires on December 31, 2016 and a successor will be elected in the 2016 general election for a new four year term commencing on January 1, 2017.

Section 7.(c) directs the office and term of the district attorney for Prosecutorial District 20A shall be filled by the current District Attorney who is serving Prosecutorial District 20A and who resides in Stanly County. The current District Attorney's term expires on December 31, 2018 and a successor shall be elected in the 2018 general election for a four-year term commencing January 1, 2018.

Section 8 (added by PCS) directs the Revenue Laws Study Committee to study golf course taxation policy.

EFFECTIVE DATE: Section 2 of the act becomes effective October 1, 2016, and applies to actions filed on or after that date. Section 5 of the act becomes effective October 1, 2016, and applies to acts committed on or after that date. Section 6 of the act becomes effective August 1, 2016. Section 7 of the act becomes effective September 1, 2016. The remainder of the act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 349
House Committee Substitute Favorable 6/28/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S349-CSTG-77 [v.3]
06/29/2016 02:00:03 PM

Short Title: Amd Various Laws/Study Golf Course Tax Policy. (Public)

Sponsors:

Referred to:

March 23, 2015

A BILL TO BE ENTITLED

AN ACT TO CLARIFY CERTAIN LAWS RELATING TO THE FILING OF DOCUMENTS BY THE CLERK OF COURT AND TO DIRECT THE ADMINISTRATIVE OFFICE OF THE COURTS TO DEVELOP AND IMPLEMENT A PILOT MAGISTRATE/CLERK STAFFING PROJECT; TO PROVIDE FOR MEDIATED SETTLEMENT CONFERENCES IN DISTRICT COURT CIVIL ACTIONS; TO CREATE THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC RECORDS AND OPEN MEETINGS; TO ALLOW THE BOARD OF PHARMACY TO OBTAIN CRIMINAL RECORD REPORTS FROM APPROVED REPORTING SERVICES; TO PROHIBIT HUNTING FROM THE RIGHT-OF-WAYS OF PUBLIC ROADS IN BUNCOMBE COUNTY; TO CREATE A DEFINITION FOR PROVISIONAL PROVIDERS IN CHILD CARE; TO MOVE MONTGOMERY COUNTY FROM PROSECUTORIAL DISTRICT 19A TO PROSECUTORIAL DISTRICT 20B; AND TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO STUDY GOLF COURSE TAX POLICY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 1A-1, Rule 5, reads as rewritten:

"Rule 5. Service and filing of pleadings and other papers.

...

(e) (1) Filing with the court defined. – The filing of pleadings and other papers with the court pursuant to the rules promulgated under G.S. 7A-109 or subdivision (2) of this subsection as required by these rules shall be made by filing them with the clerk of the court, except that the judge may permit the papers to be filed with him, in which event he shall note thereon the filing date and forthwith transmit them to the office of the clerk. The failure to affix a date stamp or file stamp on any pleading or other papers filed in the courts shall not affect the sufficiency, validity, or enforceability of the document.

(2) Filing by electronic means. – If, pursuant to ~~G.S. 7A-34~~ G.S. 7A-34, G.S. 7A-49.5, and G.S. 7A-343, the Supreme Court and the Administrative Officer of the Courts establish uniform rules, regulations, costs, procedures and specifications for the filing of pleadings or other court papers by electronic means, filing may be made by the electronic means when, in the manner, and to the extent provided therein."

SECTION 1.(b) G.S. 1A-1, Rule 58, reads as rewritten:

"Rule 58. Entry of judgment.

Subject to the provisions of Rule 54(b), a judgment is entered when it is reduced to writing, signed by the judge, and filed with the clerk of ~~court.~~ court in accordance with Rule 5. The party designated by the judge or, if the judge does not otherwise designate, the party who prepares the judgment, shall serve a copy of the judgment upon all other parties within three days after the judgment is entered. Service and proof of service shall be in accordance with Rule 5. If service is by mail, three days shall be added to the time periods prescribed by Rule 50(b), Rule 52(b), and Rule 59. All time periods within which a party may further act pursuant to Rule 50(b), Rule 52(b), or Rule 59 shall be tolled for the duration of any period of noncompliance with this service requirement, provided however that no time period under Rule 50(b), Rule 52(b), or Rule 59 shall be tolled longer than 90 days from the date the judgment is entered. Subject to the provisions of Rule 7(b)(4), consent for the signing and entry of a judgment out of term, session, county, and district shall be deemed to have been given unless an express objection to such action was made on the record prior to the end of the term or session at which the matter was heard.

Notwithstanding any other law to the contrary, any judgment entered by a magistrate in a small claims action pursuant to Article 19 of Chapter 7A shall be entered in accordance with this Rule except judgments announced and signed in open court at the conclusion of a trial are considered to be served on the parties, and copies of any judgment not announced and signed in open court at the conclusion of a trial shall be served by the magistrate on all parties in accordance with this Rule, within three days after the judgment is entered. If service is by mail, three days shall be added to the time periods prescribed by G.S. 7A-228. All time periods within which a party may further act pursuant to G.S. 7A-228 shall be tolled for the duration of any period of noncompliance of this service requirement, provided that no time period shall be tolled longer than 90 days from the date judgment is entered."

SECTION 1.(c) Pilot Magistrate/Clerk Staffing Project. – The Administrative Office of the Courts shall establish and implement a pilot project that will allow the clerk of superior court of a county, with the written consent of the chief district court judge for the district in which the county is located, to hire one deputy clerk or assistant clerk, based on the assistant clerk allocation formula established by the Administrative Office of the Courts, in lieu of one of the magistrate positions allocated to that county, notwithstanding the minimum number of magistrates prescribed for each county under G.S. 7A-133(c). The pilot project is authorized for counties with three or four magistrate allocations. To provide accessibility to law enforcement personnel and citizens, in counties participating in this pilot project, the clerk of superior court's office will provide some of the services traditionally provided by the magistrates' office during some or all of the regular courthouse hours. The Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety on the outcomes of the pilot project by March 1, 2017, and shall include recommendations on continuation or expansion of the pilot.

SECTION 1.(d) G.S. 1A-1, Rule 5(e)(1), as enacted by subsection (a) of this section, is effective when this section becomes law and applies to all pleadings and papers filed with the courts, including pleadings and papers filed prior to that date. G.S. 1A-1, Rule 5(e)(2), as enacted by subsection (a) of this section, is effective when it becomes law and applies to all pleadings and papers filed with the courts on or after that date. The remainder of this section is effective when it becomes law.

SECTION 2.(a) The catch line of G.S. 7A-38.4A reads as rewritten:

"**§ 7A-38.4A. Settlement procedures in ~~district court~~ family financial actions.**"

SECTION 2.(b) G.S. 7A-38.4A(c) reads as rewritten:

"(c) Any chief district court judge in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any action pending in that district involving issues of equitable distribution, alimony, child or post separation support, or claims arising out of contracts between the parties under G.S. 52-10, G.S. 52-10.1, or Chapter 52B of the General Statutes. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate

other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court."

SECTION 2.(c) Article 5 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"**§ 7A-38.4B. Settlement procedures in district court general civil actions.**

(a) The General Assembly finds that a system of settlement events should be established to facilitate the settlement of district court civil actions, other than those involving family issues covered by the provisions of G.S. 7A-38.4A, in order to make that litigation more economical, efficient, and satisfactory to the parties, their representatives, and the State. District courts should be able to require parties to those actions and their representatives to attend a pretrial mediated settlement conference or other settlement procedure conducted under this section and rules adopted by the Supreme Court to implement this section.

(b) The definitions in G.S. 7A-38.1(b)(2) and (b)(3) apply in this section.

(c) The chief district court judge, or that person's designee, in a judicial district may order a mediated settlement conference or may order another settlement procedure, as provided under subsection (g) of this section, for any district court civil action, other than those involving family issues covered by the provisions of G.S. 7A-38.4A and issues exempted by the rules of the Supreme Court implementing this section. The chief district court judge may adopt local rules that order settlement procedures in all of the foregoing actions and designate other district court judges or administrative personnel to issue orders implementing those settlement procedures. However, local rules adopted by a chief district court judge shall not be inconsistent with any rules adopted by the Supreme Court.

(d) The parties to a district court action where a mediated settlement conference or other settlement procedure is ordered, their attorneys, and other persons or entities with authority, by law or contract, to settle a party's claim, shall attend the mediated settlement conference or other settlement procedure, unless the rules ordering the settlement procedure provide otherwise. No party or other participant in a mediated settlement conference or other settlement procedure is required to make a settlement offer or demand that the party or participant deems contrary to that party's or participant's best interests. Parties who have been victims of domestic violence may be excused from physically attending or participating in a mediated settlement conference or other settlement procedure.

(e) Any person required to attend a mediated settlement conference or other settlement procedure under this section who, without good cause, fails to attend or fails to pay any or all of the mediator's or other neutral's fee in compliance with this section is subject to the contempt powers of the court and monetary sanctions imposed by a district court judge. A party seeking sanctions against another party or person shall do so in a written motion stating the grounds for the motion and the relief sought. The motion shall be served upon all parties and upon any person against whom sanctions are being sought. The court may initiate sanction proceedings upon its own motion by the entry of a show cause order. If the court imposes sanctions, it shall do so, after notice and hearing, in a written order making findings of fact and conclusions of law. An order imposing sanctions is reviewable upon appeal, and the entire record shall be reviewed to determine whether the order is supported by substantial evidence.

(f) The parties to a district court action in which a mediated settlement conference is to be held under this section shall have the right to designate a mediator. Upon failure of the parties to designate within the time established by the rules adopted by the Supreme Court, a mediator shall be appointed by a district court judge.

(g) A chief district court judge, or that judge's designee, at the request of a party and with the consent of all parties, may order the parties to attend and participate in any other settlement procedure authorized by rules adopted by the Supreme Court or adopted by local district court rules, in lieu of attending a mediated settlement conference. Neutrals acting under this section

shall be selected and compensated in accordance with rules adopted by the Supreme Court. Nothing herein shall prohibit the parties from participating in other dispute resolution procedures, including arbitration, to the extent authorized under State or federal law. Nothing herein shall prohibit the parties from participating in mediation at a community mediation center operating under G.S. 7A-38.5.

(h) Mediators and other neutrals acting under this section shall have judicial immunity in the same manner and to the same extent as a judge of the General Court of Justice, except that mediators and other neutrals may be disciplined in accordance with enforcement procedures adopted by the Supreme Court under G.S. 7A-38.2.

(i) Costs of mediated settlement conferences and other settlement procedures shall be borne by the parties. Unless otherwise ordered by the court or agreed to by the parties, the mediator's fees shall be paid in equal shares by the parties. The rules adopted by the Supreme Court shall set out a method whereby a party found by the court to be unable to pay the costs of settlement procedures is afforded an opportunity to participate without cost to that party and without expenditure of State funds.

(j) Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except in any of the following:

(1) Proceedings for sanctions under this section.

(2) Proceedings to enforce or rescind a settlement of the action.

(3) Disciplinary proceedings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals.

(4) Proceedings to enforce laws concerning juvenile or elder abuse.

As used in this subsection, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this section or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding under this section shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals, and proceedings to enforce laws concerning juvenile or elder abuse.

(k) The Supreme Court may adopt standards for the certification and conduct of mediators and other neutrals who participate in settlement procedures conducted under this section. The standards may also regulate mediator training programs. The Supreme Court may adopt procedures for the enforcement of those standards. The administration of mediator certification, regulation of mediator conduct, and decertification shall be conducted through the Dispute Resolution Commission.

(l) An administrative fee not to exceed two hundred dollars ($200.00) may be charged by the Administrative Office of the Courts to applicants for certification and annual renewal of certification for mediators and mediator training programs operating under this section. The fees collected may be used by the Director of the Administrative Office of the Courts to establish and maintain the operations of the Commission and its staff. The administrative fee shall be set by the

Director of the Administrative Office of the Courts in consultation with the Dispute Resolution Commission.

(m) The Administrative Office of the Courts, in consultation with the Dispute Resolution Commission, may require the chief district court judge of any district to report statistical data about settlement procedures conducted under this section for administrative purposes.

(n) Nothing in this section or in rules adopted by the Supreme Court implementing this section shall restrict a party's right to a trial by jury.

(o) The Supreme Court may adopt rules to implement this section."

SECTION 2.(d) This section becomes effective October 1, 2016, and applies to actions filed on or after that date.

SECTION 3.(a) Creation. – There is created the Joint Legislative Study Committee on Public Records and Open Meetings. The Committee shall consist of 10 members to be appointed as follows:

(1) Five members of the House of Representatives appointed by the Speaker of the House of Representatives.

(2) Five members of the Senate appointed by the President Pro Tempore of the Senate.

SECTION 3.(b) Study. – The Joint Legislative Study Committee on Public Records and Open Meetings shall study ways to improve transparency of State and local government in North Carolina. In the conduct of its study, the Committee shall examine existing State laws regarding public access to government records and meetings and legislation enacted in other states that allow greater public access than currently exists in North Carolina. Specifically, the Committee shall study:

(1) Strategies for the executive branch of North Carolina State government to streamline the processes by which the public may access government records and meetings.

(2) Strategies for local government entities in North Carolina to streamline the processes by which the public may access government records and meetings.

(3) The development of legislative alternatives to existing provisions of the North Carolina Public Records Act and Open Meetings Law that restrict or entirely prohibit public access to government records of meetings.

SECTION 3.(c) Cochairs; Vacancies. – The Speaker of the House of Representatives shall designate one representative to serve as cochair, and the President Pro Tempore of the Senate shall designate one senator to serve as cochair. Vacancies on the Committee shall be filled by the same appointing authority making the initial appointment.

SECTION 3.(d) Powers. – The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative Building or in the Legislative Office Building.

SECTION 3.(e) Staffing. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee and the expenses relating to the clerical employees shall be borne by the Committee. Members of the Committee shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 3.(f) Report. – The Committee shall submit a final report, including findings and legislative recommendations, to the 2017 General Assembly. The Committee shall terminate upon filing its final report.

SECTION 4. G.S. 90-85.15 reads as rewritten:

"**§ 90-85.15. Application and examination for licensure as a pharmacist; prerequisites.**

(a) Any person who desires to be licensed as a pharmacist shall file an application with the Executive Director on the form furnished by the Board, verified under oath, setting forth the applicant's name, age, the place at which and the time that ~~he~~ the applicant has spent in the study of pharmacy, and ~~his~~ the applicant's experience in compounding and dispensing prescriptions under the supervision of a pharmacist. The applicant shall also appear at a time and place designated by the Board and submit to an examination as to ~~his~~ the applicant's qualifications for being licensed. The applicant must demonstrate to the Board ~~his~~ the applicant's physical and mental competency to practice pharmacy.

(b) On or after July 1, 1982, all applicants shall have received an undergraduate degree from a school of pharmacy approved by the Board. Applicants shall be required to have had up to one year of experience, approved by the Board, under the supervision of a pharmacist and shall pass the required examination offered by the Board. Upon completing these requirements and upon paying the required fee, the applicant shall be licensed.

(c) ~~The Department of Public Safety may provide a criminal record check to the Board for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.~~

~~The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.~~The Board may require an applicant to provide the Board with a criminal record report. All applicants shall obtain criminal record reports from one or more reporting services designated by the Board to provide criminal record reports. Applicants are required to pay the designated reporting service for the cost of these reports."

SECTION 5.(a) It is unlawful to hunt with a firearm or deadly weapon, or to attempt to hunt with a firearm or deadly weapon, any wild animal or wild bird on, from, or across the right-of-way of any public road or highway.

SECTION 5.(b) Violation of subsection (a) of this section is a Class 3 misdemeanor.

SECTION 5.(c) This section is enforceable by law enforcement officers of the Wildlife Resources Commission, by sheriffs and deputy sheriffs, and by other peace officers with general subject matter jurisdiction.

SECTION 5.(d) This section applies only to Buncombe County.

SECTION 5.(e) This section becomes effective October 1, 2016, and applies to acts committed on or after that date.

SECTION 6.(a) G.S. 110-90.2(a) is amended by adding a new subdivision to read:

"**§ 110-90.2. Mandatory child care providers' criminal history checks.**

(a) For purposes of this section:

...

(3a) "Provisional provider" means a person who has been employed as a child care provider whose notification of qualification under subsection (b) of this section is pending.

...."

SECTION 6.(b) G.S. 110-90.2 is amended by adding a new subsection to read:

"(b2) A provisional provider may be hired, begin orientation and training, and be counted in staff/child ratio so long as the provisional provider is supervised by a qualified child care provider

when supervising any child and is clearly identified as a provisional provider by wearing in plain view a badge identifying the person as a provisional provider. An explanation of the status of provisional provider shall be included in a policy statement provided to parents and shall also be posted in a conspicuous place in the child care facility.

(1) A child care provider subject to a criminal history check every three years in accordance with subsection (b) of this section shall be treated as a provisional provider until receiving notification of the Department's determination under subsection (d) of this section.

(2) If the child care provider has not received notification of the Department's determination within 90 calendar days from the date the criminal history check was requested by the Department, the child care provider shall not enter or remain on the premises of the child care facility until such notification is received."

SECTION 6.(c) This section becomes effective August 1, 2016.

SECTION 7.(a) G.S. 7A-60 reads as rewritten:

"**§ 7A-60. District attorneys and prosecutorial districts.**

(a) The State shall be divided into prosecutorial districts, as shown in subsection (a1) of this section. There shall be a district attorney for each prosecutorial district, as provided in subsections (b) and (c) of this section who shall be a resident of the prosecutorial district for which elected. A vacancy in the office of district attorney shall be filled as provided in Article IV, Sec. 19 of the Constitution.

(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties and the number of full-time assistant district attorneys set forth in the following table:

Prosecutorial District	Counties	No. of Full-Time Asst. District Attorneys
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	11
2	Beaufort, Hyde, Martin, Tyrrell, Washington	8
3A	Pitt	11
3B	Carteret, Craven, Pamlico	12
4	Duplin, Jones, Onslow, Sampson	18
5	New Hanover, Pender	18
6	Bertie, Halifax, Hertford, Northampton	10
7	Edgecombe, Nash, Wilson	18
8	Greene, Lenoir, Wayne	14
9	Franklin, Granville, Vance, Warren	10
9A	Person, Caswell	6
10	Wake	41
11A	Harnett, Lee	9
11B	Johnston	10
12	Cumberland	23
13	Bladen, Brunswick, Columbus	13
14	Durham	18
15A	Alamance	11
15B	Orange, Chatham	10

16A	Scotland, Hoke	7
16B	Robeson	12
16C	Anson, Richmond	6
17A	Rockingham	7
17B	Stokes, Surry	8
18	Guilford	32
19A	Cabarrus	9
19B	~~Montgomery,~~ Randolph	9
19C	Rowan	8
19D	Moore	5
20A	~~Stanly~~Stanly, Montgomery	5
20B	Union	10
21	Forsyth	25
22A	Alexander, Iredell	11
22B	Davidson, Davie	11
23	Alleghany, Ashe, Wilkes, Yadkin	8
24	Avery, Madison, Mitchell, Watauga, Yancey	7
25	Burke, Caldwell, Catawba	18
26	Mecklenburg	58
27A	Gaston	14
27B	Cleveland, Lincoln	11
28	Buncombe	14
29A	McDowell, Rutherford	7
29B	Henderson, Polk, Transylvania	8
30	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain.	10

..."

SECTION 7.(b) The office and term of the district attorney for Prosecutorial District 19B, as established by G.S. 7A-60(a1), as amended by subsection (a) of this section shall be filled by the district attorney serving Prosecutorial District 19B at the time this section becomes law, who resides in Randolph County. The term of that district attorney expires December 31, 2016, and a successor shall be elected in the 2016 general election for a four-year term commencing January 1, 2017.

SECTION 7.(c) The office and term of the district attorney for Prosecutorial District 20A, as established by G.S. 7A-60(a1) subsection (a) of this section, shall be filled by the district attorney serving Prosecutorial District 20A at the time this section becomes law, who resides in Stanly County. The term of that district attorney expires December 31, 2018, and a successor shall be elected in the 2018 general election for a four-year term commencing January 1, 2019.

SECTION 7.(d) This section is effective September 1, 2016.

SECTION 8. The Revenue Laws Study Committee is directed to study issues related to the property taxation of golf courses. The study may include a review of the methods used to determine the fair market value and whether there are inconsistencies across counties with regard to valuation methodologies in order to identify whether any legislative changes need to be made to ensure a consistent, uniform, and simple methodology for assessing these properties. The Committee may report its findings, together with any recommended legislation, to the 2017 General Assembly upon its convening.

SECTION 9. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 803:
Rev Laws Technical, Clarifying, & Admin. Chg.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 29, 2016
Introduced by:		**Prepared by:**	Greg Roney Committee Counsel
Analysis of:	PCS to Third Edition S803-CSTMx-65		

BILL ANALYSIS:

The Proposed Committee Substitute (PCS) returns the bill to the version as passed by the Senate.

Section	Bill Analysis	Effective Date
	PART I: INCOME TAX CHANGES	
1.1	Deletes a reference to the Interstate Commerce Commission. The Interstate Commerce Commission was abolished in 1995.	When law
1.2	Clarifies that taxpayers remain able to exclude amounts under the insolvency rules after NC decoupled from the extension of the income exclusion for the discharge of qualified principal residence indebtedness in S.L. 2016-6 (S726). A taxpayer that excludes from income cancellation of mortgage debt under federal law using either insolvency rules (NC conforms) or mortgage debt forgiveness rules (NC decoupled) is allowed to exclude the income for NC purposes to the extent a taxpayer qualifies for the insolvency provision under IRC section 108.	When law
	PART II: SALES TAX CHANGES	
2.1	Adds the word "also" to clarify that the language added by Section 3.23(a) of S.L. 2016-5 (S729) was not intended to change the current law that exempts sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft.	1/1/16
2.2	Corrects verb tense ("recommend" replaced with "recommended").	When law
2.3 2.4	Makes a conforming change to update the sales tax collection statute for facilitators who are liable for sales tax under existing law.	When law
2.5	Clarifies that the sales tax exemption for food and prepared food provided to a person under a prepaid meal plan subject to tax under G.S. 105-164.4(a)(12) also excludes the packaging items (e.g., wrapping paper, plastic bags, cartons, cups, napkins, straws) that are part of the sale and delivered with the food.	When law

Karen Cochrane-Brown
Director

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Section	Bill Analysis	Effective Date
2.6	Makes conforming change to comply with the Streamlined Sales and Use Tax Agreement to determine the effective date of a rate change for the combined general rate.	When law
2.7	Corrects a statutory reference.	When law
PART III: LOCAL GOVERNMENT TAX CHANGES		
3.1(a) 3.1(b)	Allows a county to disclose to a municipality in the county and the municipality to disclose to the county tax information necessary to administer a tax. Local tax records that contain information about a taxpayer's income or receipts are not public records and local government employees are prohibited from disclosing this information unless the disclosure is authorized by statute.	When law
PART IV: MSA CHANGES		
4.1(a)	Limits the look-back period to determine the amount of a bond for a Non-Participating Manufacturer (NPM) under the Master Settlement Agreement (MSA) to the preceding 3 calendar years. Current law is an unlimited look-back period meaning the bond amount for a NPM is based on sales volume occurring in the State at any time in the past. Sales of cigarettes are declining nationally and in the State. This change will reduce the bond amount for NPM with declining sales volume. The Attorney General's Office requested this change.	10/1/16
PART V: UI TAX CHANGES		
5.(a)	Moves the date to calculate employers' tax rate for unemployment insurance (UI) taxes to September 1 to include tax payments made in the second quarter of the year. Under current law, employers pay UI taxes quarterly during the month after the quarter ends. Tax payments affect tax rates that are calculated annually on August 1. Some tax payments made during July are not received by August 1 and are not used in the tax calculation on August 1. This change moves the calculation date to September 1 to allow all second quarter tax payments to be credited to employers. Delaying the calculation date of UI tax rates will more accurately set tax rates based on all second quarter payments.	When law. Applies to contributions payable for calendar quarters beginning on or after 1/1/17
PART VI: EFFECTIVE DATE		
6	Except as otherwise provided, this act is effective when it becomes law.	

Trina Griffin substantially contributed to this summary.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

SENATE BILL 803*

Finance Committee Substitute Adopted 6/21/16
House Committee Substitute Favorable 6/28/16

Short Title: Rev Laws Tech. Chg/No Permit for Fiber. (Public)

Sponsors:

Referred to:

May 4, 2016

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE REVENUE LAWS AND RELATED STATUTES AND TO ELIMINATE PERMITS FOR PASSIVE OPTICAL NETWORKS.

The General Assembly of North Carolina enacts:

PART I. INCOME TAX CHANGES

SECTION 1.1. G.S. 105-130.4(a)(6) reads as rewritten:

"**§ 105-130.4. Allocation and apportionment of income for corporations.**

(a) As used in this section, unless the context otherwise requires:

...

(6) "Public utility" means any corporation that is subject to control of one or more of the following entities: the North Carolina Utilities Commission, the Federal Communications Commission, ~~the Interstate Commerce Commission,~~ the Federal Energy Regulatory Commission, or the Federal Aviation Agency; and that owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications, the transportation of goods or persons, or the production, storage, transmission, sale, delivery or furnishing of electricity, water, steam, oil, oil products, or gas. The term also includes a motor carrier of property whose principal business activity is transporting property by motor vehicle for hire over the public highways of this State."

SECTION 1.2. G.S. 105-153.5(c2), as amended by S.L. 2016-6, reads as rewritten:

"(c2) Decoupling Adjustments. – In calculating North Carolina taxable income, a taxpayer must add to the taxpayer's adjusted gross income any of the following items that are not included in the taxpayer's adjusted gross income:

(1) For taxable years 2014, 2015, and 2016, the amount excluded from the taxpayer's gross income for the discharge of qualified principal residence indebtedness under section 108 of the Code. The purpose of this subdivision is to decouple from the income exclusion available under federal tax law. If the taxpayer is insolvent, as defined in section 108(d)(3) of the Code, then the addition required under this subdivision is limited to the amount of discharge of qualified principal residence indebtedness excluded from adjusted gross income under section 108(a)(1)(E) of the Code that exceeds the amount of discharge of indebtedness that would have been excluded under section 108(a)(1)(B) of the Code.

...."

PART II. SALES TAX CHANGES

SECTION 2.1.(a) G.S. 105-164.13(11b), as amended by Section 3.23(a) of S.L. 2016-5, reads as rewritten:

"(11b) Sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft. For purposes of this subdivision, the term "commercial aircraft" has the same meaning as defined in subdivision (45a) of this subsection. This exemption also applies to aviation gasoline and jet fuel purchased for use in a commercial aircraft in interstate or foreign commerce by a person whose primary business is scheduled passenger air transportation. This subdivision expires January 1, 2020."

SECTION 2.1.(b) This section becomes effective January 1, 2016.

SECTION 2.2. G.S. 105-164.3(33c), as amended by Section 5.5(a) of S.L. 2016-5, reads as rewritten:

"(33c) Qualifying datacenter. – A datacenter that satisfies each of the following conditions:

...

c. The datacenter certifies that it provides health insurance for all of its full-time employees. The datacenter provides health insurance if it pays at least fifty percent (50%) of the premiums for health care coverage that equals or exceeds the minimum provisions of the basic health care plan of coverage ~~recommend~~ recommended by the Small Employer Carrier Committee pursuant to G.S. 58-50-125."

SECTION 2.3. G.S. 105-164.4 reads as rewritten:

"**§ 105-164.4. Tax imposed on ~~retailers.~~retailers and certain facilitators.**

...

(b) The tax levied in this section shall be collected from the retailer and paid by him at the time and in the manner as hereinafter provided. A person engaging in business as a retailer shall pay the tax required on the net taxable sales of the business at the rates specified when proper books are kept showing separately the gross proceeds of taxable and nontaxable sales of items subject to tax under subsection (a) of this section in a form that may be accurately and conveniently checked by the Secretary or the Secretary's duly authorized agent. If the records are not kept separately, the tax shall be paid on the gross sales of the business and the exemptions and exclusions provided by this Article are not allowed. The tax levied in this section is in addition to all other taxes whether levied in the form of excise, license, privilege, or other taxes. The requirements of this subsection apply to facilitators liable for tax under this Article.

(c) Certificate of Registration. – Before a person may engage in business as a retailer or a wholesale merchant in this State, the person must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29. A facilitator that is liable for tax under ~~G.S. 105-164.4F~~ this Article must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29."

SECTION 2.4. G.S. 105-164.7 reads as rewritten:

"**§ 105-164.7. Retailer or facilitator to collect sales tax from purchaser as trustee for State.**

The sales tax imposed by this Article is intended to be passed on to the purchaser of a taxable item and borne by the purchaser instead of by the retailer. A retailer must collect the tax due on an item when the item is sold at retail. The requirements of this section apply to facilitators liable for tax under this Article. The tax is a debt from the purchaser to the retailer until paid and is recoverable at law by the retailer in the same manner as other debts. A retailer is considered to act as a trustee on behalf of the State when it collects tax from the purchaser of a taxable item. The tax

must be stated and charged separately on the invoices or other documents of the retailer given to the purchaser at the time of the sale except for either of the following:

(1) Vending machine sales.

(2) Where a retailer displays a statement indicating the sales price includes the tax."

SECTION 2.5. G.S. 105-164.13(63) reads as rewritten:

"**§ 105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

Agricultural Group.

...

(63) Food and prepared food to be provided to a person entitled to the food and prepared food under a prepaid meal plan subject to tax under G.S. 105-164.4(a)(12). This exemption applies to packaging items including wrapping paper, labels, plastic bags, cartons, packages and containers, paper cups, napkins and drinking straws, and like articles that meet all of the following requirements:

a. Used for packaging, shipment, or delivery of the food and prepared food.

b. Constitute a part of the sale of the food and prepared food.

c. Delivered with the food and prepared food."

SECTION 2.6. G.S. 105-164.15A(b) reads as rewritten:

"(b) Combined Rate Items. – The effective date of a rate change for an item that is taxable under this Article at the combined general rate is ~~the effective date of any of the following:~~administered as follows:

(1) ~~The~~ For a taxable item that is not billed on a monthly or other periodic basis, a tax change applies to amounts received for items provided on or after the effective date of a change in the State general rate of tax set in G.S. 105-164.4.

(1a) For a taxable item that is provided and billed on a monthly or other periodic basis:

a. A tax increase applies to the first billing period that is at least 30 days after enactment and that starts on or after the effective date.

b. A tax rate decrease applies to bills rendered on or after the effective date.

(2) For an increase in the authorization for local sales and use taxes, the date on which local sales and use taxes authorized by Subchapter VIII of this Chapter for every county become effective in the first county or group of counties to levy the authorized taxes.

(3) For a repeal in the authorization for local sales and use taxes, the effective date of the repeal."

SECTION 2.7. G.S. 105-187.5(b) reads as rewritten:

"**§ 105-187.5. Alternate tax for those who rent or lease motor vehicles.**

...

(b) Rate. – The tax rate on the gross receipts from the short-term lease or rental of a motor vehicle is eight percent (8%) and the tax rate on the gross receipts from the long-term lease or rental of a motor vehicle is three percent (3%). Gross receipts does not include the amount of any allowance given for a motor vehicle taken in trade as a partial payment on the lease or rental price. The maximum tax in ~~G.S. 105-187.3(a)~~ G.S. 105-187.3(a1) on certain motor vehicles applies to a continuous lease or rental of such a motor vehicle to the same person."

PART III. LOCAL GOVERNMENT TAX CHANGES

SECTION 3.1.(a) G.S. 153A-148.1(a) reads as rewritten:

"**§ 153A-148.1. Disclosure of certain information prohibited.**

(a) Disclosure Prohibited. – Notwithstanding Chapter 132 of the General Statutes or any other law regarding access to public records, local tax records that contain information about a taxpayer's income or receipts are not public records. A current or former officer, employee, or agent of a county who in the course of service to or employment by the county has access to information about the amount of a taxpayer's income or receipts may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...

(7) To disclose to the authorized finance officer of any municipality located within the county tax information in the possession of the county, as necessary to administer a tax."

SECTION 3.1.(b) G.S. 160A-208.1(a) reads as rewritten:

"**§ 160A-208.1. Disclosure of certain information prohibited.**

(a) Disclosure Prohibited. – Notwithstanding Chapter 132 of the General Statutes or any other law regarding access to public records, local tax records that contain information about a taxpayer's income or receipts are not public records. A current or former officer, employee, or agent of a city who in the course of service to or employment by the city has access to information about the amount of a taxpayer's income or receipts may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

...

(5) To disclose to the authorized finance officer of the county in which the municipality is located tax information in the possession of the municipality, as necessary to administer a tax."

PART IV. MSA CHANGES

SECTION 4.(a) G.S. 66-294(b) reads as rewritten:

"**§ 66-294. Duties of manufacturers.**

...

(b) Nonparticipating Manufacturers. – A nonparticipating manufacturer must:

...

(7) Notwithstanding any other provision of law, if a newly qualified nonparticipating manufacturer is to be listed in the North Carolina Tobacco Directory (the Directory), or if the Attorney General reasonably determines that any nonparticipating manufacturer who has filed a certification pursuant to G.S. 66-291, et seq., poses an elevated risk for noncompliance with this Article, neither such nonparticipating manufacturer nor any of its brand families shall be included in the Directory unless and until such nonparticipating manufacturer, or its United States importer that undertakes joint and several liability for the manufacturer's performance in accordance with G.S. 66-291, et seq., has posted a bond in accordance with this section.

The bond shall be posted by a corporate surety located within the United States in a form and manner acceptable to the Attorney General, or a cash equivalent posted by the nonparticipating manufacturer, in an amount equal to the greater of fifty thousand dollars ($50,000) or the greatest amount of escrow the manufacturer in either its current or predecessor form was required to deposit as a result of its highest calendar year's sales in North Carolina for any of the preceding three calendar years or greatest quarterly escrow deposit for any of the preceding 12 calendar quarters, depending on the manufacturer's required escrow deposit frequency. The bond or its cash equivalent shall be posted at least 10 days in advance of each calendar year or quarter depending

on the manufacturer's required escrow deposit frequency. The bond shall be written in favor of North Carolina and such bond or cash equivalent shall be conditioned on the performance by the nonparticipating manufacturer or its United States importer that undertakes joint and several liability for the manufacturer's performance, in accordance with G.S. 66-294.2, of all of its duties and obligations under this Article during the year in which the certification is filed and the next succeeding calendar year. The bond may be drawn upon by the Attorney General to cover unsatisfied escrow obligations, penalties, and any other liability under the tobacco laws of the State.

Some factors, though not exclusive, which the Attorney General may consider in determining whether any nonparticipating manufacturer or importer poses an elevated risk of noncompliance are (i) the nonparticipating manufacturer or any affiliate thereof or importer has illegally failed to satisfy an escrow obligation with respect to any state in the past; (ii) any state has removed the nonparticipating manufacturer or its brand families or an affiliate or any of the affiliate's brand families from the state's tobacco directory for noncompliance with the state's laws; (iii) any state has pending litigation against, or an unsatisfied judgment against the nonparticipating manufacturer or any affiliate thereof or importer for escrow or penalties related to noncompliance with state escrow laws; (iv) the nonparticipating manufacturer sells its cigarettes or tobacco products directly to consumers via remote or other non-face-to-face means; (v) a state or federal court has determined that the nonparticipating manufacturer or importer has violated any tobacco tax or tobacco control law or engaged in unfair business practice or unfair competition; or (vi) the nonparticipating manufacturer or importer fails to submit or complete any required forms, documents, certifications, or notices, in a timely manner or, to the satisfaction of the Attorney General."

SECTION 4.(b) This section becomes effective October 1, 2016.

PART V. UI TAX CHANGES

SECTION 5.(a) G.S. 96-9.2(c) reads as rewritten:

"**§ 96-9.2. Required contributions to the Unemployment Insurance Fund.**

...

(c) Contribution Rate for Experience-Rated Employer. – The contribution rate for an experience-rated employer who does not qualify as a beginning employer under subsection (b) of this section is determined in accordance with the table set out below and then rounded to the nearest one-hundredth percent (0.01%), subject to the minimum and maximum contribution rates. The minimum contribution rate is six-hundredths of one percent (0.06%). The maximum contribution rate is five and seventy-six hundredths percent (5.76%). "Total insured wages" are the total wages reported by all insured employers for the 12-month period ending on June 30 preceding the computation date. The calculations in the table set out below are applied as of September 1 following the computation date. An employer's experience rating is computed as a reserve ratio in accordance with G.S. 96-9.4. An employer's reserve ratio percentage (ERRP) is the employer's reserve ratio multiplied by sixty-eight hundredths. A positive ERRP produces a lower contribution rate, and a negative ERRP produces a higher contribution rate.

UI Trust Fund Balance as Percentage of Total Insured Wages	**Contribution Rate**
Less than or equal to 1%	2.9% minus ERRP
Greater than 1% but less than or equal to 1.25%	2.4% minus ERRP

Greater than 1.25% 1.9% minus ERRP"

SECTION 5.(b) This section is effective when it becomes law and applies to contributions payable for calendar quarters beginning on or after January 1, 2017.

PART VI. NO PERMITS FOR PASSIVE OPTICAL NETWORKS

SECTION 6. G.S. 160A-417(a2) reads as rewritten:

"**§ 160A-417. Permits.**

...

(a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing fifteen thousand dollars ($15,000) or less in any single family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. No low voltage permit shall be required for any construction, installation, repair, replacement, or alteration of passive optical networks. Violation of this section shall constitute a Class 1 misdemeanor."

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 132:
Columbia Elections/Hope Mills Quick Take.

2016-2017 General Assembly

Committee:	House Rules	**Date:**	June 28, 2016
Introduced by:	Sen. Sanderson	**Prepared by:**	R. Erika Churchill and Susan Barham, Legislative Staff
Analysis of:	PCS to Second Edition S132-CSTE-2		

SUMMARY: The proposed committee substitute for Senate Bill 132 would:

- ***Increase the terms of the Mayor of Columbia from two to four years while updating the Town's charter to reflect the Town's current election practices for the Mayor and the Board of Aldermen; and validate previous elections in the Town of Columbia since January 1, 1977.***
- ***Authorize the Town of Hope Mills to use the 'quick-take' method of condemnation for projects relating to Hope Mills Lake or Hope Mills Lake dam, until July 1, 2019.***

CURRENT LAW & BILL ANALYSIS:

Town of Columbia. The Charter for the Town of Columbia is found in Chapter 423 of the Public Laws of 1941.

Section 4 of the Charter of the Town pertains to the Mayor and Board of Aldermen. This section of the Charter provides that the Board of Aldermen be composed of 5 members, each elected for a term of 2 years. Section 4 also provides that the Mayor is elected to serve for a term of 2 years and the terms of office for both the Mayor and members of the Board of Aldermen begin on the first day of July next following their election.

Section 12 of the Charter requires that regular municipal elections be held in the Town every two years in odd numbered years for both the Mayor and the Board of Aldermen. Election for the choice of Mayor and the members of the Board of Aldermen must be held on Tuesday following the first Monday in May in odd numbered years.

Currently municipal elections for the town of Columbia are held on the 1st Tuesday in November in odd number years. The Aldermen are elected for a four year term on a staggered election process. The mayor, also, an elected position, serves for 2 years.[1]

The charter in the Town of Columbia has not been updated to reflect the current election practices for the Mayor and the members of the Board of Aldermen. The PCS would bring the Town of Columbia into compliance.

Section 1 of the PCS would do all of the following:

- Increase the term of office for the Mayor from two to four years, effective with the 2017 election.

[1] http://www.townofcolumbianc.com

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Updating the Town's charter to reflect the Town's current election practices for the Board of Aldermen, which is four year terms.
- Updates that the terms of office begin at the first regular meeting in December following the election.
- Requires that the regular election for Mayor and the Board of Aldermen is held the first Tuesday in November in odd numbered years.
- Validate previous elections in the Town of Columbia since January 1, 1977.

Town of Hope Mills. Under current law, cities and counties may use the power of eminent domain for the purposes listed in G.S. 40A-3(b), such as constructing city streets, building water and sewer lines, establishing parks, etc.

In exercising the power of eminent domain, a city or county may acquire the property by purchase, gift, or condemnation. Article 3 of Chapter 40A provides the procedures by which a county or city may condemn property. Generally, the public condemnor must file a civil action to condemn the property in the superior court in which the land is located and must provide a deposit in the amount estimated by the condemnor to be just compensation for the taking. Compensation is generally the fair market value (FMV) of the property. In the case of a taking of less than an entire tract, compensation is usually the greater of (i) the diminution on value, or (ii) the FMV of the property taken. The condemnor is allowed to take title to the property and has the right to possess the property upon the filing of an answer by the owner who does not challenge the authority of the condemnor, or upon the failure of an owner to file an answer within 120 days, or upon the disbursement of the deposit.

In limited circumstances under G.S. 40A-42(a), the condemnor has the right to immediate possession of the property when the complaint is filed. This action is sometimes referred to as "quick take condemnation." However, under this quick take authority, the compensation for the property is not questioned; the only difference is the date upon which possession of the property vests with the condemnor. The purposes for which the "quick take" process may be used are:

- Opening, widening, extending, or improving roads, streets, alleys, and sidewalks.
- Establishing, extending, enlarging, or improving storm sewer and drainage systems and works, or sewer and septic tank lines and systems.
- Establishing drainage programs and programs to prevent obstructions to the natural flow of streams, creeks and natural water channels or improving drainage facilities.
- Beach renourishment.
- Public access to beaches and appurtenant parking areas.
- A city is acquiring property for a public enterprise fund, for any of the following purposes:
    - Electric power generation, transmission, and distribution systems.
    - Water supply and distribution systems.
    - Wastewater collection, treatment, and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
    - Gas production, storage, transmission, and distribution systems, where systems shall also include the purchase or lease of natural gas fields and natural gas reserves, the purchase of natural gas supplies, and the surveying, drilling and any other activities related to the exploration for natural gas, whether within the State or without.
    - Solid waste collection and disposal systems and facilities.
    - Cable television systems.

- A county is acquiring property for a public enterprise fund, for any of the following purposes:
    - Water supply and distribution systems.
    - Wastewater collection, treatment, and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
    - Solid waste collection and disposal systems and facilities.

Section 2 of the PCS would authorize the Town of Hope Mills to use the quick take process for establishing, enlarging, or improving parks, playgrounds, and other recreational facilities involving or relating to Hope Mills Lake or Hope Mills Lake dam. The authority granted expires July 1, 2019.

EFFECTIVE DATE: Except as otherwise noted, effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 132

Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/29/15
PROPOSED HOUSE COMMITTEE SUBSTITUTE S132-CSTE-2 [v.6]
06/28/2016 08:32:08 PM

Short Title: Columbia Elections/Hope Mills Quick Take. (Local)

Sponsors:

Referred to:

March 3, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CHARTER OF THE TOWN OF COLUMBIA TO EXTEND THE TERM OF OFFICE FOR THE MAYOR AND CLARIFY THAT THE MEMBERS OF THE BOARD OF ALDERMEN SERVE FOUR YEAR STAGGERED TERMS AND TO AUTHORIZE THE TOWN OF HOPE MILLS TO TAKE IMMEDIATE POSSESSION OF REAL PROPERTY CONDEMNED BY THE TOWN FOR RECREATIONAL PURPOSES IN CONNECTION WITH THE HOPE MILLS LAKE AND HOPE MILLS LAKE DAM PROJECT.

The General Assembly of North Carolina enacts:

SECTION 1(a). Section 4 of the Charter of the Town of Columbia, being Chapter 423 of the Public Laws of 1941, reads as rewritten:

"Sec. 4 Creation, Salary, and Composition of Mayor and Board of Aldermen. Except as otherwise provided in this charter all powers of the town shall be vested in a board of aldermen of five members and a mayor nominated and elected from the town at large in the manner hereinafter provided. The term of office of the mayor and the board of aldermen shall be for ~~two~~ four years and until their successors are elected and ~~qualified, and shall begin on the first day of July next following their election~~ qualified. The terms of office for the aldermen and mayor shall begin at the first regular meeting in December following their election. If a vacancy occurs in the office of mayor or aldermen, it shall be filled for the remainder of the unexpired term by a majority vote of the remaining members of the board of aldermen. Each member of the board of aldermen shall receive a salary the amount which shall be prescribed by ordinance. No ordinance fixing or changing the salary of members of the board of aldermen shall become effective during the current term of office of members of the board of aldermen enacting such ordinance. Members of the board of aldermen shall be qualified electors of the town. A member of the board of aldermen ceasing to possess any of the qualifications specified in this section, or convicted of crime while in office, shall immediately forfeit his office."

SECTION 1(b). Section 12 of the Charter of the Town of Columbia, being Chapter 423 of the Public Laws of 1941, reads as rewritten:

"Sec. 12 ~~Municipal Elections.~~ Election of Mayor; Election of the Board of Aldermen. ~~The regular election for the choice of mayor and the members of the board of aldermen shall be held on Tuesday following the first Monday in May in odd numbered years. The board of aldermen may by resolution order a special election, fix the time for holding the same, and provide all means for holding such special election.~~ The mayor and the members of the board of aldermen shall be elected to four-year terms by the qualified voters of the entire town. In 2017, and quadrennially thereafter, the regular election for the choice of mayor shall be held on the first Tuesday in

November. In 2017, and quadrennially thereafter, a mayor shall be elected separately from the aldermen to a four-year term. The regular election for the members of the board of aldermen shall be held the first Tuesday in November in odd numbered years. In 2017, and quadrennially thereafter, members of the board of aldermen shall be elected to Seats 1, 2, and 3 for four-year terms. In 2019, and quadrennially thereafter, members of the board of aldermen shall be elected to Seats 4 and 5 for four-year terms."

SECTION 1(c). The previous elections in the Town of Columbia since January 1, 1977 are hereby validated, notwithstanding any irregularity in the elections for the members of the board of aldermen and mayor. Further, any and all actions of the board of aldermen of the Town of Columbia since January 1, 1977, are hereby ratified and confirmed, notwithstanding any irregularity in the manner of election.

SECTION 2(a). G.S. 40A-42(a)(1) reads as rewritten:

"(1) Standard Provision. – When a local public condemnor is acquiring property by condemnation for a purpose set out in G.S. 40A-3(b)(1), (3), (4) or (7), or when a city is acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local board of education or any combination of local boards of education is acquiring property for any purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property by condemnation as authorized by G.S. 40A-3(c)(1), (8), (9), (10), (12), or (13) title to the property and the right to immediate possession shall vest pursuant to this subsection. Unless an action for injunctive relief has been initiated, title to the property specified in the complaint, together with the right to immediate possession thereof, shall vest in the condemnor upon the filing of the complaint and the making of the deposit in accordance with G.S. 40A-41."

SECTION 2(b). This section applies only to the Town of Hope Mills for the taking of property for projects involving or relating to Hope Mills Lake or the Hope Mills Lake dam.

SECTION 2(c). This section is effective when it becomes law and expires on July 1, 2019.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 848:
Cary Charter Amendments.

2016-2017 General Assembly

Committee:	House Local Government	**Date:**	June 28, 2016
Introduced by:	Sens. Barringer, Chaudhuri, Foushee	**Prepared by:**	Billy R. Godwin
Analysis of:	PCS to Second Edition S848-CSBD-3		Staff Attorney

SUMMARY: ***This PCS to Senate Bill 848 would allow the Cary Town Council to delegate to the Town Manager the authority to grant utility easements and other similar interests for Town-owned property, and would authorize the Town to sell, exchange, or otherwise transfer real property subject to restrictions.***

[As introduced, this bill was identical to H1053, as introduced by Reps. Dollar, Adcock, D. Hall, which is currently in House Local Government.]

BILL ANALYSIS: Senate Bill 848 would amend the Town of Cary's charter as follows.

Section 1 would create a new Section 11.2 in the charter which would permit the Town Council to authorize the Town Manager or Deputy Town Manager to grant utility easements and agreements over Town-owned property without obtaining Town Council approval.

Section 1 also would create a new Section 11.3 in the charter addressing conveyance of real property with restrictions. City governments generally dispose of real and personal property in accordance with the procedures established by Article 12 of Chapter 160A. Subject to certain limitations, a city can dispose of real or personal property belonging to the city by:

- Private negotiation and sale
- Advertisement for sealed bids
- Negotiated offer, advertisement, and upset bid
- Public auction
- Exchange

The new Section 11.3 would provide for an additional method for the Town of Cary to convey property and does all of the following:

- Permits the Town, when the Council determines it is in the public interest, (1) to sell, exchange, or transfer the fee or any lesser interest in real property by public sale or negotiated private sale and (2) to attach to the transfer any covenants, conditions, or restrictions or combinations.
- Provides that any conveyance under this section may be made only pursuant to a resolution of the Town Council authorizing the conveyance.
- Provides that the consideration received by the Town for the conveyance may reflect the restricted use of the property resulting from the restrictions.
- Allows the Town to invite bids or written proposals, including development plans and site plans, for the purchase of the property or property interest.

Karen Cochrane-Brown
Director

S848-SMBD-8 CSBD-3 -V-2

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Provides that a sale or transfer of property or an interest in property may be made contingent upon necessary rezoning of the property.
- Requires that notice of the proposed transaction must be given at least 10 days prior to adoption of the resolution by publication. The notice must describe: the property involved, the nature of the interest to be conveyed, and all of the material terms of the proposed transaction. The notice also must give the time and place of the Town Council meeting where the proposed transaction will be considered and announce the Council's intention to authorize the transaction.

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

BACKGROUND: The City of Raleigh obtained similar authority to convey real property subject to restrictions in 2015 (S.L. 2015-253).

Giles Perry and Brad Krehely, counsel to the Senate State and Local Government Committee, substantially contributed to this summary.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 2

SENATE BILL 848*
State and Local Government Committee Substitute Adopted 6/2/16

Short Title: Cary Charter Amendments. (Local)

Sponsors:

Referred to:

May 11, 2016

A BILL TO BE ENTITLED

AN ACT AMENDING THE CHARTER OF THE TOWN OF CARY TO CLARIFY THE TOWN'S AUTHORITY TO CONDITION SITE PLAN APPROVAL, TO DELEGATE TO THE TOWN MANAGER THE AUTHORITY TO GRANT UTILITY EASEMENTS, AGREEMENTS, AND OTHER SIMILAR INTERESTS IN REAL PROPERTY OVER TOWN-OWNED PROPERTY, AND TO AUTHORIZE THE TOWN TO SELL, EXCHANGE, OR OTHERWISE TRANSFER REAL PROPERTY SUBJECT TO RESTRICTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Article IX of the Charter of the Town of Cary, being S.L. 2005-117, as amended by S.L. 2015-84, is amended by adding a new section to read as follows:

"Section 9.1A. Site plans. As part of its zoning regulations, the Town of Cary shall have the same authority to condition the approval of site plans upon (i) compliance with the zoning regulations, (ii) dedication or reservation of property, (iii) the making of public improvements, or (iv) the payment of fees in lieu of dedication, reservation, or public improvements as the Town has under its power to regulate subdivision of land. For purposes of this section, the term "site plan" excludes plans for single-family detached residences."

SECTION 2. Article XI of the Charter of the Town of Cary, being S.L. 2005-117, as amended by S.L. 2015-84, is amended by adding new sections to read as follows:

"Section 11.2. Granting of utility easements and agreements. The Town Council may authorize the Town Manager or Deputy Town Manager to grant utility easements and agreements, or similar interests, in real property over Town-owned property without obtaining Town Council approval.

"Section 11.3. Conveyance of real property with restrictions. When the Town Council determines that a sale or disposition of real property is in the public interest, the Town may, in addition to other authorized means, sell, exchange, or transfer the fee or any lesser interest in real property, either by public sale or by negotiated private sale. The Town may attach to the transfer and to the interest conveyed any covenants, conditions, or restrictions, or a combination of them, the Town deems necessary to further the public interest. The consideration received by the Town, if any, for the conveyance may reflect the restricted use of the property resulting from the covenants, conditions, or restrictions. The Town may invite bids or written proposals, including detailed development plans and site plans, for the purchase of any such property or property interest, whether by sale, exchange, or other transfer, pursuant to the specifications as may be approved by the Town. A sale, exchange, or other transfer of real property, or interest therein, pursuant to this section may be made contingent upon any necessary rezoning of the property. Any conveyance under this section may be made only pursuant to a resolution of the Town Council

authorizing the conveyance. Notice of the proposed transaction shall be given at least 10 days prior to adoption of the resolution by publication, and the notice shall generally describe (i) the property involved, (ii) the nature of the interest to be conveyed, and (iii) all of the material terms of the proposed transaction, including any covenants, conditions, or restrictions which may be applicable. The notice shall give the time and place of the Town Council meeting where the proposed transaction will be considered and shall announce the Council's intention to authorize the proposed transaction. The authority contained in this section is in addition to, and not in limitation of, any other authority granted by this Charter or any other general or local law."

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

SENATE BILL 326:
Local Gov'ts/Bldgs/Structures/Inspections.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 29, 2016
Introduced by:	Sens. Gunn, Meredith, Apodaca	**Prepared by:**	Amy Darden Committee Co-Counsel
Analysis of:	PCS to First Edition S326-CSSU-54		

SUMMARY: The PCS for Senate Bill 326 makes changes to the law governing county and city inspection of residential structures.

CURRENT LAW: Under current law, (G.S.153A-364 and G.S.160A-424) county or city inspection departments are authorized to make periodic inspections of residential structures in the following circumstances:

- When there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure.
- In a county or city designated target area with a plan for improvements.

In addition, current law:

- prohibits counties and cities from requiring a permit to lease or rent residential property, unless the units that have a history violations of housing ordinances or codes, or crime or disorder problems.
- authorizes counties and cities to levy a fee for residential property registration only for those rental units with 2 or more violations of housing ordinances or codes within a 12 month period, or in the top 10% of properties with crime or disorder problems.

BILL ANALYSIS: The PCS for Senate Bill 326 amends county and city authority to inspect residential structures to:

- Revise the authority for residential "periodic inspections" to "inspections".
- Change the definition of reasonable cause for inspection to properties with 4 verified violations of housing codes or ordinances within a rolling 12-month period.
- Prohibit inspection departments from discriminating between owner-occupied and tenant-occupied buildings in conducting residential inspections.
- Require residential inspections conducted as part of a targeted effort in a designated area to be in response to blighted or potentially blighted conditions, and limit the total targeted areas to one square mile or 5% of the county, whichever is greater.
- Prohibit registration of rental property, except for individual rental units with more than four verified violations in a 12-month period, or property identified in the top 10% of property with crime and disorder problems.

Karen Cochrane-Brown
Director

S326-SMBB-9 CSSU-54 -V-4

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

- Provide that the general prohibition on any requirement for a residential rental property permit, other than for those units with specified and verified code or crime problems, also includes a prohibition of a registration requirement.
- Limit registration fee requirements to individual units; limit registration fees to $500, prohibit criminalizing violation of registration requirements; prohibit requiring any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the county.
- Define "verified violation" to mean all violations in a unit in a 72 hour period, and violations uncorrected in a 21 day period after receipt of written notice, and that initiation of summary ejectment constitutes a correction of a violation. A third or subsequent violation in a 12 month period could be deemed a "verified violation" without giving the owner an opportunity to correct it.
- Provide that if a property is identified by the county or city as being in the top (10%) of properties with crime or disorder problems, the county or city shall notify the landlord and allow the landlord an opportunity to correct the issue.
- Require the county sheriff's department or city police, as applicable, to assist the landlord in addressing any criminal activity. If the county sheriff or city police, as applicable, does not cooperate in evicting a tenant, the tenant's behavior or activity shall not be counted as a crime or disorder problem.
- Provide that if the county or city takes action against an individual rental unit, the owner of the individual rental unit may appeal the decision to the housing appeals board, or the planning board, or if neither is created, the county or city manager, as applicable.

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

Staff Attorney Giles Perry substantially contributed to this summary.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 1

SENATE BILL 326

Short Title:	Increase JDIG Program Funding.	(Public)
Sponsors:	Senators Gunn, Meredith, Apodaca (Primary Sponsors); Bingham, Bryant, Clark, Curtis, J. Davis, Ford, Hise, B. Jackson, Lee, McInnis, Newton, Pate, Rabin, Rabon, Randleman, Sanderson, Smith, Smith-Ingram, Tillman, Tucker, and Van Duyn.	
Referred to:	Commerce.	

March 19, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE INCREASED FUNDING TO THE JOB DEVELOPMENT INVESTMENT GRANT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Section 15.19(a1) of S.L. 2013-360 reads as rewritten:

"**SECTION 15.19.(a1)** Notwithstanding G.S. 143B-437.52(c), ~~for the 2013-2015 fiscal biennium,~~ the maximum total liability for grants awarded, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is ~~twenty-two million five hundred thousand dollars ($22,500,000)~~as follows for the following time periods:

(1) For the 2013-2015 fiscal biennium, twenty-seven million five hundred thousand dollars ($27,500,000).

(2) For the period from July 1, 2015, to December 31, 2015, ~~the maximum total liability for grants awarded, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is~~ seven million five hundred thousand dollars ($7,500,000).

No agreement may be entered into that, when considered together with other existing agreements governing grants awarded during an applicable time period provided in this subsection, could cause the State's potential total annual liability for grants awarded in that time period to exceed the designated maximum amount."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 326
PROPOSED HOUSE COMMITTEE SUBSTITUTE S326-CSSU-54 [v.3]
06/28/2016 04:49:54 PM

Short Title: Local Gov'ts/Bldgs/Structures/Inspections. (Public)

Sponsors:

Referred to:

March 19, 2015

A BILL TO BE ENTITLED

AN ACT REVISING THE CONDITIONS UNDER WHICH COUNTIES AND CITIES MAY INSPECT BUILDINGS OR STRUCTURES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-364 reads as rewritten:

"**§ 153A-364. ~~Periodic inspections~~Inspections for hazardous or unlawful conditions.**

(a) The inspection department may make ~~periodic~~ inspections, subject to the board of commissioners' directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings or structures within its territorial jurisdiction. Except as provided in subsection (b) of this section, the inspection department may make ~~periodic~~ inspections only when there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure. For purposes of this section, the term "reasonable cause" means any of the following: (i) the ~~landlord or owner~~property has a history of more than ~~two~~ four verified violations of the housing ordinances or codes within a rolling 12-month period; (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected; (iii) the inspection department has actual knowledge of an unsafe condition within the building; or (iv) violations of the local ordinances or codes are visible from the outside of the property. In conducting inspections authorized under this section, the inspection department shall not discriminate between single-family and multifamily ~~buildings.~~buildings or between owner-occupied and tenant-occupied buildings. In exercising these powers, 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. Nothing in this section shall be construed to prohibit periodic inspections in accordance with State fire prevention code or as otherwise required by State law.

(b) A county may require ~~periodic~~ inspections as part of a targeted effort to respond to blighted or potentially blighted conditions within a geographic area that has been designated by the county commissioners. However, the total aggregate of targeted areas in the county at any one time shall not be greater than one square mile or five percent (5%) of the area within the county, whichever is greater. A targeted area designated by the county shall reflect the county's stated neighborhood revitalization strategy and shall consist of property that meets the definition of a "blighted area" or "blighted parcel" as those terms are defined in G.S. 160A-503(2) and G.S. 160A-503(2a), respectively, except that for purposes of this subsection the planning commission is not required to make a determination as to the property. The county shall ~~not discriminate in its selection of areas or housing types to be targeted and shall~~ (i) provide notice to all owners and residents of properties in the affected area about the ~~periodic~~ inspections plan and

information regarding a public hearing regarding the plan; (ii) hold a public hearing regarding the plan; and (iii) establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards. A residential building or structure that is subject to periodic inspections by the North Carolina Housing Finance Agency (hereinafter "Agency") shall not be subject to ~~periodic~~ inspections under this subsection if the Agency has issued a finding that the building or structure is in compliance with federal standards established by the United States Department of Housing and Urban Development to assess the physical condition of residential property. The owner or manager of a residential building or structure subject to periodic inspections by the Agency shall, within 10 days of receipt, submit to the inspection department a copy of the Compliance Results Letter issued by the Agency showing that the residential building or structure is in compliance with federal housing inspection standards. If the owner or manager fails to submit a copy of the Compliance Results Letter as provided in this subsection, the residential building or structure shall be subject to ~~periodic~~ inspections as provided in this subsection until the Compliance Results Letter is submitted to the inspection department.

(c) In no event may a county do any of the following: (i) adopt or enforce any ordinance that would require any owner or manager of rental property to obtain any permit or permission from the county to lease or rent residential real ~~property,~~property or to register rental property with the county, except for those individual rental units that have either more than ~~three~~ four verified violations of housing ordinances or codes in a rolling 12-month period or two or more verified violations in a rolling 30-day period, or upon the property being identified within the top ten percent (10%) ~~10%~~ of properties with crime or disorder problems as set forth in a local ordinance; (ii) require that an owner or manager of residential rental property enroll or participate in any governmental program as a condition of obtaining a certificate of ~~occupancy; or (iii) except as provided in subsection (d) of this section,~~occupancy; (iii) levy a special fee or tax on residential rental property that is not also levied against other commercial and residential ~~properties.~~properties, unless expressly authorized by general law or applicable only to an individual rental unit or property described in clause (i) of this subsection and the fee does not exceed five hundred dollars ($500.00) in any 12-month period in which the unit or property is found to have verified violations; (iv) provide that any violation of a rental registration ordinance is punishable as a criminal offense; or (v) require any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the city. For purposes of this section, the term "verified violation" means all of the following:

(1) The aggregate of all violations of housing ordinances or codes found in an individual rental unit of residential real property during a 72-hour period.

(2) Any violations that have not been corrected by the owner or manager within 21 days of receipt of written notice from the county of the violations. Should the same violation occur more than two times in a twelve-month period, the owner or manager may not have the option of correcting the violation. If the housing ordinance or code provides that any form of prohibited tenant behavior constitutes a violation by the owner or manager of the rental property, it shall be deemed a correction of the tenant-related violation if the owner or manager, within 30 days of receipt of written notice of the tenant-related violation, brings a summary ejectment action to have the tenant evicted.

~~(d) A county may levy a fee for residential rental property registration under subsection (c) of this section for those rental units which have been found with more than two verified violations of housing ordinances or codes within the previous 12 months or upon the property being identified within the top 10% of properties with crime or disorder problems as set forth in a local ordinance. The fee shall be an amount that covers the cost of operating a residential registration program and shall not be used to supplant revenue in other areas. Counties using registration programs that charge registration fees for all residential rental properties as of June 1, 2011, may continue levying a fee on all residential rental properties as follows:~~

~~(1) For properties with 20 or more residential rental units, the fee shall be no more than fifty dollars ($50.00) per year.~~

~~(2) For properties with fewer than 20 but more than three residential rental units, the fee shall be no more than twenty-five dollars ($25.00) per year.~~

~~(3) For properties with three or fewer residential rental units, the fee shall be no more than fifteen dollars ($15.00) per year.~~

(e) If a property is identified by the county as being in the top ten percent (10%) of properties with crime or disorder problems, the county shall notify the landlord of any crimes, disorders, or other violations that will be counted against the property to allow the landlord an opportunity to attempt to correct the problems. In addition, the county and the county sheriff's department shall assist the landlord in addressing any criminal activity, which may include testifying in court in a summary ejectment action or other matter to aid in evicting a tenant who has been charged with a crime. If the county or the county sheriff's department does not cooperate in evicting a tenant, the tenant's behavior or activity at issue shall not be counted as a crime or disorder problem as set forth in the local ordinance, and the property may not be included in the top ten percent (10%) of properties as a result of that tenant's behavior or activity.

(f) If the county takes action against an individual rental unit under this section, the owner of the individual rental unit may appeal the decision to the housing appeals board, if created under G.S. 160A-446, or the planning board, if created under G.S. 153A-321, or if neither is created, the county manager or the county manager's designee. The board or manager shall fix a reasonable time for hearing appeals, shall give due notice to the owner of the individual rental unit, and shall render a decision within a reasonable time. The owner may appear in person or by agent or attorney. The board or manager may reverse or affirm the action, wholly or partly, or may modify the action appealed from, and may make any decision and order that in the opinion of the board or manager ought to be made in the matter."

SECTION 2. G.S. 160A-424 reads as rewritten:

"**§ 160A-424. ~~Periodic inspections.~~Inspections for hazardous or unlawful conditions.**

(a) The inspection department may make ~~periodic~~ inspections, subject to the council's directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings or structures within its territorial jurisdiction. Except as provided in subsection (b) of this section, the inspection department may make ~~periodic~~ inspections only when there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure. For purposes of this section, the term "reasonable cause" means any of the following: (i) the ~~landlord or owner~~property has a history of more than ~~two~~ four verified violations of the housing ordinances or codes within a rolling 12-month period; (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected; (iii) the inspection department has actual knowledge of an unsafe condition within the building; or (iv) violations of the local ordinances or codes are visible from the outside of the property. In conducting inspections authorized under this section, the inspection department shall not discriminate between single-family and multifamily ~~buildings.~~buildings or between owner-occupied and tenant-occupied buildings. In exercising this power, members of the 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. Nothing in this section shall be construed to prohibit periodic inspections in accordance with State fire prevention code or as otherwise required by State law.

(b) A city may require ~~periodic~~ inspections as part of a targeted effort to respond to blighted or potentially blighted conditions within a geographic area that has been designated by the city council. However, the total aggregate of targeted areas in the city at any one time shall not be greater than one square mile or five percent (5%) of the area within the city, whichever is greater. A targeted area designated by the city shall reflect the city's stated neighborhood revitalization strategy and shall consist of property that meets the definition of a "blighted area" or

"blighted parcel" as those terms are defined in G.S. 160A-503(2) and G.S. 160A-503(2a), respectively, except that for purposes of this subsection the planning commission is not required to make a determination as to the property. The ~~municipality shall not discriminate in its selection of areas or housing types to be targeted and~~ city shall (i) provide notice to all owners and residents of properties in the affected area about the ~~periodic~~ inspections plan and information regarding a public hearing regarding the plan; (ii) hold a public hearing regarding the plan; and (iii) establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards. A residential building or structure that is subject to periodic inspections by the North Carolina Housing Finance Agency (hereinafter "Agency") shall not be subject to ~~periodic~~ inspections under this subsection if the Agency has issued a finding that the building or structure is in compliance with federal standards established by the United States Department of Housing and Urban Development to assess the physical condition of residential property. The owner or manager of a residential building or structure subject to periodic inspections by the Agency shall, within 10 days of receipt, submit to the inspection department a copy of the Compliance Results Letter issued by the Agency showing that the residential building or structure is in compliance with federal housing inspection standards. If the owner or manager fails to submit a copy of the Compliance Results Letter as provided in this subsection, the residential building or structure shall be subject to ~~periodic~~ inspections as provided in this subsection until the Compliance Results Letter is submitted to the inspection department.

(c) In no event may a city do any of the following: (i) adopt or enforce any ordinance that would require any owner or manager of rental property to obtain any permit or permission from the city to lease or rent residential real ~~property,~~property or to register rental property with the city, except for those ~~properties~~ individual rental units that have either more than ~~three~~ four verified violations in a rolling 12-month period or two or more verified violations in a rolling 30-day period, or upon the property being identified within the top ten percent (10%) ~~10%~~ of properties with crime or disorder problems as set forth in a local ordinance; (ii) require that an owner or manager of residential rental property enroll or participate in any governmental program as a condition of obtaining a certificate of occupancy; ~~or (iii) except as provided in subsection (d) of this section,~~ (iii) levy a special fee or tax on residential rental property that is not also levied against other commercial and residential ~~properties.~~properties, unless expressly authorized by general law or applicable only to an individual rental unit or property described in subdivision (i) of this subsection and the fee does not exceed five hundred dollars ($500.00) in any 12-month period in which the unit or property is found to have verified violations; (iv) provide that any violation of a rental registration ordinance is punishable as a criminal offense; or (v) require any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the city. For purposes of this section, the term "verified violation" means all of the following:

(1) The aggregate of all violations of housing ordinances or codes found in an individual rental unit of residential real property during a 72-hour period.

(2) Any violations that have not been corrected by the owner or manager within 21 days of receipt of written notice from the city of the violations. Should the same violation occur more than two times in a twelve-month period, the owner or manager may not have the option of correcting the violation. If the housing ordinance or code provides that any form of prohibited tenant behavior constitutes a violation by the owner or manager of the rental property, it shall be deemed a correction of the tenant-related violation if the owner or manager, within 30 days of receipt of written notice of the tenant-related violation, brings a summary ejectment action to have the tenant evicted.

~~(d) A city may levy a fee for residential rental property registration under subsection (c) of this section for those rental units which have been found with more than two verified violations of local ordinances within the previous 12 months or upon the property being identified within the~~

~~top 10% of properties with crime or disorder problems as set forth in a local ordinance. The fee shall be an amount that covers the cost of operating a residential registration program and shall not be used to supplant revenue in other areas. Cities using registration programs that charge registration fees for all residential rental properties as of June 1, 2011, may continue levying a fee on all residential rental properties as follows:~~

~~(1) For properties with 20 or more residential rental units, the fee shall be no more than fifty dollars ($50.00) per year.~~

~~(2) For properties with fewer than 20 but more than three residential rental units, the fee shall be no more than twenty-five dollars ($25.00) per year.~~

~~(3) For properties with three or fewer residential rental units, the fee shall be no more than fifteen dollars ($15.00) per year.~~

(e) If a property is identified by the city as being in the top ten percent (10%) of properties with crime or disorder problems, the city shall notify the landlord of any crimes, disorders, or other violations that will be counted against the property to allow the landlord an opportunity to attempt to correct the problems. In addition, the city and the city's police department or, if the city has no police department, the county sheriff's department shall assist the landlord in addressing any criminal activity, which may include testifying in court in a summary ejectment action or other matter to aid in evicting a tenant who has been charged with a crime. If the city, the city's police department, or where applicable the county sheriff's department, does not cooperate in evicting a tenant, the tenant's behavior or activity at issue shall not be counted as a crime or disorder problem as set forth in the local ordinance, and the property may not be included in the top ten percent (10%) of properties as a result of that tenant's behavior or activity.

(f) If the city takes action against an individual rental unit under this section, the owner of the individual rental unit may appeal the decision to the housing appeals board, if created under G.S. 160A-446, or the planning board, if created under G.S. 160A-361, or if neither is created, the city manager or the city manager's designee. The board or manager shall fix a reasonable time for hearing appeals, shall give due notice to the owner of the individual rental unit, and shall render a decision within a reasonable time. The owner may appear in person or by agent or attorney. The board or manager may reverse or affirm the action, wholly or partly, or may modify the action appealed from, and may make any decision and order that in the opinion of the board or manager ought to be made in the matter."

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

HOUSE BILL 630: Drinking Water Protect'n/Coal Ash Cleanup Act.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	June 29, 2016
Introduced by:		**Prepared by:**	Jennifer McGinnis Staff Attorney
Analysis of:	Third Edition		

SUMMARY: ***The Second Edition of House Bill 630 would (1) repeal all provisions related to the Coal Ash Management Commission in the General Statutes; (2) require a coal combustion residuals impoundment owner to provide permanent alternative water supplies for residents in areas surrounding coal combustion residuals surface impoundments; (3) allow reconsideration of risk classifications for coal combustion residuals surface impoundments based on fulfillment of certain criteria; and (4) modify appointments and other provisions governing the Mining Commission and the Oil and Gas Commission.***

BILL ANALYSIS:

Section 1of the bill would make the following changes to the Coal Ash Management Act of 2014 (CAMA):

- Repeal the Coal Ash Management Commission, and transfer all of its responsibilities under the CAMA to the Department of Environmental Quality (DEQ).
- Require that the owner of a coal combustion residuals surface impoundment, as soon as practicable, but no later than October 15, 2018, establish permanent replacement water supplies for each household that has a drinking water supply well located: (i) within one-half mile radius from the established compliance boundary of an impoundment, and is not separated from the impoundment by the mainstem of a river, or other body of water that would prevent the migration of contaminants through groundwater from the impoundment to a well and (ii) in an area in which contamination resulting from constituents associated with the presence of an impoundment is expected to migrate, as demonstrated by groundwater modeling, and hydrogeologic, geologic, and geotechnical investigations of the site. Preference would be given to permanent replacement water supplies by connection to public water supplies, however, DEQ would be given authority to determine, after evaluation of information submitted by an impoundment owner, if connection to a public water supply for a particular household would be cost-prohibitive, and authorize installation of a filtration system instead. If installation of a filtration system were authorized, an impoundment owner would be responsible for ongoing periodic required maintenance of the filtration system. The provision would also allow, but not require, eligible households to opt for installation of a filtration system in lieu of connection to public water supply. An impoundment owner would be required to provide temporary water to the eligible households until a permanent water supply is established for each household. DEQ may grant an impoundment owner an extension of time, not to exceed one year, to establish permanent water supplies as required by this section, if DEQ determines that it is infeasible for the impoundment owner to establish a permanent water supply for a household by October 1,

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

2018, based on limitations arising from local government resources, including limitations on water supply capacity and staffing limitations for permitting and construction activities.

- Would provide that classifications of impoundments previously issued by DEQ would be "preliminary," and the risk-criteria used to develop such classifications would be repealed. DEQ would then be required, upon expiration of the deadline for establishment of permanent water supplies, or any applicable extension granted, to issue a final classification for each impoundment as follows:
  - DEQ must classify an impoundment as low-risk if the impoundment owner satisfies both of the following criteria:
    - Has established permanent water supplies for the impoundment in accord with the requirements of the bill.
    - Has rectified any deficiencies identified by, and otherwise complied with the requirements of, any dam safety order issued by the Environmental Management Commission (EMC) for the impoundment. In addition, the PCS would require DEQ, no later than July 1, 2018, to conduct an annual inspection of each dam associated with a coal combustion residuals surface impoundment required for that year, to detect any deficiencies and to ascertain, at a minimum, whether the dam is sufficiently strong, maintained in good repair and operating condition, does not pose a danger to life or property, and satisfies minimum streamflow requirements. DEQ must issue written findings of fact for each inspection and present such findings to the EMC. If DEQ detects any deficiencies, the EMC must issue an order directing the owner of the dam to take action as may be deemed necessary by the EMC within a time limited by the order, but not later than 90 days after issuance of the order.
  - All other impoundments not satisfying the aforementioned criteria would be deemed intermediate-risk.
- Would modify the possible closure options for impoundments classified as low-risk to include compliance with the closure requirements established by the United States Environmental Protection Agency as provided in 40 CFR Parts 257 and 261, "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities". The federal closure requirements, in short, require that closure must be completed: (1) by leaving the coal combustion residuals (CCRs or ash) in place and installing a final cover system (i.e., cap-in-place with requirements for groundwater monitoring, post-closure care, etc.), or through removal of the CCRs and decontamination of the CCR unit; and (2) within five years, with the possibility of one two-year extension for units smaller than 40 acres and five two-year extensions for units greater than 40 acres. Other options for closure under the CAMA would still include:
    - Compliance with closure options available for high- and intermediate-risk ponds, which require excavation of ash for beneficial use or disposal in a sanitary landfill.
    - Compliance with the closure and post closure requirements applicable to sanitary landfills under the Administrative Code (i.e., cap-in-place, including a final cover system, groundwater monitoring system, post-closure care with financial assurance, etc.), except that the impoundments would not be required to have a leachate collection system. Provided, however, this method of closure, commonly referred to as "cap-in-place," would not be approvable unless DEQ finds that the proposed closure plan includes design measures to prevent, upon the plan's full implementation, post closure exceedances of groundwater quality standards beyond the compliance boundary that are attributable to constituents associated with the presence of the impoundment.

The bill provides that the closure method implemented would be at the election of DEQ.

- Would modify the possible closure options for an impoundment classified as intermediate-risk to allow an extension of the current closure deadline of December 31, 2024, to December 31, 2029, if the impoundment is located at a site at which an ash beneficiation project is installed, operating, and processing at least 300,000 tons of ash annually from the impoundment.

- Would modify variance authority established under the CAMA as enacted in 2014 (which allowed extension of a closure deadline applicable to an impoundment by 3 years), to allow the Secretary of Environmental Quality to grant a variance for any deadline under the CAMA on the basis that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public.

- Would require an impoundment owner to:

  - On or before January 1, 2017: (i) identify, at a minimum, impoundments at two sites located within the State with ash stored in the impoundments on that date that is suitable for processing for cementitious purposes; and (ii) enter into a binding agreement for the installation and operation of an ash beneficiation project at each site capable of annually processing 300,000 tons of ash to specifications appropriate for cementitious products, with all ash processed to be removed from the impoundment(s) located at the sites. The bill would require that no later than 24 months after issuance of all necessary permits, operation of the ash beneficiation projects must be commenced.

  - On or before July 1, 2017 identify an additional site to process ash for cementitious purposes and enter into a binding agreement for the installation and operation of an ash beneficiation project capable of annually processing 300,000 tons of ash to specifications appropriate for cementitious products, with all ash processed to be removed from the impoundment(s) located at the site. The bill would require that no later than 24 months after issuance of all necessary permits, operation of the ash beneficiation projects must be commenced.

  Additionally, the bill would: (1) require an impoundment owner to use commercially reasonable efforts to produce 300,000 tons of ash to specifications appropriate for cementitious products from each project; and (2) provide that, notwithstanding any deadline for closure under the CAMA, any impoundment classified as intermediate- or low-risk that is located at a site at which an ash beneficiation project is installed, operating, and processing at least 300,000 tons of ash annually from the impoundment, must be closed no later than December 31, 2029.

Section 2 of the bill would decrease the fee imposed on each public utility with a coal combustion residuals surface impoundment (for the purpose of defraying the costs of oversight of coal combustion residuals) from 0.03% to 0.022% (the amount of the decrease represents that portion that would have been credited to the Coal Ash Management Commission).

Section 3 of the bill would provide that notwithstanding any requirements for prioritization and closure under the CAMA, the following impoundments would be deemed intermediate-risk:

(1) Coal combustion residuals surface impoundments located at the H.F. Lee Steam Station, owned and operated by Duke Energy Progress, and located in Wayne County.

(2) Coal combustion residuals surface impoundments located at the Cape Fear Steam Station, owned and operated by Duke Energy Progress, and located in Chatham County.

(3) Coal combustion residuals surface impoundments located at the Weatherspoon Steam Station, owned and operated by Duke Energy Progress, and located in New Hanover County.

These impoundments must be closed as soon as practicable, but no later than August 1, 2028, subject to the following requirements:

- The impoundments would be required to be dewatered.
- All CCR would need to be removed from the impoundments and transferred for: (i) disposal in a combustion products landfill or coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill; or (ii) use in a structural fill, or other beneficial use as allowed by law.
- Where groundwater quality is degraded as a result of the impoundment, corrective action would be required to restore groundwater quality.

Section 4 of the bill would appropriate $450,000 to the State Water Infrastructure Authority from the Coal Combustion Residuals Management Fund cash balance on June 30, 2016, to fund grants to local governments operating public water supplies in areas surrounding coal combustion residuals impoundments to provide moneys for additional staff for permitting and construction activities as may be needed to facilitate establishment of permanent water supplies to households eligible for connection to public water supplies under the provisions of the bill.

Section 5 of the bill would make technical changes to the CAMA as enacted in 2014 to reflect repeal of the Coal Ash Management Commission.

Section 6(a) of the bill would:

- Modify the appointments to the Mining Commission by providing, in addition to 2 ex officio positions: 4 appointments to be made by the Governor in conformance with Article III, Section 5(8) of the Constitution of North Carolina[1], 1 appointment upon recommendation of the President Pro Tempore of the Senate, and 1 appointment upon recommendation of the Speaker of the House of Representatives. (The membership as originally enacted provided for 2 ex officio positions, 2 appointments by the Governor, 2 appointments by the President Pro Tempore of the Senate, and 2 appointments by the Speaker of the House of Representatives).
- Decrease the duration of membership terms from six years to four years.
- Add "good cause" to the basis for which the Governor may remove any member of the Commission (in addition to existing authority to remove for misfeasance, malfeasance, or nonfeasance).
- Modify existing law which provides that staff to the Commission shall be supplied by the Secretary of Environmental Quality, to add additional language specifying that such staff shall be housed in DEQ, and supervised by the Secretary of Environmental Quality.

[1] This clause states: "The Governor shall nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for."

Section 6(b) of the bill would provide that the initial appointments made by the Governor to the Commission would not be subject to confirmation by the General Assembly.

Section 7(a) of the bill would:

- Modify the appointments to the Oil and Gas Commission by providing: 5 appointments to be made by the Governor in conformance with Article III, Section 5(8) of the Constitution of North Carolina, 2 appointments upon recommendation of the President Pro Tempore of the Senate, and 2 appointments upon recommendation of the Speaker of the House of Representatives. (The membership as originally enacted provides for 3 appointments by the Governor, 3 appointments by the President Pro Tempore of the Senate, and 3 appointments by the Speaker of the House of Representatives).
- Increase the duration of membership terms from three years to four years.
- Add "good cause" to the basis for which the Governor may remove any member of the Commission (in addition to existing authority to remove for misfeasance, malfeasance, or nonfeasance).
- Modify existing law which provides that staff for the Commission must be supplied by DEQ's Division of Energy, Mineral, and Land Resources and the North Carolina Geological Survey, to add additional language specifying that such staff shall supervised by the Secretary of Environmental Quality.

Section 7(b) of the bill would provide that the initial appointments made by the Governor to the Commission would not be subject to confirmation by the General Assembly.

Section 7(c) would provide that rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules) are effective until the Oil and Gas Commission, as reconstituted by the bill, amends or repeals the rules.

Section 8 would provide that the provisions of the bill would be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid, the validity of the remainder of this bill would not be affected thereby

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

HOUSE BILL 630

Senate Rules and Operations of the Senate Committee Substitute Adopted 6/28/16
Third Edition Engrossed 6/28/16

Short Title: Drinking Water Protect'n/Coal Ash Cleanup Act. (Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO (1) REQUIRE A COAL COMBUSTION RESIDUALS IMPOUNDMENT OWNER TO PROVIDE PERMANENT ALTERNATIVE WATER SUPPLIES FOR RESIDENTS IN AREAS SURROUNDING COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (2) REPEAL STATUTORY PROVISIONS RELATED TO THE COAL ASH MANAGEMENT COMMISSION; (3) MODIFY THE CLOSURE REQUIREMENTS FOR COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS UNDER THE COAL ASH MANAGEMENT ACT OF 2014; AND (4) MODIFY APPOINTMENTS TO THE MINING COMMISSION AND THE OIL AND GAS COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Part 2I of Article 9 of Chapter 130A of the General Statutes reads as rewritten:

"Part 2I. Coal Ash Management.

"Subpart 1. Short Title, Definitions, and General Provisions.

"**§ 130A-309.200. Title.**

This Part may be cited as the "Coal Ash Management Act of 2014."

"**§ 130A-309.201. Definitions.**

Unless a different meaning is required by the context, the definitions of G.S. 130A-290 and the following definitions apply throughout this Part:

(1) "Beneficial and beneficial use" means projects promoting public health and environmental protection, offering equivalent success relative to other alternatives, and preserving natural resources.

(2) "Boiler slag" means the molten bottom ash collected at the base of slag tap and cyclone type furnaces that is quenched with water. It is made up of hard, black, angular particles that have a smooth, glassy appearance.

(3) "Bottom ash" means the agglomerated, angular ash particles formed in pulverized coal furnaces that are too large to be carried in the flue gases and collect on the furnace walls or fall through open grates to an ash hopper at the bottom of the furnace.

(4) "Coal combustion products" it means fly ash, bottom ash, boiler slag, or flue gas desulfurization materials that are beneficially used, including use for structural fill.

(5) "Coal combustion residuals" has the same meaning as defined in G.S. 130A-290.

(6) "Coal combustion residuals surface impoundment" means a topographic depression, excavation, or diked area that is (i) primarily formed from earthen materials; (ii) without a base liner approved for use by Article 9 of Chapter 130A of the General Statutes or rules adopted thereunder for a combustion products landfill or coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill; and (iii) designed to hold accumulated coal combustion residuals in the form of liquid wastes, wastes containing free liquids, or sludges, and that is not backfilled or otherwise covered during periods of deposition. "Coal combustion residuals surface impoundment" shall only include impoundments owned by a public utility, as defined in G.S. 62-3. "Coal combustion residuals surface impoundment" includes all of the following:

a. An impoundment that is dry due to the deposited liquid having evaporated, volatilized, or leached.
b. An impoundment that is wet with exposed liquid.
c. Lagoons, ponds, aeration pits, settling ponds, tailings ponds, and sludge pits, when these structures are designed to hold accumulated coal combustion residuals.
d. A coal combustion residuals surface impoundment that has been covered with soil or other material after the final deposition of coal combustion residuals at the impoundment.

~~(7) "Commission" means the Coal Ash Management Commission.~~

(8) "Flue gas desulfurization material" means the material produced through a process used to reduce sulfur dioxide emissions from the exhaust gas system of a coal-fired boiler. The physical nature of these materials varies from a wet sludge to a dry powdered material, depending on the process, and their composition comprises either sulfites, sulfates, or a mixture thereof.

(9) "Fly ash" means the very fine, powdery material, composed mostly of silica with nearly all particles spherical in shape, which is a product of burning finely ground coal in a boiler to produce electricity and is removed from the plant exhaust gases by air emission control devices.

(10) "Minerals" means soil, clay, coal, phosphate, metallic ore, and any other solid material or substance of commercial value found in natural deposits on or in the earth.

(11) "Open pit mine" means an excavation made at the surface of the ground for the purpose of extracting minerals, inorganic and organic, from their natural deposits, which excavation is open to the surface.

(12) "Owner" or "owner of a coal combustion residuals surface impoundment" means a public utility, as defined in G.S. 62-3, that owns a coal combustion residuals surface impoundment.

(13) "Receptor" means any human, plant, animal, or structure which is, or has the potential to be, affected by the release or migration of contaminants. Any well constructed for the purpose of monitoring groundwater and contaminant concentrations shall not be considered a receptor.

(14) "Structural fill" means an engineered fill with a projected beneficial end use constructed using coal combustion products that are properly placed and compacted. For purposes of this Part, the term includes fill used to reclaim open pit mines and for embankments, greenscapes, foundations, construction foundations, and for bases or sub-bases under a structure or a footprint of a paved road, parking lot, sidewalk, walkway, or similar structure.

(15) "Use or reuse of coal combustion products" means the procedure whereby coal combustion products are directly used as either of the following:

a. As an ingredient in an industrial process to make a product, unless distinct components of the coal combustion products are recovered as separate end products.

b. In a function or application as an effective substitute for a commercial product or natural resource.

"~~§ 130A-309.202. (Repealed effective June 30, 2030) Coal Ash Management Commission.~~

~~(a) Creation. In recognition of the complexity and magnitude of the issues associated with the management of coal combustion residuals and the proper closure and remediation of coal combustion residuals surface impoundments, the Coal Ash Management Commission is hereby established.~~

~~(b) Membership. The Commission shall consist of nine members as follows:~~

~~(1) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a resident of the State.~~

~~(2) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use.~~

~~(3) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a licensed physician or a person with experience in public health.~~

~~(4) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a member of a nongovernmental conservation interest.~~

~~(5) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use, or is a representative of or on the faculty of a State college or university that conducts coal ash research.~~

~~(6) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a representative of an electric membership corporation organized under Article 2 of Chapter 117 of the General Statutes and have a background in power supply resource planning and engineering.~~

~~(7) One appointed by the Governor who shall at the time of appointment have experience in economic development.~~

~~(8) One appointed by the Governor who shall at the time of appointment have expertise in determining and evaluating the costs associated with electricity generation and establishing the rates associated with electricity consumption.~~

~~(9) One appointed by the Governor who shall at the time of appointment be a person with experience in science or engineering in the manufacturing sector.~~

~~(c) Chair. The Governor shall appoint the Chair of the Commission from among the Commission's members, and that person shall serve at the pleasure of the Governor. The Chair shall serve two-year terms. The Governor shall make:~~

(1) The initial appointment of the Chair no later than October 1, 2014. If the initial appointment is not made by that date, the Chair shall be elected by a vote of the membership; and

(2) Appointments of a subsequent Chair, including appointments to fill a vacancy of the Chair created by resignation, dismissal, death, or disability of the Chair, no later than 30 days after the last day of the previous Chair's term. If an appointment of a subsequent Chair is not made by that date, the Chair shall be elected by a vote of the membership.

(d) Vacancies. – Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term. The Governor may reappoint a gubernatorial appointee of the Commission to an additional term if, at the time of the reappointment, the member qualifies for membership on the Commission under subdivisions (7) through (9) of subsection (b) of this section. Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122.

(e) Removal. – The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

(f) Powers and Duties. – The Commission shall have all of the following powers and duties:

(1) To review and approve the classification of coal combustion residuals surface impoundments required by G.S. 130A-309.213.

(2) To review and approve Coal Combustion Residuals Surface Impoundment Closure Plans as provided in G.S. 130A-309.214.

(3) To review and make recommendations on the provisions of this Part and other statutes and rules related to the management of coal combustion residuals.

(4) To undertake any additional studies as requested by the General Assembly.

(g) Reimbursement. – The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(h) Quorum. – Five members of the Commission shall constitute a quorum for the transaction of business.

(i) Staff. – The Commission is authorized and empowered to employ staff as the Commission may determine to be necessary for the proper discharge of the Commission's duties and responsibilities. The Chair of the Commission shall organize and direct the work of the Commission staff. The salaries and compensation of all such personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies. The Chair, within allowed budgetary limits and as allowed by law, shall authorize and approve travel, subsistence, and related expenses of such personnel incurred while traveling on official business. All State agencies, including the constituent institutions of The University of North Carolina, shall provide information and support to the Commission upon request.

(j) Repealed by Session Laws 2015-9, s. 1.1, effective April 27, 2015.

(k) Covered Persons; Conflicts of Interest; Disclosure. – All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules,

~~regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.~~

~~(l) Meetings. The Commission shall meet at least once every two months and may hold special meetings at any time and place within the State at the call of the Chair or upon the written request of at least five members.~~

~~(m) Reports. The Commission shall submit quarterly written reports as to its operation, activities, programs, and progress to the Environmental Review Commission. The Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.~~

~~(n) Administrative Location; Independence. The Commission shall be administratively located in the Division of Emergency Management of the Department of Public Safety. The Commission shall exercise all of its powers and duties independently and shall not be subject to the supervision, direction, or control of the Division or Department.~~

~~(o) Terms of Members. Members of the Commission shall serve terms of six years, beginning effective July 1 of the year of appointment.~~

"§ 130A-309.203. Expedited permit review.

(a) The Department shall act as expeditiously as practicable, but no later than the deadlines established under subsection (b) of this section, except in compliance with subsection (c) of this section, to issue all permits necessary to conduct activities required by this Part.

(b) Notwithstanding G.S. 130A-295.8(e), the Department shall determine whether an application for any permit necessary to conduct activities required by this Part is complete within 30 days after the Department receives the application for the permit. A determination of completeness means that the application includes all required components but does not mean that the required components provide all of the information that is required for the Department to make a decision on the application. If the Department determines that an application is not complete, the Department shall notify the applicant of the components needed to complete the application. An applicant may submit additional information to the Department to cure the deficiencies in the application. The Department shall make a final determination as to whether the application is complete within the later of (i) 30 days after the Department receives the application for the permit less the number of days that the applicant uses to provide the additional information or (ii) 10 days after the Department receives the additional information from the applicant. The Department shall issue a draft permit decision on an application for a permit within 90 days after the Department determines that the application is complete. The Department shall hold a public hearing and accept written comment on the draft permit decision for a period of not less than 30 or more than 60 days after the Department issues a draft permit decision. The Department shall issue a final permit decision on an application for a permit within 60 days after the comment period on the draft permit decision closes. If the Department fails to act within any time period set out in this subsection, the applicant may treat the failure to act as a denial of the permit and may challenge the denial as provided in Chapter 150B of the General Statutes.

(c) If the Department finds that compliance with the deadlines established under subsection (b) of this section would result in insufficient review of a permit application that would pose a risk to public health, safety, and welfare; the environment; or natural resources, the applicable deadline shall be waived for the application as necessary to allow for adequate review. If a deadline is waived pursuant to this subsection, the Secretary shall issue a written declaration, including findings of fact, documenting the need for the waiver.

(d) Notwithstanding any other provision of this section or any other provision of law, the Department shall either issue or deny a permit required for dewatering of a retired impoundment within 90 days of receipt of a completed application, in such a form and including such information as the Department may prescribe, for the dewatering activities. The Department shall

accept written comment on a draft permit decision for a period of not less than 30 days or more than 60 days prior to issuance or denial of such a permit. If the Department fails to act within any time period set out in this subsection, the applicant may treat the failure to act as a denial of the permit and may challenge the denial as provided in Chapter 150B of the General Statutes.

"**§ 130A-309.204. Reports.**

(a) The Department shall submit quarterly written reports to the Environmental Review Commission ~~and the Coal Ash Management Commission~~ on its operations, activities, programs, and progress with respect to its obligations under this Part concerning all coal combustion residuals surface impoundments. At a minimum, the report shall include information concerning the status of assessment, corrective action, prioritization, and closure for each coal combustion residuals surface impoundment and information on costs connected therewith. The report shall include an executive summary of each annual Groundwater Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.211(d) and a summary of all groundwater sampling, protection, and restoration activities related to the impoundment for the preceding year. The report shall also include an executive summary of each annual Surface Water Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.212(e) and a summary of all surface water sampling, protection, and restoration activities related to the impoundment for the preceding year, including the status of the identification, assessment, and correction of unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State. The Department shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Department shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

(b) On or before October 1 of each year, the Department shall report to each member of the General Assembly who has a coal combustion residuals surface impoundment in the member's district. This report shall include the location of each impoundment in the member's district, the amount of coal combustion residuals known or believed to be located in the impoundment, the last action taken at the impoundment, and the date of that last action.

(c) On or before October 1 of each year, a public utility generating coal combustion residuals and coal combustion products shall submit an annual summary to the Department. The annual summary shall be for the period of July 1 through June 30 and shall include all of the following:

(1) The volume of coal combustion residuals and products produced.
(2) The volume of coal combustion residuals disposed.
(3) The volume of coal combustion products used in structural fill projects.
(4) The volume of coal combustion products beneficially used, other than for structural fill.

"**§ 130A-309.205. Local ordinances regulating management of coal combustion residuals and coal combustion products invalid; petition to preempt local ordinance.**

(a) It is the intent of the General Assembly to maintain a uniform system for the management of coal combustion residuals and coal combustion products, including matters of disposal and beneficial use, and to place limitations upon the exercise by all units of local government in North Carolina of the power to regulate the management of coal combustion residuals and coal combustion products by means of ordinances, property restrictions, zoning regulations, or otherwise. Notwithstanding any authority granted to counties, municipalities, or other local authorities to adopt local ordinances, including those imposing taxes, fees, or charges or regulating health, environment, or land use, all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that regulate or have the effect of regulating the management of coal combustion residuals and coal combustion

products, including regulation of carbon burn-out plants, within the jurisdiction of a local government are invalidated and unenforceable, to the extent necessary to effectuate the purposes of this Part, that do the following:

(1) Place any restriction or condition not placed by this Part upon management of coal combustion residuals or coal combustion products within any county, city, or other political subdivision.

(2) Conflict or are in any manner inconsistent with the provisions of this Part.

(a1) As used in this section, "Commission" means the Environmental Management Commission.

(b) If a local zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, and coal combustion residuals and coal combustion products would be regulated under the ordinance of general applicability, the operator of the proposed activities may petition the Environmental Management Commission to review the matter. After receipt of a petition, the Commission shall hold a hearing in accordance with the procedures in subsection (c) of this section and shall determine whether or to what extent to preempt the local ordinance to allow for the management of coal combustion residuals and coal combustion products.

(c) When a petition described in subsection (b) of this section has been filed with the Environmental Management Commission, the Commission shall hold a public hearing to consider the petition. The public hearing shall be held in the affected locality within 60 days after receipt of the petition by the Commission. The Commission shall give notice of the public hearing by both of the following means:

(1) Publication in a newspaper or newspapers having general circulation in the county or counties where the activities are to be conducted, once a week for three consecutive weeks, the first notice appearing at least 30 days prior to the scheduled date of the hearing.

(2) First-class mail to persons who have requested notice. The Commission shall maintain a mailing list of persons who request notice in advance of the hearing pursuant to this section. Notice by mail shall be complete upon deposit of a copy of the notice in a postage-paid wrapper addressed to the person to be notified at the address that appears on the mailing list maintained by the Commission in a post office or official depository under the exclusive care and custody of the United States Postal Service.

(d) Any interested person may appear before the Environmental Management Commission at the hearing to offer testimony. In addition to testimony before the Commission, any interested person may submit written evidence to the Commission for the Commission's consideration. At least 20 days shall be allowed for receipt of written comment following the hearing.

(e) A local zoning or land-use ordinance is presumed to be valid and enforceable to the extent the zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, unless the Environmental Management Commission makes a finding of fact to the contrary. The Commission shall determine whether or to what extent to preempt local ordinances so as to allow the project involving management of coal combustion residuals and coal combustion products no later than 60 days after conclusion of the hearing. The Commission shall preempt a local ordinance only if the Commission makes all of the following findings:

(1) That there is a local ordinance that would regulate the management of coal combustion residuals and coal combustion products.

(2) That all legally required State and federal permits or approvals have been issued by the appropriate State and federal agencies or that all State and federal permit

requirements have been satisfied and that the permits or approvals have been denied or withheld only because of the local ordinance.

(3) That local citizens and elected officials have had adequate opportunity to participate in the permitting process.

(4) That the project involving management of coal combustion residuals and coal combustion products will not pose an unreasonable health or environmental risk to the surrounding locality and that the operator has taken or consented to take reasonable measures to avoid or manage foreseeable risks and to comply to the maximum feasible extent with applicable local ordinances.

(f) If the Environmental Management Commission does not make all of the findings under subsection (e) of this section, the Commission shall not preempt the challenged local ordinance. The Commission's decision shall be in writing and shall identify the evidence submitted to the Commission plus any additional evidence used in arriving at the decision.

(g) The decision of the Environmental Management Commission shall be final, unless a party to the action files a written appeal under Article 3 of Chapter 150B of the General Statutes, as modified by this section, within 30 days of the date of the decision. The record on appeal shall consist of all materials and information submitted to or considered by the Commission, the Commission's written decision, a complete transcript of the hearing, the specific findings required by subsection (e) of this section, and any minority positions on the specific findings required by subsection (e) of this section. The scope of judicial review shall be as set forth in G.S. 150B-51, except as this subsection provides regarding the record on appeal.

(h) If the court reverses or modifies the decision of the Environmental Management Commission, the judge shall set out in writing, which writing shall become part of the record, the reasons for the reversal or modification.

(i) In computing any period of time prescribed or allowed by the procedure in this section, the provisions of Rule 6(a) of the Rules of Civil Procedure, G.S. 1A-1, shall apply.

"**§ 130A-309.206. Federal preemption; severability.**

The provisions of this Part shall be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid or is preempted by federal law or regulation, the validity of the remainder of this Part shall not be affected thereby.

"**§ 130A-309.207. General rule making for Part.**

The Environmental Management Commission shall adopt rules as necessary to implement the provisions of the Part. Such rules shall be exempt from the requirements of G.S. 150B-19.3.

"**§ 130A-309.208: Reserved for future codification purposes.**

"**§ 130A-309.209: Reserved for future codification purposes.**

"Subpart 2. Management of Coal Ash Residuals; Closure of Coal Ash Impoundments.

"**§ 130A-309.210. Generation, disposal, and use of coal combustion residuals.**

(a) On or after October 1, 2014, the construction of new and expansion of existing coal combustion residuals surface impoundments is prohibited.

(b) On or after October 1, 2014, the disposal of coal combustion residuals into a coal combustion residuals surface impoundment at an electric generating facility where the coal-fired generating units are no longer producing coal combustion residuals is prohibited.

(c) On or after December 31, 2018, the discharge of stormwater into a coal combustion surface impoundment at an electric generating facility where the coal-fired generating units are no longer producing coal combustion residuals is prohibited.

(d) On or after December 31, 2019, the discharge of stormwater into a coal combustion surface impoundment at an electric generating facility where the coal-fired generating units are actively producing coal combustion residuals is prohibited.

(e) On or before December 31, 2018, all electric generating facilities owned by a public utility shall convert to the disposal of "dry" fly ash or the facility shall be retired. For purposes of

this subsection, the term "dry" means coal combustion residuals that are not in the form of liquid wastes, wastes containing free liquids, or sludges.

(f) On or before December 31, 2019, all electric generating facilities owned by a public utility shall convert to the disposal of "dry" bottom ash or the facility shall be retired. For purposes of this subsection, the term "dry" means coal combustion residuals that are not in the form of liquid wastes, wastes containing free liquids, or sludges.

"§ 130A-309.211. Groundwater assessment and corrective action; drinking water supply well survey and provision of alternate water supply; reporting.

(a) Groundwater Assessment of Coal Combustion Residuals Surface Impoundments. – The owner of a coal combustion residuals surface impoundment shall conduct groundwater monitoring and assessment as provided in this subsection. The requirements for groundwater monitoring and assessment set out in this subsection are in addition to any other groundwater monitoring and assessment requirements applicable to the owners of coal combustion residuals surface impoundments:

(1) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Groundwater Assessment Plan for the impoundment to the Department for its review and approval. The Groundwater Assessment Plan shall, at a minimum, provide for all of the following:

a. A description of all receptors and significant exposure pathways.

b. An assessment of the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards.

c. A description of all significant factors affecting movement and transport of contaminants.

d. A description of the geological and hydrogeological features influencing the chemical and physical character of the contaminants.

e. A schedule for continued groundwater monitoring.

f. Any other information related to groundwater assessment required by the Department.

(2) The Department shall approve the Groundwater Assessment Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 10 days from approval of the Groundwater Assessment Plan, the owner shall begin implementation of the Plan.

(4) No later than 180 days from approval of the Groundwater Assessment Plan, the owner shall submit a Groundwater Assessment Report to the Department. The Report shall describe all exceedances of groundwater quality standards associated with the impoundment.

(b) Corrective Action for the Restoration of Groundwater Quality. – The owner of a coal combustion residuals surface impoundment shall implement corrective action for the restoration of groundwater quality as provided in this subsection. The requirements for corrective action for the restoration of groundwater quality set out in this subsection are in addition to any other corrective action for the restoration of groundwater quality requirements applicable to the owners of coal combustion residuals surface impoundments:

(1) No later than 90 days from submission of the Groundwater Assessment Report required by subsection (a) of this section, or a time frame otherwise approved by the Department not to exceed 180 days from submission of the Groundwater Assessment Report, the owner of the coal combustion residuals surface impoundment shall submit a proposed Groundwater Corrective Action Plan to

the Department for its review and approval. The Groundwater Corrective Action Plan shall provide for the restoration of groundwater in conformance with the requirements of Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code. The Groundwater Corrective Action Plan shall include, at a minimum, all of the following:

a. A description of all exceedances of the groundwater quality standards, including any exceedances that the owner asserts are the result of natural background conditions.
b. A description of the methods for restoring groundwater in conformance with the requirements of Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code and a detailed explanation of the reasons for selecting these methods.
c. Specific plans, including engineering details, for restoring groundwater quality.
d. A schedule for implementation of the Plan.
e. A monitoring plan for evaluating the effectiveness of the proposed corrective action and detecting movement of any contaminant plumes.
f. Any other information related to groundwater assessment required by the Department.

(2) The Department shall approve the Groundwater Corrective Action Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Groundwater Corrective Action Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

(c) Drinking Water Supply Well Survey and Provision of Alternate Water Supply. – No later than October 1, 2014, the owner of a coal combustion residuals surface impoundment shall conduct a Drinking Water Supply Well Survey that identifies all drinking water supply wells within one-half mile down-gradient from the established compliance boundary of the impoundment and submit the Survey to the Department. The Survey shall include well locations, the nature of water uses, available well construction details, and information regarding ownership of the wells. No later than December 1, 2014, the Department shall determine, based on the Survey, which drinking water supply wells the owner is required to sample and how frequently and for what period sampling is required. The Department shall require sampling for drinking water supply wells where data regarding groundwater quality and flow and depth in the area of any surveyed well provide a reasonable basis to predict that the quality of water from the surveyed well may be adversely impacted by constituents associated with the presence of the impoundment. No later than January 1, 2015, the owner shall initiate sampling and water quality analysis of the drinking water supply wells. A property owner may elect to have an independent third party selected from a laboratory certified by the Department's Wastewater/Groundwater Laboratory Certification program sample wells located on their property in lieu of sampling conducted by the owner of the coal combustion residuals surface impoundment. The owner of the coal combustion residuals surface impoundment shall pay for the reasonable costs of such sampling. Nothing in this subsection shall be construed to preclude or impair the right of any property owner to refuse such sampling of wells on their property. If the sampling and water quality analysis indicates that water from a drinking water supply well exceeds groundwater quality standards for constituents associated with the presence of the impoundment, the owner shall replace the contaminated drinking water supply well with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses. The alternate supply of potable drinking water shall be supplied within 24 hours of the Department's determination that there is an

exceedance of groundwater quality standards attributable to constituents associated with the presence of the impoundment. The alternate supply of water that is safe for other household uses shall be supplied within 30 days of the Department's determination that there is an exceedance of groundwater quality standards attributable to constituents associated with the presence of the impoundment. The requirement to replace a contaminated drinking water supply well with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses set out in this subsection is in addition to any other requirements to replace a contaminated drinking water supply well with an alternate supply of potable drinking water or an alternate supply of water that is safe for other household uses applicable to the owners of coal combustion residuals surface impoundments.

(c1) Provision of Permanent Water Supply. – As soon as practicable, but no later than October 15, 2018, the owner of a coal combustion residuals surface impoundment shall establish permanent replacement water supplies for (i) each household that has a drinking water supply well located within a one-half mile radius from the established compliance boundary of a coal combustion residuals impoundment, and is not separated from the impoundment by the mainstem of a river, as that term is defined under G.S. 143-215.22G, or other body of water that would prevent the migration of contaminants through groundwater from the impoundment to a well and (ii) each household that has a drinking water supply well that is located in an area in which contamination resulting from constituents associated with the presence of a coal combustion residuals impoundment is expected to migrate, as demonstrated by groundwater modeling and hydrogeologic, geologic, and geotechnical investigations of the site, conducted in accordance with the requirements of G.S. 130A-309.214(a)(4), and the results of other modeling or investigations that may have been submitted pursuant to G.S. 130A-309.213(b)(4). Preference shall be given to permanent replacement water supplies by connection to public water supplies; provided that (i) a household may elect to receive a filtration system in lieu of a connection to public water supplies and (ii) if the Department determines that connection to a public water supply to a particular household would be cost-prohibitive, the Department shall authorize provision of a permanent replacement water supply to that household through installation of a filtration system. For households for which filtration systems are installed, the impoundment owner shall be responsible for periodic required maintenance of the filtration system. No later than December 15, 2016, an impoundment owner shall submit information on permanent replacement water supplies proposed to be provided to each household to the Department, including, at a minimum, the type of permanent water supply proposed; the location of the household and its proximity to the nearest connection point to a public water supply; projected cost of the permanent water supply option proposed for the household; and any proposal to connect to a public water supply. The Department shall evaluate information submitted by the impoundment owner and render a final decision to approve or disapprove the plan, including written findings of fact, no later than January 15, 2017. If disapproved, an impoundment owner shall resubmit a plan for the Department's approval within 30 days. No later than April 15, 2017, an impoundment owner shall notify all residents identified in the approved plan of their eligibility for establishment of a permanent water supply. Until such time as an impoundment owner has established a permanent water supply for each household required by this subsection, the impoundment owner shall supply the household with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses. Nothing in this section shall be construed to (i) require an eligible household to connect to a public water supply or receive a filtration system or (ii) obviate the need for other federal, State, and local permits and approvals. All State entities and local governments shall expedite any permits and approvals required for such projects. The Department may grant an impoundment owner an extension of time, not to exceed one year, to establish permanent water supplies as required by this section, if the Department determines that it is infeasible for the impoundment owner to establish a permanent water supply for a household by October 15, 2018, based on

limitations arising from local government resources, including limitations on water supply capacity and staffing limitations for permitting and construction activities.

(d) Reporting. – In addition to any other reporting required by the Department, the owner of a coal combustion residuals surface impoundment shall submit an annual Groundwater Protection and Restoration Report to the Department no later than January 31 of each year. The Report shall include a summary of all groundwater monitoring, protection, and restoration activities related to the impoundment for the preceding year, including the status of the Groundwater Assessment Plan, the Groundwater Assessment Report, the Groundwater Corrective Action Plan, the Drinking Water Supply Well Survey, and the replacement of any contaminated drinking water supply wells. ~~The owner of a coal combustion residuals surface impoundment shall also submit all information required to be submitted to the Department pursuant to this section to the Coal Ash Management Commission.~~

"§ 130A-309.212. Identification and assessment of discharges; correction of unpermitted discharges.

(a) Identification of Discharges from Coal Combustion Residuals Surface Impoundments. –

(1) The owner of a coal combustion residuals surface impoundment shall identify all discharges from the impoundment as provided in this subsection. The requirements for identifying all discharges from an impoundment set out in this subsection are in addition to any other requirements for identifying discharges applicable to the owners of coal combustion residuals surface impoundments.

(2) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a topographic map that identifies the location of all (i) outfalls from engineered channels designed or improved for the purpose of collecting water from the toe of the impoundment and (ii) seeps and weeps discharging from the impoundment that are not captured by engineered channels designed or improved for the purpose of collecting water from the toe of the impoundment to the Department. The topographic map shall comply with all of the following:

a. Be at a scale as required by the Department.

b. Specify the latitude and longitude of each toe drain outfall, seep, and weep.

c. Specify whether the discharge from each toe drain outfall, seep, and weep is continuous or intermittent.

d. Provide an average flow measurement of the discharge from each toe drain outfall, seep, and weep including a description of the method used to measure average flow.

e. Specify whether the discharge from each toe drain outfall, seep, and weep identified reaches the surface waters of the State. If the discharge from a toe drain outfall, seep, or weep reaches the surface waters of the State, the map shall specify the latitude and longitude of where the discharge reaches the surface waters of the State.

f. Include any other information related to the topographic map required by the Department.

(b) Assessment of Discharges from Coal Combustion Residuals Surface Impoundments to the Surface Waters of the State. – The owner of a coal combustion residuals surface impoundment shall conduct an assessment of discharges from the coal combustion residuals surface impoundment to the surface waters of the State as provided in this subsection. The requirements for assessment of discharges from the coal combustion residuals surface impoundment to the surface waters of the State set out in this subsection are in addition to any other requirements for

the assessment of discharges from coal combustion residuals surface impoundments to surface waters of the State applicable to the owners of coal combustion residuals surface impoundments:

(1) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Discharge Assessment Plan to the Department. The Discharge Assessment Plan shall include information sufficient to allow the Department to determine whether any discharge, including a discharge from a toe drain outfall, seep, or weep, has reached the surface waters of the State and has caused a violation of surface water quality standards. The Discharge Assessment Plan shall include, at a minimum, all of the following:

a. Upstream and downstream sampling locations within all channels that could potentially carry a discharge.

b. A description of the surface water quality analyses that will be performed.

c. A sampling schedule, including the frequency and duration of sampling activities.

d. Reporting requirements.

e. Any other information related to the assessment of discharges required by the Department.

(2) The Department shall approve the Discharge Assessment Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Discharge Assessment Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

(c) Corrective Action to Prevent Unpermitted Discharges from Coal Combustion Residuals Surface Impoundments to the Surface Waters of the State. – The owner of a coal combustion residuals surface impoundment shall implement corrective action to prevent unpermitted discharges from the coal combustion residuals surface impoundment to the surface waters of the State as provided in this subsection. The requirements for corrective action to prevent unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State set out in this subsection are in addition to any other requirements for corrective action to prevent unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State applicable to the owners of coal combustion residuals surface impoundments:

(1) If the Department determines, based on information provided pursuant to subsection (a) or (b) of this section, that an unpermitted discharge from a coal combustion residuals surface impoundment, including an unpermitted discharge from a toe drain outfall, seep, or weep, has reached the surface waters of the State, the Department shall notify the owner of the impoundment of its determination.

(2) No later than 30 days from a notification pursuant to subdivision (1) of this subsection, the owner of the coal combustion residuals surface impoundment shall submit a proposed Unpermitted Discharge Corrective Action Plan to the Department for its review and approval. The proposed Unpermitted Discharge Corrective Action Plan shall include, at a minimum, all of the following:

a. One of the following methods of proposed corrective action:

1. Elimination of the unpermitted discharge.

2. Application for a National Pollutant Discharge Elimination System (NPDES) permit amendment pursuant to G.S. 143-215.1

and Subchapter H of Chapter 2 of Title 15A of the North Carolina Administrative Code to bring the unpermitted discharge under permit regulations.

b. A detailed explanation of the reasons for selecting the method of corrective action.

c. Specific plans, including engineering details, to prevent the unpermitted discharge.

d. A schedule for implementation of the Plan.

e. A monitoring plan for evaluating the effectiveness of the proposed corrective action.

f. Any other information related to the correction of unpermitted discharges required by the Department.

(3) The Department shall approve the Unpermitted Discharge Corrective Action Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(4) No later than 30 days from the approval of the Unpermitted Discharge Corrective Action Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

(d) Identification of New Discharges. – No later than October 1, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Plan for the Identification of New Discharges to the Department for its review and approval as provided in this subsection:

(1) The proposed Plan for the Identification of New Discharges shall include, at a minimum, all of the following:

a. A procedure for routine inspection of the coal combustion residuals surface impoundment to identify indicators of potential new discharges, including toe drain outfalls, seeps, and weeps.

b. A procedure for determining whether a new discharge is actually present.

c. A procedure for notifying the Department when a new discharge is confirmed.

d. Any other information related to the identification of new discharges required by the Department.

(2) The Department shall approve the Plan for the Identification of New Discharges if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Plan for the Identification of New Discharges, the owner shall begin implementation of the Plan in accordance with the Plan.

(e) Reporting. – In addition to any other reporting required by the Department, the owner of a coal combustion residuals surface impoundment shall submit an annual Surface Water Protection and Restoration Report to the Department no later than January 31 of each year. The Report shall include a summary of all surface water sampling, protection, and restoration activities related to the impoundment for the preceding year, including the status of the identification, assessment, and correction of unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State. ~~The owner of a coal combustion residuals surface impoundment shall also submit all information required to be submitted to the Department pursuant to this section to the Coal Ash Management Commission.~~

"**§ 130A-309.213. Prioritization of coal combustion residuals surface impoundments.**

(a) As soon as practicable, but no later than December 31, 2015, the Department shall develop proposed classifications for all coal combustion residuals surface impoundments, including active and retired sites, for the purpose of closure and remediation based on these sites' risks to public health, safety, and welfare; the environment; and natural resources and shall determine a schedule for closure and required remediation that is based on the degree of risk to public health, safety, and welfare; the environment; and natural resources posed by the impoundments and that gives priority to the closure and required remediation of impoundments that pose the greatest risk. In assessing the risk, the Department shall evaluate information received pursuant to G.S. 130A-309.211 and G.S. 130A-309.212 and any other information deemed ~~relevant and, at a minimum, consider all of the following:~~relevant.

~~(1) Any hazards to public health, safety, or welfare resulting from the impoundment.~~

~~(2) The structural condition and hazard potential of the impoundment.~~

~~(3) The proximity of surface waters to the impoundment and whether any surface waters are contaminated or threatened by contamination as a result of the impoundment.~~

~~(4) Information concerning the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards and all significant factors affecting contaminant transport.~~

~~(5) The location and nature of all receptors and significant exposure pathways.~~

~~(6) The geological and hydrogeological features influencing the movement and chemical and physical character of the contaminants.~~

~~(7) The amount and characteristics of coal combustion residuals in the impoundment.~~

~~(8) Whether the impoundment is located within an area subject to a 100-year flood.~~

~~(9) Any other factor the Department deems relevant to establishment of risk.~~

(b) The Department shall issue a proposed classification for each coal combustion residuals surface impoundment based upon the assessment conducted pursuant to subsection (a) of this section as high-risk, intermediate-risk, or low-risk. Within 30 days after a proposed classification has been issued, the Department shall issue a written declaration, including findings of fact, documenting the proposed classification. The Department shall provide for public participation on the proposed risk classification as follows:

(1) The Department shall make copies of the written declaration issued pursuant to this subsection available for inspection as follows:
   a. A copy of the declaration shall be provided to the local health director.
   b. A copy of the declaration shall be provided to the public library located in closest proximity to the site in the county or counties in which the site is located.
   c. The Department shall post a copy of the declaration on the Department's Web site.
   d. The Department shall place copies of the declaration in other locations so as to assure the reasonable availability thereof to the public.

(2) The Department shall give notice of the written declaration issued pursuant to this subsection as follows:
   a. A notice and summary of the declaration shall be published weekly for a period of three consecutive weeks in a newspaper having general circulation in the county or counties where the site is located.
   b. Notice of the written declaration shall be given by first-class mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy

of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

c. Notice of the written declaration shall be given by electronic mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

(3) No later than 60 days after issuance of the written declaration, the Department shall conduct a public meeting in the county or counties in which the site is located to explain the written declaration to the public. The Department shall give notice of the hearing at least 15 days prior to the date thereof by all of the following methods:

a. Publication as provided in subdivision (1) of this subsection, with first publication to occur not less than 30 days prior to the scheduled date of the hearing.

b. First-class mail to persons who have requested notice as provided in subdivision (2) of this subsection.

c. Electronic mail to persons who have requested notice as provided in subdivision (2) of this subsection.

(4) At least 30 days from the latest date on which notice is provided pursuant to subdivision (2) of this subsection shall be allowed for the receipt of written comment on the written declaration prior to issuance of a final risk classification. At least 20 days will be allowed for receipt of written comment following a hearing conducted pursuant to subdivision (3) of this subsection prior to issuance of a ~~final~~ preliminary risk classification.

~~(c) Within 30 days of the receipt of all written comment as required by subdivision (4) of subsection (b) of this section, the Department shall submit a proposed classification for a coal combustion residuals surface impoundment to the Coal Ash Management Commission established pursuant to G.S. 130A-309.202. The Commission shall evaluate all information submitted in accordance with this Part related to the proposed classification and any other information the Commission deems relevant. The Commission shall only approve the proposed classification if it determines that the classification was developed in accordance with this section and that the classification accurately reflects the level of risk posed by the coal combustion residuals surface impoundment. The Commission shall issue its determination in writing, including findings in support of its determination. If the Commission fails to act on a proposed classification within 60 days of receipt of the proposed classification, the proposed classification shall be deemed approved. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.~~

(d) No later than 30 days after expiration of the deadline set forth in G.S. 130A-309.211(c1), or any applicable extension granted by the Secretary pursuant G.S. 130A-309.211(c1), the Department shall issue a final classification for each impoundment as follows:

(1) The Department shall classify an impoundment as low-risk if the impoundment owner satisfies both of the following criteria:

a. Has established permanent water supplies as required for the impoundment pursuant to G.S. 130A-309.211(c1).

b. Has rectified any deficiencies identified by, and otherwise complied with the requirements of, any dam safety order issued by the Environmental Management Commission for the impoundment

pursuant to G.S. 143-215.32. No later than July 1, 2018, the Department shall conduct the annual inspection of each dam associated with a coal combustion residuals surface impoundment required for that year, to detect any deficiencies and to ascertain, at a minimum, whether the dam is sufficiently strong, maintained in good repair and operating condition, does not pose a danger to life or property, and satisfies minimum streamflow requirements. The Department shall issue written findings of fact for each inspection and present such findings to the Environmental Management Commission. If the Department detects any deficiencies, the Commission shall issue an order directing the owner of the dam to take action as may be deemed necessary by the Commission within a time limited by the order, but not later than 90 days after issuance of the order.

(2) All other impoundments shall be classified as intermediate-risk.

(e) Parties aggrieved by a final decision of the Department issued pursuant to subsection (d) of this section may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.

"§ 130A-309.214. Closure of coal combustion residuals surface impoundments.

(a) An owner of a coal combustion residuals surface impoundment shall submit a proposed Coal Combustion Residuals Surface Impoundment Closure Plan for the Department's approval. If corrective action to restore groundwater has not been completed pursuant to the requirements of G.S. 130A-309.211(b), the proposed closure plan shall include provisions for completion of activities to restore groundwater in conformance with the requirements of Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code. In addition, the following requirements, at a minimum, shall apply to such plans:

(1) High-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2019. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, 2016. At a minimum, (i) impoundments located in whole above the seasonal high groundwater table shall be dewatered; (ii) impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable; and (iii) the owner of an impoundment shall either:

a. Convert the coal combustion residuals impoundment to an industrial landfill by removing all coal combustion residuals and contaminated soil from the impoundment temporarily, safely storing the residuals on-site, and complying with the requirements for such landfills established by this Article and rules adopted thereunder. At a minimum, the landfills shall have a design with a leachate collection system, a closure cap system, and a composite liner system consisting of two components: the upper component shall consist of a minimum 30-ml flexible membrane (FML), and the lower components shall consist of at least a two-foot layer of compacted soil with a hydraulic conductivity of no more than 1×10^{-7} centimeters per second. FML components consisting of high density polyethylene (HDPE) shall be at least 60 ml thick. The landfill shall otherwise comply with the construction requirements established by Section .1624 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, and the siting and design requirements for disposal sites established by Section .0503 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, except with respect to those requirements that

pertain to buffers. In lieu of the buffer requirement established by Section .0503(f)(2)(iii) of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, the owner of the impoundment shall establish and maintain a 300-foot buffer between surface waters and disposal areas. After the temporarily displaced coal combustion residuals have been returned for disposal in the industrial landfill constructed pursuant to the requirements of this sub-subdivision, the owner of the landfill shall comply with the closure and post-closure requirements established by Section .1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code. A landfill constructed pursuant to this sub-subdivision shall otherwise be subject to all applicable requirements of this Chapter and rules adopted thereunder. Prior to closure, the Department may allow the disposal of coal combustion residuals, in addition to those originally contained in the impoundment, to the landfill constructed pursuant to this sub-subdivision, if the Department determines that the site is suitable for additional capacity and that disposal of additional coal combustion residuals will not pose an unacceptable risk to public health, safety, welfare; the environment; and natural resources.

b. Remove all coal combustion residuals from the impoundment, return the former impoundment to a nonerosive and stable condition and (i) transfer the coal combustion residuals for disposal in a coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill or (ii) use the coal combustion products in a structural fill or other beneficial use as allowed by law. The use of coal combustion products (i) as structural fill shall be conducted in accordance with the requirements of Subpart 3 of this Part and (ii) for other beneficial uses shall be conducted in accordance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management).

(2) Intermediate-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2024. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, ~~2017.~~2019. At a minimum, such impoundments shall be dewatered, and the owner of an impoundment shall close the impoundment in any manner allowed pursuant to subdivision (1) of this ~~subsection.~~subsection, or, if applicable, as provided in G.S. 130A-309.216.

(3) Low-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2029. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, ~~2018.~~2019. At a minimum, (i) impoundments located in whole above the seasonal high groundwater table shall be dewatered; (ii) impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable; and (iii) at the election of the Department, the owner of an impoundment shall either:

a. Close in any manner allowed pursuant to subdivision (1) of this ~~subsection.~~subsection;

b. Comply with the closure and post-closure requirements established by Section .1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, except that such impoundments shall not be required to install and maintain a leachate collection system. Specifically, the owner of an impoundment shall install and maintain a cap system that is designed to minimize infiltration and erosion in conformance with the requirements of Section .1624 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, and, at a minimum, shall be designed and constructed to (i) have a permeability no greater than 1×10^{-5} centimeters per second; (ii) minimize infiltration by the use of a low-permeability barrier that contains a minimum 18 inches of earthen material; and (iii) minimize erosion of the cap system and protect the low-permeability barrier from root penetration by use of an erosion layer that contains a minimum of six inches of earthen material that is capable of sustaining native plant growth. In addition, the owner of an impoundment shall (i) install and maintain a groundwater monitoring system; (ii) establish financial assurance that will ensure that sufficient funds are available for closure pursuant to this subdivision, post-closure maintenance and monitoring, any corrective action that the Department may require, and satisfy any potential liability for sudden and nonsudden accidental occurrences arising from the impoundment and subsequent costs incurred by the Department in response to an incident, even if the owner becomes insolvent or ceases to reside, be incorporated, do business, or maintain assets in the State; and (iii) conduct post-closure care for a period of 30 years, which period may be increased by the Department upon a determination that a longer period is necessary to protect public health, safety, welfare; the environment; and natural resources, or decreased upon a determination that a shorter period is sufficient to protect public health, safety, welfare; the environment; and natural resources. The Department may require implementation of any other measure it deems necessary to protect public health, safety, and welfare; the environment; and natural resources, including imposition of institutional controls that are sufficient to protect public health, safety, and welfare; the environment; and natural resources. The Department may not approve closure for an impoundment pursuant to sub-subdivision b. of subdivision (3) of this subsection unless the Department finds that the proposed closure plan includes design measures to prevent, upon the plan's full implementation, post-closure exceedances of groundwater quality standards beyond the compliance boundary that are attributable to constituents associated with the presence of the ~~impoundment.~~impoundment; or

c. Comply with the closure requirements established by the United States Environmental Protection Agency as provided in 40 CFR Parts 257 and 261, "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals From Electric Utilities."

(4) Closure Plans for all impoundments shall include all of the following:

a. Facility and coal combustion residuals surface impoundment description. – A description of the operation of the site that shall include, at a minimum, all of the following:

1. Site history and history of site operations, including details on the manner in which coal combustion residuals have been stored and disposed of historically.
2. Estimated volume of material contained in the impoundment.
3. Analysis of the structural integrity of dikes or dams associated with impoundment.
4. All sources of discharge into the impoundment, including volume and characteristics of each discharge.
5. Whether the impoundment is lined, and, if so, the composition thereof.
6. A summary of all information available concerning the impoundment as a result of inspections and monitoring conducted pursuant to this Part and otherwise available.

b. Site maps, which, at a minimum, illustrate all of the following:
1. All structures associated with the operation of any coal combustion residuals surface impoundment located on the site. For purposes of this sub-subdivision, the term "site" means the land or waters within the property boundary of the applicable electric generating station.
2. All current and former coal combustion residuals disposal and storage areas on the site, including details concerning coal combustion residuals produced historically by the electric generating station and disposed of through transfer to structural fills.
3. The property boundary for the applicable site, including established compliance boundaries within the site.
4. All potential receptors within 2,640 feet from established compliance boundaries.
5. Topographic contour intervals of the site shall be selected to enable an accurate representation of site features and terrain and in most cases should be less than 20-foot intervals.
6. Locations of all sanitary landfills permitted pursuant to this Article on the site that are actively receiving waste or are closed, as well as the established compliance boundaries and components of associated groundwater and surface water monitoring systems.
7. All existing and proposed groundwater monitoring wells associated with any coal combustion residuals surface impoundment on the site.
8. All existing and proposed surface water sample collection locations associated with any coal combustion residuals surface impoundment on the site.

c. The results of a hydrogeologic, geologic, and geotechnical investigation of the site, including, at a minimum, all of the following:
1. A description of the hydrogeology and geology of the site.
2. A description of the stratigraphy of the geologic units underlying each coal combustion residuals surface impoundment located on the site.
3. The saturated hydraulic conductivity for (i) the coal combustion residuals within any coal combustion residuals surface impoundment located on the site and (ii) the saturated hydraulic

conductivity of any existing liner installed at an impoundment, if any.

4. The geotechnical properties for (i) the coal combustion residuals within any coal combustion residuals surface impoundment located on the site, (ii) the geotechnical properties of any existing liner installed at an impoundment, if any, and (iii) the uppermost identified stratigraphic unit underlying the impoundment, including the soil classification based upon the Unified Soil Classification System, in-place moisture content, particle size distribution, Atterberg limits, specific gravity, effective friction angle, maximum dry density, optimum moisture content, and permeability.
5. A chemical analysis of the coal combustion residuals surface impoundment, including water, coal combustion residuals, and coal combustion residuals-affected soil.
6. Identification of all substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code, including all laboratory results for these analyses.
7. Summary tables of historical records of groundwater sampling results.
8. A map that illustrates the potentiometric contours and flow directions for all identified aquifers underlying impoundments (shallow, intermediate, and deep) and the horizontal extent of areas where groundwater quality standards established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code for a substance are exceeded.
9. Cross-sections that illustrate the following: the vertical and horizontal extent of the coal combustion residuals within an impoundment; stratigraphy of the geologic units underlying an impoundment; and the vertical extent of areas where groundwater quality standards established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code for a substance are exceeded.

d. The results of groundwater modeling of the site that shall include, at a minimum, all of the following:

1. An account of the design of the proposed Closure Plan that is based on the site hydrogeologic conceptual model developed and includes (i) predictions on post-closure groundwater elevations and groundwater flow directions and velocities, including the effects on and from the potential receptors and (ii) predictions at the compliance boundary for substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code.
2. Predictions that include the effects on the groundwater chemistry and should describe migration, concentration, mobilization, and fate for substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the

North Carolina Administrative Code pre- and post-closure, including the effects on and from potential receptors.

3. A description of the groundwater trend analysis methods used to demonstrate compliance with groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code and requirements for corrective action of groundwater contamination established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code.

e. A description of any plans for beneficial use of the coal combustion residuals in compliance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management).

f. All engineering drawings, schematics, and specifications for the proposed Closure Plan. If required by Chapter 89C of the General Statutes, engineering design documents should be prepared, signed, and sealed by a professional engineer.

g. A description of the construction quality assurance and quality control program to be implemented in conjunction with the Closure Plan, including the responsibilities and authorities for monitoring and testing activities, sampling strategies, and reporting requirements.

h. A description of the provisions for disposal of wastewater and management of stormwater and the plan for obtaining all required permits.

i. A description of the provisions for the final disposition of the coal combustion residuals. If the coal combustion residuals are to be removed, the owner must identify (i) the location and permit number for the coal combustion residuals landfills, industrial landfills, or municipal solid waste landfills in which the coal combustion residuals will be disposed and (ii) in the case where the coal combustion residuals are planned for beneficial use, the location and manner in which the residuals will be temporarily stored. If the coal combustion residuals are to be left in the impoundment, the owner must (i) in the case of closure pursuant to sub-subdivision (a)(1)a. of this section, provide a description of how the ash will be stabilized prior to completion of closure in accordance with closure and post-closure requirements established by Section .1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code and (ii) in the case of closure pursuant to sub-subdivision (a)(1)b. of this section, provide a description of how the ash will be stabilized pre- and post-closure. If the coal combustion residuals are to be left in the impoundment, the owner must provide an estimate of the volume of coal combustion residuals remaining.

j. A list of all permits that will need to be acquired or modified to complete closure activities.

k. A description of the plan for post-closure monitoring and care for an impoundment for a minimum of 30 years. The length of the post-closure care period may be (i) proposed to be decreased or the frequency and parameter list modified if the owner demonstrates that the reduced

period or modifications are sufficient to protect public health, safety, and welfare; the environment; and natural resources and (ii) increased by the Department at the end of the post-closure monitoring and care period if there are statistically significant increasing groundwater quality trends or if contaminant concentrations have not decreased to a level protective of public health, safety, and welfare; the environment; and natural resources. If the owner determines that the post-closure care monitoring and care period is no longer needed and the Department agrees, the owner shall provide a certification, signed and sealed by a professional engineer, verifying that post-closure monitoring and care has been completed in accordance with the post-closure plan. If required by Chapter 89C of the General Statutes, the proposed plan for post-closure monitoring and care should be signed and sealed by a professional engineer. The plan shall include, at a minimum, all of the following:

1. A demonstration of the long-term control of all leachate, affected groundwater, and stormwater.
2. A description of a groundwater monitoring program that includes (i) post-closure groundwater monitoring, including parameters to be sampled and sampling schedules; (ii) any additional monitoring well installations, including a map with the proposed locations and well construction details; and (iii) the actions proposed to mitigate statistically significant increasing groundwater quality trends.

l. An estimate of the milestone dates for all activities related to closure and post-closure.

m. Projected costs of assessment, corrective action, closure, and post-closure care for each coal combustion residuals surface impoundment.

n. A description of the anticipated future use of the site and the necessity for the implementation of institutional controls following closure, including property use restrictions, and requirements for recordation of notices documenting the presence of contamination, if applicable, or historical site use.

(b) The Department shall review a proposed Coal Combustion Residuals Surface Impoundment Closure Plan for consistency with the minimum requirements set forth in subsection (a) of this section and whether the proposed Closure Plan is protective of public health, safety, and welfare; the environment; and natural resources and otherwise complies with the requirements of this Part. Prior to issuing a decision on a proposed Closure Plan, the Department shall provide for public participation on the proposed Closure Plan as follows:

(1) The Department shall make copies of the proposed Closure Plan available for inspection as follows:

a. A copy of the proposed Closure Plan shall be provided to the local health director.

b. A copy of the proposed Closure Plan shall be provided to the public library located in closest proximity to the site in the county or counties in which the site is located.

c. The Department shall post a copy of the proposed Closure Plan on the Department's Web site.

d. The Department shall place copies of the declaration in other locations so as to assure the reasonable availability thereof to the public.

(2) Before approving a proposed Closure Plan, the Department shall give notice as follows:

a. A notice and summary of the proposed Closure Plan shall be published weekly for a period of three consecutive weeks in a newspaper having general circulation in the county or counties where the site is located.

b. Notice that a proposed Closure Plan has been developed shall be given by first-class mail to persons who have requested such notice. Such notice shall include a summary of the proposed Closure Plan and state the locations where a copy of the proposed Closure Plan is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

c. Notice that a proposed Closure Plan has been developed shall be given by electronic mail to persons who have requested such notice. Such notice shall include a summary of the proposed Closure Plan and state the locations where a copy of the proposed Closure Plan is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

(3) No later than 60 days after receipt of a proposed Closure Plan, the Department shall conduct a public meeting in the county or counties in which the site is located to explain the proposed Closure Plan and alternatives to the public. The Department shall give notice of the hearing at least 30 days prior to the date thereof by all of the following methods:

a. Publication as provided in subdivision (1) of this subsection, with first publication to occur not less than 30 days prior to the scheduled date of the hearing.

b. First-class mail to persons who have requested notice as provided in subdivision (2) of this subsection.

c. Electronic mail to persons who have requested notice as provided in subdivision (2) of this subsection.

(4) At least 30 days from the latest date on which notice is provided pursuant to subdivision (2) of this subsection shall be allowed for the receipt of written comment on the proposed Closure Plan prior to its approval. At least 20 days will be allowed for receipt of written comment following a hearing conducted pursuant to subdivision (3) of this subsection prior to the approval of the proposed Closure Plan.

(c) The Department shall disapprove a proposed Coal Combustion Residuals Surface Impoundment Closure Plan unless the Department finds that the Closure Plan is protective of public health, safety, and welfare; the environment; and natural resources and otherwise complies with the requirements of this Part. The Department shall provide specific findings to support its decision to approve or disapprove a proposed Closure Plan. If the Department disapproves a proposed Closure Plan, the person who submitted the Closure Plan may seek review as provided in Article 3 of Chapter 150B of the General Statutes. If the Department fails to approve or disapprove a proposed Closure Plan within 120 days after a complete Closure Plan has been submitted, the person who submitted the proposed Closure Plan may treat the Closure Plan as having been disapproved at the end of that time period. The Department may require a person who proposes a Closure Plan to supply any additional information necessary for the Department to approve or disapprove the Closure Plan.

~~(d) Within 30 days of its approval of a Coal Combustion Residuals Surface Impoundment Closure Plan, the Department shall submit the Closure Plan to the Coal Ash Management Commission. The Commission shall evaluate all information submitted in accordance with this Part related to the Closure Plan and any other information the Commission deems relevant. The~~

~~Commission shall approve the Closure Plan if it determines that the Closure Plan was developed in accordance with this section, that implementation of the Closure Plan according to the Closure Plan's schedule is technologically and economically feasible, and the Closure Plan is protective of the public health, safety, and welfare; the environment; and natural resources. In addition, the Commission may consider any impact on electricity costs and reliability, but this factor may not be dispositive of the Commission's determination. The Commission shall issue its determination in writing, including findings in support of its determination. If the Commission fails to act on a Closure Plan within 60 days of receipt of the Closure Plan, the Closure Plan shall be deemed approved. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.~~

(e) As soon as practicable, but no later than 60 days after a Coal Combustion Residuals Surface Impoundment Closure Plan has been approved by the ~~Coal Ash Management Commission,~~Department, the owner of the coal combustion residuals impoundment shall begin implementation of the approved plan. Modifications to an approved Closure Plan may only be allowed in conformance with the requirements of this Part, upon written request of an owner of an impoundment, with the written approval of the Department, and after public notice of the change in accordance with the requirements of subdivision (2) of subsection (b) of this section. Provided, however, minor technical modifications may be made in accordance with standard Department procedures for such minor modifications and may be made without written approval of the Department or public notice of the change.

(f) Nothing in this section shall be construed to obviate the need for sampling, remediation, and monitoring activities at the site as required by G.S. 130A-309.211 and G.S. 130A-309.310 [G.S. 130A-309.212].

"§ 130A-309.215. Variance authority.

(a) In recognition of the complexity and magnitude of the issues surrounding the management of coal combustion residuals and coal combustion residuals surface impoundments, the General Assembly authorizes the ~~Commission~~ Secretary to grant a variance to extend any deadline ~~for closure of an impoundment established under G.S. 130A-309.214 in conformance with the requirements of this section. To request such a variance the owner of an impoundment~~ under this act, on the Secretary's own motion, or that of an impoundment owner, on the basis that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public.

(a1) For variances requested by an impoundment owner, the owner shall, no earlier than ~~two years~~one year prior to the applicable deadline, submit an application in a form acceptable to the Department which shall include, at a minimum, all of the following information: identification of the site, applicable requirements, and applicable deadlines for which a variance is sought, and the site-specific circumstances that support the need for the variance. The owner of the impoundment shall also provide detailed information that demonstrates (i) the owner has substantially complied with all other requirements and deadlines established by this Part; (ii) the owner has made good faith efforts to comply with the applicable deadline for closure of the impoundment; and (iii) that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public. As soon as practicable, but no later than 60 days from receipt of an application, the Secretary shall evaluate the information submitted in conjunction with the application, and any other information the Secretary deems relevant, to determine whether the information supports issuance of a variance. ~~After such evaluation, if the Secretary finds that the information supports issuance of a variance from the deadline, the Secretary shall issue a proposed variance. Within 10 days after a proposed variance has been issued, the Secretary shall issue a written declaration, including findings of fact, documenting the proposed variance.~~

(a2) The Department shall provide for public participation on ~~the~~a proposed variance in the manner provided by G.S. 130A-309.214(b) and shall take the public input received through the process into account in its decision concerning ~~the proposed~~issuance of a variance. ~~Within 30 days of the receipt of all public input received, the Department shall submit a proposed variance to the Coal Ash Management Commission. The Commission shall evaluate all information submitted in accordance with this section and any other information the Commission deems relevant.~~ The ~~Commission~~ Department shall only approve a variance if it determines that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public. The ~~Commission~~ Department shall issue its determination in writing, including findings in support of its determination. If the ~~Commission~~ Department fails to act on a variance request within 60 days of receipt, the variance shall be deemed denied.

(a3) Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.

~~(b) A variance granted pursuant to this section shall not extend a deadline for closure of an impoundment more than three years beyond the date applicable to the impoundment as provided under G.S. 130A-309.214.~~

~~(c) No more than one variance may be granted pursuant to this section per impoundment.~~

"**§ 130A-309.216. Ash beneficiation projects.**

(a) On or before January 1, 2017, an impoundment owner shall (i) identify, at a minimum, impoundments at two sites located within the State with ash stored in the impoundments on that date that is suitable for processing for cementitious purposes and (ii) enter into a binding agreement for the installation and operation of an ash beneficiation project at each site capable of annually processing 300,000 tons of ash to specifications appropriate for cementitious products, with all ash processed to be removed from the impoundment(s) located at the sites. As soon as legally practicable thereafter, the impoundment owner shall apply for all permits necessary for the ash beneficiation projects from the Department. The Department shall expedite any State permits and approvals required for such projects. No later than 24 months after issuance of all necessary permits, operation of both ash beneficiation projects shall be commenced. An impoundment owner shall use commercially reasonable efforts to produce 300,000 tons of ash to specifications appropriate for cementitious products from each project.

(b) On or before July 1, 2017, an impoundment owner shall (i) identify an impoundment at an additional site located within the State with ash stored in the impoundment on that date that is suitable for processing for cementitious purposes and (ii) enter into a binding agreement for the installation and operation of an ash beneficiation project capable of annually processing 300,000 tons of ash to specifications appropriate for cementitious products, with all ash processed to be removed from the impoundment(s) located at the site. As soon as legally practicable thereafter, the impoundment owner shall apply for all permits necessary for the ash beneficiation project from the Department. The Department shall expedite any State permits and approvals required for such projects. No later than 24 months after issuance of all necessary permits, operation of the ash beneficiation project shall be commenced. An impoundment owner shall use commercially reasonable efforts to produce 300,000 tons of ash to specifications appropriate for cementitious products from the project.

(c) Notwithstanding any deadline for closure provided by G.S. 130A-309.214, any impoundment classified as intermediate- or low-risk that is located at a site at which an ash beneficiation project is installed, operating, and processing at least 300,000 tons of ash annually from the impoundment, shall be closed no later than December 31, 2029.

"**§ 130A-309.217: Reserved for future codification purposes.**"

SECTION 2. G.S. 62-302.1 reads as rewritten:

"**§ 62-302.1. Regulatory fee for combustion residuals surface impoundments.**

(a) Fee Imposed. – Each public utility with a coal combustion residuals surface impoundment shall pay a regulatory fee for the purpose of defraying the costs of oversight of coal combustion residuals. The fee is in addition to the fee imposed under G.S. 62-302. The fees collected under this section shall only be used to pay the expenses of the ~~Coal Ash Management Commission and the~~ Department of Environmental Quality in providing oversight of coal combustion residuals.

(b) Rate. – The combustion residuals surface impoundment fee shall be ~~three hundredths of one percent (0.03%)~~ twenty-two thousandths of one percent (0.022%) of the North Carolina jurisdictional revenues of each public utility with a coal combustion residuals surface impoundment. For the purposes of this section, the term "North Carolina jurisdictional revenues" has the same meaning as in G.S. 62-302.

(c) When Due. – The fee shall be paid in quarterly installments. The fee is payable to the ~~Coal Ash Management Commission~~ Department of Environmental Quality on or before the 15th of the second month following the end of each quarter. Each public utility subject to this fee shall, on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the ~~Coal Ash Management Commission.~~ Department of Environmental Quality. The report shall state the public utility's total North Carolina jurisdictional revenues for the preceding quarter and shall be accompanied by any supporting documentation that the ~~Coal Ash Management Commission~~Department of Environmental Quality may by rule require. Receipts shall be reported on an accrual basis.

(d) Use of Proceeds. – A special fund in the ~~Office of State Treasurer and the Coal Ash Management Commission~~ Department of Environmental Quality is created. The fees collected pursuant to this section ~~and all other funds received by the Coal Ash Management Commission~~ shall be deposited in the Coal Combustion Residuals Management Fund. The Fund shall be placed in an interest-bearing account, and any interest or other income derived from the Fund shall be credited to the Fund. Subject to appropriation by the General Assembly, ~~twenty-six and one-half percent (26.5%) of the moneys in the Fund shall be used by the Coal Ash Management Commission and the remainder~~ one hundred percent (100%) shall be used by the Department of Environmental Quality. ~~The Coal Ash Management Commission shall be subject to the provisions of the State Budget Act, except that no unexpended surplus of the Coal Combustion Residuals Management Fund shall revert to the General Fund.~~ All funds credited to the Fund shall be used only to pay the expenses of the ~~Coal Ash Management Commission and the~~ Department of Environmental Quality in providing oversight of coal combustion residuals.

(e) Recovery of Fee. – The North Carolina Utilities Commission shall not allow an electric public utility to recover this fee from the retail electric customers of the State."

SECTION 3.(a) Notwithstanding G.S. 130A-309.213 or G.S. 130A-309.214, as amended by Section 1 of this act, and except as otherwise preempted by the requirements of federal law, the following coal combustion residuals surface impoundments shall be deemed intermediate-risk and, as soon as practicable, but no later than August 1, 2028, shall be closed in conformance with Section 3(b) of this act:

(1) Coal combustion residuals surface impoundments located at the H.F. Lee Steam Station, owned and operated by Duke Energy Progress, and located in Wayne County.

(2) Coal combustion residuals surface impoundments located at the Cape Fear Steam Station, owned and operated by Duke Energy Progress, and located in Chatham County.

(3) Coal combustion residuals surface impoundments located at the Weatherspoon Steam Station, owned and operated by Duke Energy Progress, and located in New Hanover County.

SECTION 3.(b) The impoundments identified in subsection (a) of this section shall be closed as follows:

(1) Impoundments located in whole above the seasonal high groundwater table shall be dewatered. Impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable.

(2) All coal combustion residuals shall be removed from the impoundments and transferred for (i) disposal in a coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill or (ii) use in a structural fill or other beneficial use as allowed by law. The use of coal combustion products (i) as structural fill shall be conducted in accordance with the requirements of Subpart 3 of Part 2I of Article 9 of the General Statutes and (ii) for other beneficial uses shall be conducted in accordance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1200 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management), as applicable.

(3) If restoration of groundwater quality is degraded as a result of the impoundment, corrective action to restore groundwater quality shall be implemented by the owner or operator as provided in G.S. 130A-309.211.

SECTION 4. There is appropriated a sum of up to four hundred fifty thousand dollars ($450,000) to the State Water Infrastructure Authority from the Coal Combustion Residuals Management Fund cash balance on June 30, 2016, to fund grants to local governments operating public water supplies in areas surrounding coal combustion residuals impoundments to provide moneys for additional staff for permitting and construction activities as may be needed to facilitate establishment of permanent water supplies to households eligible for connection to public water supplies pursuant to G.S. 130A-309.211(c1).

SECTION 5.(a) Section 3(e) of S.L. 2014-122 is repealed.

SECTION 5.(b) Section 4(e) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(e)** All electric generating facilities owned by a public utility that produce coal combustion residuals and coal combustion products shall issue a request for proposals on or before December 31, 2014, for (i) the conduct of a market analysis for the concrete industry and other industries that might beneficially use coal combustion residuals and coal combustion products; (ii) the study of the feasibility and advisability of installation of technology to convert existing and newly generated coal combustion residuals to commercial-grade coal combustion products suitable for use in the concrete industry and other industries that might beneficially use coal combustion residuals; and (iii) an examination of all innovative technologies that might be applied to diminish, recycle or reuse, or mitigate the impact of existing and newly generated coal combustion residuals. All electric generating facilities shall present the materials and information received in response to a request for proposals issued pursuant to this section and an assessment of the materials and information, including a forecast of specific actions to be taken in response to the materials and information received, to the Environmental Management Commission ~~and the Coal Ash Management Commission~~ on or before August 1, 2016."

SECTION 6.(a) G.S. 143B-291 reads as rewritten:

"**§ 143B-291. North Carolina Mining Commission – members; selection; removal; compensation; quorum; services.**

(a) Repealed by 2014-4, s. 5(a), effective July 31, 2015.

(a1) Members, Selection. – The North Carolina Mining Commission shall consist of eight members appointed as follows:

(1) One member who is the chair of the North Carolina State University Minerals Research Laboratory Advisory ~~Committee.~~Committee, ex officio and nonvoting.

(2) The State Geologist, ex officio and nonvoting.

(3) One member appointed by the Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who is a representative of the mining industry.

(4) One member appointed by the Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who is a representative of the mining industry.

(5) One member appointed by the ~~General Assembly upon recommendation of the Speaker of the House of Representatives~~ Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who is a representative of the mining industry.

(6) One member appointed by the ~~General Assembly upon recommendation of the President Pro Tempore of the Senate~~ Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who is a representative of the mining industry.

(7) One member appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in conformance with G.S. 120-121, who is a ~~member of~~ representative of a nongovernmental conservation ~~interests.~~interest.

(8) One member appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in conformance with G.S. 120-121, who is a ~~member of~~representative of a nongovernmental conservation ~~interests.~~interest.

(a2) Process for Appointments by the Governor. – The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, within four weeks of the convening of the session of the General Assembly in the year for which the terms in question are to expire, the names of the persons to be appointed by the Governor and submitted to the General Assembly for confirmation by joint resolution. If an appointment is required pursuant to this subsection when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the regular session for more than 10 days, or (iii) after sine die adjournment of the regular session.

(b) Terms. – The term of office of a member of the Commission is ~~six years.~~four years, beginning effective January 1 of the year of appointment and terminating on December 31 of the year of expiration. At the expiration of each member's term, the appointing authority shall replace the member with a new member of like qualifications for a term of ~~six~~ four years. ~~The term of the member appointed under subdivision (5) of subsection (a1) of this section shall expire on June 30 of years that precede by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (3) and (6) of subsection (a1) of this section shall expire on June 30 of years that follow by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (4) and (7) of subsection (a1) of this section shall expire on June 30 of years that follow by three years those years that are evenly divisible by six. Upon the expiration of a six-year term, a member may continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7.~~In order to establish regularly overlapping terms, initial appointments shall be made effective June 1, 2016, or as soon as feasible thereafter, and expire as follows:

(1) The initial appointments made by the Governor:

a. Pursuant to subdivision (a1)(3) of this section shall expire December 31, 2020.

b. Pursuant to subdivision (a1)(4) of this section shall expire December 31, 2020.

c. Pursuant to subdivision (a1)(5) of this section shall expire December 31, 2019.

d. Pursuant to subdivision (a1)(6) of this section shall expire December 31, 2019.

(2) The initial appointment made by the General Assembly upon recommendation of the Speaker of the House of Representatives pursuant to subdivision (a1)(7) of this section shall expire December 31, 2018.

(3) The initial appointment made by the General Assembly upon recommendation of the President Pro Tempore of the Senate pursuant to subdivision (a1)(8) of this section shall expire December 31, 2018.

(c) Vacancies. – In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the Governor, prior to the expiration of the member's term of office, the name of the successor shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the General Assembly, vacancies in those appointments shall be filled in accordance with G.S. 120-122. If a vacancy arises or exists when the General Assembly is not in session, and the appointment is deemed urgent by the Governor, the member may be appointed by the Governor and serve on an interim basis pending confirmation or appointment by the General Assembly, as applicable. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(d) Removal. – The Governor may remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of ~~G.S. 143B-13.~~ G.S. 143B-13, or for good cause.

(e) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

(f) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

(g) Staff. – All clerical and other services required by the Commission shall be supplied by the Secretary of Environmental ~~Quality.~~Quality. The Commission staff shall be housed in the Department of Environmental Quality and supervised by the Secretary of Environmental Quality."

SECTION 6.(b) Notwithstanding the provisions of G.S. 143B-291(a2) and G.S. 143B-291(b), as enacted and amended by Section 6(a) of this act, initial appointments made by the Governor to the Commission shall not require confirmation by the General Assembly.

SECTION 7.(a) G.S. 143B-293.2 reads as rewritten:

"**§ 143B-293.2. North Carolina Oil and Gas Commission – members; selection; removal; compensation; quorum; services.**

(a) Repealed by Session Laws 2014-4, s. 4(a), effective July 31, 2015.

(a1) Members Selection. – The North Carolina Oil and Gas Commission shall consist of nine members appointed as follows:

(1) One appointed by the ~~General Assembly upon recommendation of the Speaker of the House of Representatives~~ Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who, at the time of initial appointment, is an elected official of a municipal government located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as an elected official of a municipal government but may not be reappointed to a subsequent term.

(2) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in conformance with G.S. 120-121, who shall be a geologist with experience in oil and gas exploration and development.

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in conformance with G.S. 120-121, who is a ~~member~~ representative of a nongovernmental conservation interest.

(4) One appointed by the ~~General Assembly upon recommendation of the President Pro Tempore of the Senate~~ Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who, at the time of initial appointment, is a member of a county board of commissioners of a county located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as county commissioner but may not be reappointed to a subsequent term.

(5) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in conformance with G.S. 120-121, who is a ~~member~~representative of a nongovernmental conservation interest.

(6) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in conformance with G.S. 120-121, who shall be an engineer with experience in oil and gas exploration and development.

(7) One appointed by the Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a representative of a publicly traded natural gas company.

(8) One appointed by the Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a licensed attorney with experience in legal matters associated with oil and gas exploration and development.

(9) One appointed by the Governor subject to confirmation in conformance with Section 5(8) of Article III of the North Carolina Constitution, with experience in matters related to public health.

(a2) Process for Appointments by the Governor. – The Governor shall transmit to the presiding officers of the Senate and the House of Representatives, within four weeks of the convening of the session of the General Assembly in the year for which the terms in question are to expire, the names of the persons to be appointed by the Governor and submitted to the General Assembly for confirmation by joint resolution. If an appointment is required pursuant to this subsection when the General Assembly is not in session, the member may be appointed and serve on an interim basis pending confirmation by the General Assembly. For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the regular session for more than 10 days, or (iii) after sine die adjournment of the regular session.

(b) Terms. – The term of office of members of the Commission is ~~three years.~~four years, beginning effective January 1 of the year of appointment and terminating on December 31 of the year of expiration. A member may be reappointed to no more than two consecutive ~~three-year~~four-year terms. The term of a member who no longer meets the qualifications of their respective appointment, as set forth in subsection ~~(a)~~(a1) of this section, shall terminate but the member may continue to serve until a new member who meets the qualifications is appointed. ~~The terms of members appointed under subdivisions (1), (4), and (7) of subsection (a1) of this section shall expire on June 30 of years evenly divisible by three. The terms of members appointed under subdivisions (2), (5), and (8) of subsection (a1) of this section shall expire on June 30 of years that precede by one year those years that are evenly divisible by three. The terms of members appointed under subdivisions (3), (6), and (9) of subsection (a1) of this section shall expire on June 30 of years that follow by one year those years that are evenly divisible by three.~~ In order to establish regularly overlapping terms, initial appointments shall be made effective June 1, 2016, or as soon as feasible thereafter, and expire as follows:

(1) The initial appointments made by the Governor:
a. Pursuant to subdivision (a1)(1) of this section shall expire December 31, 2020.
b. Pursuant to subdivision (a1)(4) of this section shall expire December 31, 2020.
c. Pursuant to subdivision (a1)(7) of this section shall expire December 31, 2020.
d. Pursuant to subdivision (a1)(8) of this section shall expire December 31, 2019.
e. Pursuant to subdivision (a1)(9) of this section shall expire December 31, 2019.

(2) The initial appointments made by the General Assembly upon recommendation of the Speaker of the House of Representatives:
a. Pursuant to subdivision (a1)(2) of this section shall expire December 31, 2018.
b. Pursuant to subdivision (a1)(3) of this section shall expire December 31, 2019.

(3) The initial appointments made by the General Assembly upon recommendation of the President Pro Tempore of the Senate:
a. Pursuant to subdivision (a1)(5) of this section shall expire December 31, 2018.
b. Pursuant to subdivision (a1)(6) of this section shall expire December 31, 2019.

(c) ~~Vacancies; Removal from Office.~~ Vacancies. – In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the Governor, prior to the expiration of the member's term of office, the name of the successor shall be submitted by the Governor within four weeks after the vacancy arises to the General Assembly for confirmation by the General Assembly. In case of death, incapacity, resignation, or vacancy for any other reason in the office of any member appointed by the General Assembly, vacancies in those appointments shall be filled in conformance with G.S. 120-122. If a vacancy arises or exists when the General Assembly is not in session and the appointment is deemed urgent by the Governor, the member may be appointed by the Governor and serve on an interim basis pending confirmation or appointment by the General Assembly, as applicable. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(c1) Removal. –

~~(1)~~ ~~Any appointment by the Governor to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.~~ The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of ~~1973.~~1973, or for good cause.

~~(2)~~ ~~Members appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. In accordance with Section 10 of Article VI of the North Carolina Constitution, a member may continue to serve until a successor is duly appointed.~~

(d) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

(e) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

(f) Staff. – All staff support required by the Commission shall be supplied by the Division of Energy, Mineral, and Land Resources and the North Carolina Geological ~~Survey.~~ Survey, and supervised by the Secretary of Environmental Quality.

(g) Committees. – In addition to the Committee on Civil Penalty Remissions required to be established under G.S. 143B-293.6, the chair may establish other committees from members of the Commission to address specific issues as appropriate. No member of a committee may hear or vote on any matter in which the member has an economic interest. A majority of a committee shall constitute a quorum for the transaction of business.

(h) Office May Be Held Concurrently With Others. – Membership on the Oil and Gas Commission is hereby declared to be an office that may be held concurrently with other elective or appointive offices in addition to the maximum number of offices permitted to be held by one person under G.S. 128-1.1."

SECTION 7.(b) Notwithstanding the provisions of G.S. 143B-293.2(a1) and G.S. 143B-293.2(b), as enacted and amended by Section 7(a) of this act, initial appointments made by the Governor to the Commission shall not require confirmation by the General Assembly.

SECTION 7.(c) For purposes of the rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules), modifications made to the Oil and Gas Commission under Section 7(a) of this act shall, pursuant to G.S. 150B-21.7, be construed to (1) have repealed authority to adopt such rules given to previously constituted commissions and (2) transferred the authority to adopt such rules to the Oil and Gas Commission as modified by Section 7(b) of this act. Therefore, pursuant to G.S. 150B-21.7, rules set forth in 15A NCAC 05H (Oil and Gas Conservation Rules) shall be effective until the Oil and Gas Commission, as modified Section 7(a) of this act, amends or repeals the rules.

SECTION 8. The provisions of this act shall be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid, the validity of the remainder of this act shall not be affected thereby.

SECTION 9. Except as otherwise provided, this act is effective when it becomes law. Requirements for establishment of a permanent alternative water supply under G.S. 130A-309.211(c1), as enacted by Section 1 of this act, shall apply only to households with drinking water supply wells in existence on the date this act becomes effective.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S 1

SENATE BILL 814*

Short Title:	Designate State CIO as Secretary of Dept.	(Public)
Sponsors:	Senators Tarte, Hise (Primary Sponsors); and Brock.	
Referred to:	Rules and Operations of the Senate	

May 5, 2016

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE STATE CHIEF INFORMATION OFFICER MAY ALSO BE REFERRED TO AS SECRETARY OF THE DEPARTMENT OF INFORMATION TECHNOLOGY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-1322(a) reads as rewritten:

"**§ 143B-1322. State CIO duties; Departmental personnel and administration.**

(a) State CIO. – The State Chief Information Officer (State CIO) is the head of the ~~Department and~~ Department, a member of the Governor's ~~cabinet.~~ cabinet, and may also be referred to as the Secretary of the Department of Information Technology. The State CIO is appointed by and serves at the pleasure of the Governor. The State CIO shall be qualified by education and experience for the office. The salary of the State CIO shall be set by the Governor. The State CIO shall receive longevity pay on the same basis as is provided to employees of the State who are subject to the North Carolina Human Resources Act."

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **673** **(CS#1)** Clarify Motor Vehicle Dealer Laws.

Draft Number:	S673-PCS45549-TG-72
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Hager

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE ORIGINAL BILL

SB **326** Increase JDIG Program Funding.

Draft Number:	S326-PCS15400-SU-54
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Brawley

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT

Representative David R. Lewis, Chair

FAVORABLE

SB **814** Designate State CIO as Secretary of Dept.

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

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **132** **(CS#1)** Carteret Fox Trapping.

Draft Number:	S132-PCS45555-TE-2
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Szoka

SB **848** **(CS#1)** Cary Charter Amendments.

Draft Number:	S848-PCS15401-BD-3
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Dollar

FAVORABLE FOR CONCURRENCE

HB **630** **(SCS#1)** Drinking Water Protect'n/Coal Ash Cleanup Act.

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

FAVORABLE HOUSE COM SUB NO. 2, UNFAVORABLE HOUSE COM SUB NO. 1

SB **349** **(HCS#1)** Restore Driving Privileges/Competency.

Draft Number:	S349-PCS35383-TG-78
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

SB **803** **(HCS#1)** Rev Laws Tech. Chg/No Permit for Fiber.

Draft Number:	S803-PCS45551-TMx-65
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Saine

TOTAL REPORTED: 6

HOUSE PAGES
(RULES CALENDAR AND OPERATIONS OF THE HOUSE)

Week of June 27-30, 2016

Name:	County:	Sponsor:
SYDNEY OLSON	WAKE	REP. SUSAN FISHER
MARY KATE ABNER	MECKLENBURG	REP. ROB BRYAN
ADDISON BUTLER	ROCKINGHAM	REP. BURT JONES
BAILEY JOURDEN	CUMBERLAND	REP. WILLIAM RICHARDSON

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 06/29/2016 Room: 1228

House Sgt-At Arms:

1. Name: David Leighton
2. Name: Young Bae
3. Name: Jim Moran
4. Name: Randy Wall
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

House Committee on Rules 06/29/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Robinson	NCRMA
Jaffel Cooper	CCS
T.C. Morphis	Town of Hope Mills
Sarah Bales	Brubaker Assoc
Tim Minar	NCHBA
Michelle Frazier	MFS
Allen Hardison	NCSWANA
Doug Lassiter	NCSTA
JC Ruppe	CS
Preston Howard	NCMA
Aaron Oxendine	DACS

Name	Agency/Firm & Address
Hanny Jones	Jordan Price, etc
Becki Gray	John Locke Foundation
[illegible]	NCCC
Tim Kent	NC Beer & Wine
Adam Priderman	NCBA
Jon Carr	Jordan Price
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Mark Lanier	UNCW
Steve Mange	NCRLA

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/29/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	Charter Comm
Elizabeth Biser	Brooks Pierce
Jackson Cozart	NSS / Cary
R Rogers	NCLCV&A
Chris Wall	PCS
Drew Moretz	UNC GA
David Pom	NC SR
Sharon Miller	CUCA
Amanda Donovan	TSS
Solari	DST
L Hugh	Cary NC

VISITOR REGISTRATION SHEET

House Committee on Rules 06/29/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CADY THOMAS	Focus Carolina
Weldon Jones	Forbes Force
Andy Fillo	NCDRC
JACK COZORT	NSS
Johanna Reese	NCACC
Gene Royall	NCFPC
Rev. MARK CREECH	CAL
Mia Bailey	ElectriCities
Angelle Purtee	SOS.
FLINT BENSON	SEANC
Jeff Moore	North State Journal
JACKSON STANCIL	CCS

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/29/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joy [illegible]	NCDA
Amanda Tipton	NCDA
Lindsey Anderson	NCJC
Chris Keller	NCJC
Al Ripley	NCJC
Sarah Collins	NCLM
Erin Wynia	NCLM
Jesse Way	NCLCV
Kris Parker	DRNC
[illegible] Fadden	student
Caraan Kuse	NVA
Evelyn [illegible]	CCUL

Ron Kaylor	Kaylor Law Firm
Maeve Gander	GSK
Andy Ellen	NCAHP
Matt Gross	NCPC
David Crawford	AHNC
Betsy Bailey	CAGC
Tom West	NCICU
Durwood Langdon	NS

VISITOR REGISTRATION SHEET

House Committee on Rules 06/29/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sam Perkins	Catawba Riverkeeper
Gary Salamido	NC Chamber
Dana Simpson	SA
Kara Weisiger	SA
Cameron Hardy	MLA
Scott Lasater	BENC
Daniel Valiente	Right Here
David Heinen	NC Center for Nonprofits
Paul Sherman	NCFB

VISITOR REGISTRATION SHEET

House Committee on Rules 06/29/16

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Meghan Cook	NC DIT
Penny Hull	SOG
Lori Ann Harris	DHHS
Tom Reeder	NC DEQ
Caroline Thomas	NC DEQ
Mollie Young	DEQ
Tom Reeder	DEQ
Katy Hanlin	Duke
Kelli Ikuma	Duke Energy
Susan Vick	Duke
Lonnie Orrell	LOLLC
Laura Puryear	LOLC

VISITOR REGISTRATION SHEET

House Committee on Rules — 06/29/16

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Colleen Kochanek	AANC
Will Brawley	AANC
Alex Miller	AMGA
GEOFF COHEN	NM
[signature]	NCAFC
Matthew Starr	Riverkeeper
Brooke Lainey Pearson	SELC
Meg Maccabee	SELC
Cassie Gavin	Sierra Club
Meredith Frankmeyer	NRCN
[signature]	NRCN

House Committee on Rules, Calendar, and Operations of the House
Thursday, June 30, 2016 at 7:30 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at 7:30 PM on June 30, 2016 in Room 1228/1327 of the Legislative Building. Representatives Boles, Bumgardner, Carney, Floyd, Fraley, L. Hall, Hastings, Jackson, Lewis, Reives, Szoka, Tine, and Torbett attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 419 Limit Revolving Door Employment. (Senator Hise)
Displaced.

SB 667 Elections Omnibus Revisions. (Senator Apodaca)
Displaced.

SB 898 2016 Appointments Bill. (Senator Apodaca)
Rep. Lewis moves favorable report. The motion carries.

HB 884 Amend Township ABC Elections. (Representative B. Brown)
Displaced.

The meeting adjourned at 7:45 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #2: Additions to calendar

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Thursday, June 30, 2016
TIME: **7:30 PM**
LOCATION: **1228/1327 LB**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 419	Limit Revolving Door Employment.	Senator Hise
SB 667	Elections Omnibus Revisions.	Senator Apodaca
SB 898	2016 Appointments Bill.	Senator Apodaca
HB 884	Amend Township ABC Elections.	Representative B. Brown

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:20 PM on Tuesday, July 12, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H 2

HOUSE BILL 884
Senate State and Local Government Committee Substitute Adopted 6/21/16

Short Title: Amend Township ABC Elections. (Public)

Sponsors:

Referred to:

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW REGARDING ABC ELECTIONS IN CERTAIN TOWNSHIPS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-600 is amended by adding a new subsection to read:

"(f2) Certain Township Elections. – An election may be called on any of the propositions listed in G.S. 18B-602(a), (d), and (h) in any township located within a county with only one incorporated municipality, where ABC stores have been established pursuant to law in the municipality, but not otherwise established in the county, the municipality had a population of less than 2,500 as of the 2010 federal census, the county is wholly surrounded by other counties of this State and does not share a border with another state, and part of the township is located within 1,000 feet of the boundary of a municipality in another county with a population between 35,000 and 45,000 as of the 2010 federal census. The election shall be held by the county board of elections upon request of the county board of commissioners or upon petition of twenty-five percent (25%) of the registered voters of the township. The election shall be conducted and the results determined in the same manner as county elections held under this Article. For purposes of this Article, townships holding any election under this subsection shall be treated on the same basis as counties, and municipalities located within those townships shall be treated on the same basis as cities.

For purposes of this subsection, the name and boundary of a township is as it is shown on the 2010 Census Redistricting TIGER/Line Shapefiles.

In any township election held under this subsection, the area within any incorporated municipality is excluded, and no permits may be issued under this subsection in any excluded area.

In order for an establishment to qualify for a permit under this subsection, the establishment's gross receipts from food and nonalcoholic beverages shall be greater than its gross receipts from alcoholic beverages."

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 667
House Committee Substitute Favorable 6/30/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S667-PCS15406-ST-130

Short Title: Elections Omnibus Revisions. (Public)

Sponsors:

Referred to:

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO CREATE CONSISTENCY IN THE TIME PROVIDED TO COMPLETE ELECTION CANVASSES; TO REQUIRE THE ATTORNEY GENERAL TO DEFEND LOCAL ACTS AGAINST FACIAL CHALLENGES; TO PROVIDE FOR BALLOT ORDERING OF CANDIDATES FOR JUDGE OF THE COURT OF APPEALS; TO REQUIRE EXPLANATORY CAPTIONS FOR CONSTITUTIONAL AMENDMENTS ON BALLOTS; TO AUTHORIZE THE JOINT LEGISLATIVE ELECTIONS OVERSIGHT COMMITTEE TO STUDY MUNICIPAL ELECTIONS IN EVEN-NUMBERED YEARS; TO UPDATE THE FILING PERIOD FOR ELECTIONS IN THE CITY OF REIDSVILLE; TO PROVIDE FOR PARTICIPATION IN THE CENSUS REDISTRICTING DATA PROGRAM AND FOR RETURN OF ELECTION DATA; AND TO ALLOW JUDICIAL REVIEW OF EARLY ONE-STOP DECISIONS BY THE STATE BOARD OF ELECTIONS TO BE HEARD IN A COUNTY OTHER THAN WAKE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-182.5(b) reads as rewritten:

"(b) Canvassing by County Board of Elections. – The county board of elections shall meet at 11:00 A.M. on the tenth day after every election ~~held on the same day as a general election in November of the even-numbered year, and at 11:00 A.M. on the seventh day after every other election,~~ to complete the canvass of votes cast and to authenticate the count in every ballot item in the county by determining that the votes have been counted and tabulated correctly. If, despite due diligence by election officials, the initial counting of all the votes has not been completed by that time, the county board may hold the canvass meeting a reasonable time thereafter. The canvass meeting shall be at the county board of elections office, unless the county board, by unanimous vote of all its members, designates another site within the county. The county board shall examine the returns from precincts, from absentee official ballots, from the sample hand-to-eye paper ballot counts, and from provisional official ballots and shall conduct the canvass."

SECTION 2.(a) Article 6 of Chapter 1 of the General Statutes is amended by adding a new section to read:

"**§ 1-72.3. State a party to certain actions.**

The State shall be a party whenever the validity or constitutionality of a local act of the General Assembly is the subject of an action in any court and, except as provided in G.S. 147-17, shall be represented by the Attorney General. This section shall not affect any authority under G.S. 1-72.2 or G.S. 120-32.6."

SECTION 2.(b) G.S. 114-2.3 is amended by adding a new subsection to read:

"(c) Except as provided in G.S. 147-17, the Attorney General shall represent the State in any action requiring the State to be a party under G.S. 1-72.3."

SECTION 2.(c) This section becomes effective August 1, 2016, and applies to actions filed on or after that date.

SECTION 3. G.S. 163-165.6 is amended by adding a new subsection to read:

"(d1) Order of Candidates for Judge of the Court of Appeals on General Election Official Ballot. – Candidates for judge of the Court of Appeals on a general election official ballot shall appear in the following order:

(1) Candidates registered with political parties that reflect at least five percent (5%) of statewide voter registration, according to the most recent statistical report published by the State Board of Elections, in alphabetical order by party beginning with the party whose nominee for Governor received the most votes in the most recent gubernatorial election and in alphabetical order within the party.

(2) Candidates registered with other political parties, in alphabetical order by party and in alphabetical order within the party.

(3) Unaffiliated candidates, in alphabetical order."

SECTION 4.(a) G.S. 163-165.6(g) reads as rewritten:

"(g) Order of Precedence for Referenda. – The referendum questions to be voted on shall be arranged on the official ballot in the following order:

(1) Proposed amendments to the North Carolina Constitution, in the chronological order in which the proposals were approved by the General Assembly. Proposed amendments shall be designated by only the short caption provided by the Constitutional Amendments Publication Commission under Article 4A of Chapter 147 of the General Statutes.

(2) Other referenda to be voted on by all voters in the State, in the chronological order in which the proposals were approved by the General Assembly.

(3) Referenda to be voted on by fewer than all the voters in the State, in the chronological order of the acts by which the referenda were properly authorized."

SECTION 4.(b) G.S. 147-54.10 reads as rewritten:

"**§ 147-54.10. Powers.**

(a) At least ~~60~~ 75 days before an election in which a proposed amendment to the Constitution, or a revised or new Constitution, is to be voted on, the Commission shall prepare an explanation of the amendment, revision, or new Constitution in simple and commonly used language. The explanation shall include a short caption reflecting the contents, that shall not include a numerical or other reference of order, to be used on the ballot and the printed summary.

(b) The summary prepared by the Commission shall be printed by the Secretary of State, in a quantity determined by the Secretary of State. A copy shall be sent along with a news release to each county board of elections, and a copy shall be available to any registered voter or representative of the print or broadcast media making request to the Secretary of State. The Secretary of State may make copies available in such additional manner as ~~he~~the Secretary may determine."

SECTION 5. It is the intent of the General Assembly to provide for even-numbered year municipal elections, effective with the 2020 election cycle. The Joint Legislative Elections Oversight Committee shall study the options to implement this change and recommend to the General Assembly any legislation it deems advisable. It shall make a final report before the convening of the 2017 Regular Session of the General Assembly.

SECTION 6. Section 3.5 of the Charter of the City of Reidsville, being Chapter 957, Session Laws of 1989, as rewritten by Chapter 306 of the 1993 Session Laws, reads as rewritten:

"Section 3.5. **Filing Period.** In all city election years, the period for filing notices of candidacy shall ~~begin at noon on the first Friday in August and end at noon on the third Friday in August preceding the election.~~be as provided for in the General Statutes."

SECTION 7.(a) Article 12A of Chapter 163 of General Statutes is amended by adding a new section to read:

"**§ 163-132.1C. Participation in the 2020 Census Redistricting Data Program of the United States Census Bureau.**

(a) Participation. – The State of North Carolina shall participate in the 2020 Census Redistricting Data Program, conducted pursuant to P.L. 94-171, of the United States Bureau of the Census, so that the State will receive 2020 Census data by voting districts.

(b) Reporting of Voting Districts. – The Executive Director of the State Board of Elections shall report to the Bureau of the Census this State's voting precincts as of January 1, 2018, to be used in the 2020 Census as voting districts. Before making that report, the Executive Director shall consult with the Legislative Services Office concerning the accuracy of the information to be reported. The Executive Director shall submit the report to the Bureau of the Census in time to comply with the deadlines of that Bureau for the 2020 Census Redistricting Data Program. The Executive Director, with the assistance of the county boards of elections, shall participate in the Bureau of the Census's verification program and notify the Bureau of the Census of any errors in the entry of the voting districts in time for those errors to be corrected.

(c) Additional Rules. – The Executive Director and the Legislative Services Officer shall develop a systematic method for review and input by the Legislative Services Office prior to the submission required by subsection (b) of this section."

SECTION 7.(b) G.S. 163-132.1B is repealed.

SECTION 7.(c) The State Board of Elections shall develop a proposed voting district map on or before September 1, 2016, to be submitted to the Joint Legislative Elections Oversight Committee and the Legislative Services Office on or before December 1, 2016. The proposed map developed by the State Board shall take into consideration all of the following factors:

(1) Reasonable size limitations of the proposed voting district, including total population and total registered voters.

(2) Alignment of proposed boundaries with visible features, such as roads and bodies of water.

(3) Potential election administration efficiencies if the proposed voting districts were used as voting precinct boundaries in an election, to include:

a. Potential polling places within the proposed voting district.

b. Distance to the potential polling places for the voters to travel on election day.

c. Number of voters for voting in person.

SECTION 7.(d) The county boards of election, shall, on or before November 1, 2017, report any requested changes to precinct boundaries to be used in elections held on or after January 1, 2018. The State Board of Elections shall develop criteria for the county boards of elections to use in developing proposed precinct boundaries, shall notify the county boards of elections of the requirement to submit proposed changes, and shall facilitate the county boards of elections in developing proposed boundary changes. The State Board of Elections shall consult with the Legislative Services Office about the proposed changes to precinct boundaries in a timely and systemic manner in order to accommodate submitting a statewide map of updated precinct boundaries to the Bureau of the Census for the Phase 2 Voting District Project. Upon receipt of the voting districts geography from the Bureau of the Census for the 2020 Census, the Executive Director of the State Board of Elections and the Legislative Services Office shall determine if any alterations to the precinct boundaries are needed in order to comply with G.S. 163-132.3(a1)(1), as enacted by Section 8(a) of this act.

SECTION 8.(a) G.S. 163-132.3 reads as rewritten:

"**§ 163-132.3. Alterations to approved precinct boundaries.**

(a) No county board of elections may change any precinct boundary unless approved by the Executive Director of the State Board of ~~Elections determines that the county board has a current capability of complying with G.S. 163-132.1B(a2) by reporting all election returns by voting tabulation district as required by G.S. 163-132.5G. If the Executive Director so determines, the county board may make any changes to precinct boundaries, provided that all proposed new precincts shall consist solely of contiguous territory.~~Elections.

(a1) The State Board of Elections ~~may~~ shall set uniform standards for precinct ~~boundaries, which~~ boundaries that the county boards of elections shall follow. Any uniform standards for precinct boundaries set by the State Board shall comply with all of the following:

(1) Precinct boundaries shall coincide with Census block boundaries.

(2) Precincts shall consist solely of contiguous territory.

(3) Precincts shall consist of territory and population that allows for efficient and accurate administration of elections, taking into consideration available polling places and access to polling places.

(4) The county shall be able to reallocate any out of precinct ballots cast by a voter to the precinct associated with that voter's voter registration for purposes of reporting the results of an election.

(a2) The county board of elections shall report every change in precinct boundary to the Executive Director in a format required by the Executive Director.

~~The county boards of elections shall report precinct boundary changes to the Executive Director in the manner the Executive Director directs.~~ No newly created or altered precinct boundary is effective until approved by the Executive Director of the State Board as being in compliance with this section.

(b) The Executive Director of the State Board of Elections shall examine the maps of the proposed new or altered precincts and any required written descriptions. If the Executive Director of the State Board determines that all precinct boundaries are in compliance with this section, the Executive Director of the State Board shall approve the maps and written descriptions as filed and these precincts shall be the official ~~precincts.~~precincts for voting.

(c) If the Executive Director of the State Board determines that the proposed precinct boundaries are not in compliance with subsection ~~(a)~~(a1) of this section, the Executive Director shall not approve those precinct boundaries. The Executive Director shall notify the county board of elections of ~~his~~ the disapproval specifying the reasons. The county board of elections may then resubmit new precinct maps and written descriptions to cure the reasons for ~~their~~ the disapproval.

(d) Repealed by Session Laws 2004-127, s. 1(a), effective August 15, 2004, and applicable to precincts established or changed on or after that date.

(e) Repealed by Session Laws 2007-391, s. 6(b), effective January 1, 2008."

SECTION 8.(b) This section becomes effective January 1, 2020, and shall apply to all alterations of precinct boundaries on or after that date.

SECTION 9.(a) G.S. 163-132.5G reads as rewritten:

"**§ 163-132.5G. Voting data maintained by ~~voting tabulation district.~~precinct.**

(a) Each county board of elections shall maintain voting data by voting ~~tabulation district as provided in G.S. 163-132.1B~~precinct so that ~~voting tabulation district~~precinct returns for each item on the ballot shall include the votes cast by all residents of ~~the voting tabulation district~~that voting precinct who voted, regardless of where ~~they~~ the voter voted. The county board shall not be required to report returns by voting ~~tabulation district~~precinct for voters who voted other than at ~~their~~ the voting precinct ~~voting place on election day~~ associated with that voter's voter registration until ~~60~~ 30 days after the election. In reporting returns, the county board shall not compromise the secrecy of an individual's ballot.

(b) The ~~60-day~~30-day deadline for reporting returns by voting ~~tabulation district~~precinct does not relieve the county board of the duty to report all returns as soon as practicable after the election according to other categories specified by the State Board of Elections.

(c) The State Board of Elections shall adopt rules for the enforcement of this section."

SECTION 9.(b) G.S. 163-165.7 reads as rewritten:

"**§ 163-165.7. Voting systems: powers and duties of State Board of Elections.**

(a) **(Effective until January 1, 2018 or September 1, 2019 – see note)** Only voting systems that have been certified by the State Board of Elections in accordance with the procedures set forth by the State Board of Elections and subject to the standards set forth in this section and that have not been subsequently decertified shall be permitted for use in elections in this State. Those certified voting systems shall be valid in any election held in the State or in any county, municipality, or other electoral district in the State. Subject to all other applicable rules adopted by the State Board of Elections and, with respect to federal elections, subject to all applicable federal regulations governing voting systems, paper ballots marked by the voter and counted by hand shall be deemed a certified voting system. The State Board of Elections shall certify optical scan voting systems, optical scan with ballot markers voting systems, and direct record electronic voting systems if any of those systems meet all applicable requirements of federal and State law. The State Board may certify voting systems only if they meet the requirements set forth in this section and only if they generate either a paper ballot or a paper record by which voters may verify their votes before casting them and which provides a backup means of counting the vote that the voter casts. Those voting systems may include optical scan and direct record electronic (DRE) voting systems. Among other requirements as set by the State Board of Elections, the certification requirements shall require at least all of the following elements:

(1) That the vendor post a bond or letter of credit to cover damages resulting from defects in the voting system. Damages may include, among other items, any costs of conducting a new election attributable to those defects.

(2) That the voting system comply with all federal requirements for voting systems.

(3) That the voting system must have the capacity to include in voting ~~tabulation~~ district returns the votes cast by voters outside of the ~~voter's voting tabulation district as required by G.S. 163-132.5G.~~precinct associated with that voter's voter registration.

...

(a) **(Effective January 1, 2018 or September 1, 2019 – see note)** Only voting systems that have been certified by the State Board of Elections in accordance with the procedures set forth by the State Board of Elections and subject to the standards set forth in this section and that have not been subsequently decertified shall be permitted for use in elections in this State. Those certified voting systems shall be valid in any election held in the State or in any county, municipality, or other electoral district in the State. Subject to all other applicable rules adopted by the State Board of Elections and, with respect to federal elections, subject to all applicable federal regulations governing voting systems, paper ballots marked by the voter and counted by hand shall be deemed a certified voting system. The State Board of Elections shall certify optical scan voting systems, optical scan with ballot markers voting systems, and direct record electronic voting systems if any of those systems meet all applicable requirements of federal and State law.

The State Board may certify voting systems only if they meet the requirements set forth in this section and only if they generate a paper ballot which provides a backup means of counting the vote that the voter casts. Those voting systems may include optical scan and direct record electronic (DRE) voting systems that produce a paper ballot. Among other requirements as set by the State Board of Elections, the certification requirements shall require at least all of the following elements:

(1) That the vendor post a bond or letter of credit to cover damages resulting from defects in the voting system. Damages may include, among other items, any costs of conducting a new election attributable to those defects.
(2) That the voting system comply with all federal requirements for voting systems.
(3) That the voting system must have the capacity to include in voting ~~tabulation~~ district returns the votes cast by voters outside of the ~~voter's voting tabulation district as required by G.S. 163-132.5G.~~precinct associated with that voter's voter registration.

...."

SECTION 9.(c) Until January 1, 2020, the State Board of Elections shall report for each voter registration the current voting precinct and the 2010 Census Bureau voting tabulation district.

SECTION 9.(d) This section becomes effective September 1, 2016, and applies to elections conducted on or after that date and contracts awarded on or after that date.

SECTION 11. G.S. 163-227.2 is amended by adding a new subsection to read:

"(k) Notwithstanding G.S. 163-22(l), any action challenging any decision of the State Board under this section shall be brought in the county of the one-stop voting."

SECTION 10. Except as otherwise provided, this act is effective when it becomes law and applies to elections held on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 898
Rules and Operations of the Senate Committee Substitute Adopted 6/29/16
Third Edition Engrossed 6/30/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S898-PCS45559-LG-16

Short Title: 2016 Appointments Bill. (Public)

Sponsors:

Referred to:

June 27, 2016

A BILL TO BE ENTITLED

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATIONS OF THE PRESIDENT PRO TEMPORE OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND THE MAJORITY LEADER OF THE SENATE, AND TO MAKE TECHNICAL CHANGES.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives; and

Whereas, the President Pro Tempore of the Senate and the Speaker of the House of Representatives have made recommendations; and

Whereas, G.S. 143B-168.12 authorizes the General Assembly to appoint a member of the public to the Board of Directors of the North Carolina Partnership for Children, Inc., upon the recommendation of the Majority Leader of the Senate; and

Whereas, the Majority Leader of the Senate has made a recommendation; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS

SECTION 1.1. Effective October 1, 2016, Owen D. Andrews of Craven County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2020.

SECTION 1.2. G.S. 90-471 requires the terms of members of the North Carolina Institute of Medicine Board of Directors to be staggered. To stagger the terms, the terms of Keith Holtsclaw of Mitchell County and Dr. Penney Burlingame Deal of Onslow County appointed to the North Carolina Institute of Medicine Board of Directors expire on December 31, 2017.

SECTION 1.3. Effective January 1, 2017, Joshua T. Brown of Durham County and Jeffrey H. Ledford of Cleveland County are appointed to the 911 Board for terms expiring on December 31, 2020.

SECTION 1.4. Dr. Kevin Sharp of Forsyth County is appointed to the North Carolina State Board of Chiropractic Examiners for a term expiring on June 30, 2019.

SECTION 1.5. Virginia R. Smith of Johnston County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2018.

SECTION 1.6. Toni Rittenberg of Craven County and Ji Fei "Jeffrey" Wang of Mecklenburg County are appointed to the Acupuncture Licensing Board for terms expiring on June 30, 2019.

SECTION 1.7. Aaron Fleming of Wake County and Cory S. Causby of Haywood County are appointed to the North Carolina Center for the Advancement of Teaching Board of Trustees for terms expiring June 30, 2020.

SECTION 1.8. Belinda Ann Tate of Forsyth County is appointed to the African-American Heritage Commission for a term expiring on June 30, 2019.

SECTION 1.9. Dr. Charles Bruce Williams of New Hanover County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on June 30, 2019.

SECTION 1.10. Jennifer Sullivan of Cumberland County is appointed to the North Carolina Arboretum Board of Directors for a term expiring on June 30, 2020.

SECTION 1.11. Effective March 1, 2016, Vincent DeBenedetto of Wake County is appointed to the North Carolina Capital Facilities Finance Agency Board of Directors for a term expiring on February 28, 2020.

SECTION 1.12. Elizabeth Gilleland of Wake County and Reverend Charles F. McDowell III of Scotland County are appointed to the North Carolina Child Care Commission for terms expiring on June 30, 2018.

SECTION 1.13. William Toole of Gaston County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees Council for a term expiring on July 1, 2019.

SECTION 1.14. Michael S. Edwards of Wake County is appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for a term expiring on June 30, 2019.

SECTION 1.15. Effective January 1, 2017, Jonathan A. Jeffries of Randolph County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2019.

SECTION 1.16. Richard L. Hill of Pitt County and Cynthia R. Barringer of Cabarrus County are appointed to the North Carolina Manufactured Housing Board for terms expiring on June 30, 2019.

SECTION 1.17. William Russell Davis of Onslow County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2019.

SECTION 1.18. Cynthia Tart of Brunswick County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2019.

SECTION 1.19. Rhett N. Mabry of Mecklenburg County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2019.

SECTION 1.20. Michael J. Atkins of Wake County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2019.

SECTION 1.21. Robin L. Ross of Caldwell County is appointed to the North Carolina Respiratory Care Board for a term expiring on June 30, 2019.

SECTION 1.22. Zenas E. Fearing of Dare County, Edward Brent Lane of Wake County, and Clark S. Twiddy of Dare County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2018.

SECTION 1.23. Pamela J. Cundiff of Rockingham County and Heath R. Jenkins of Gaston County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2019.

SECTION 1.24. Effective April 1, 2016, Edward Ashby of Surry County is appointed to the North Carolina State Banking Commission for a term expiring on March 31, 2020.

SECTION 1.25. Susan B. Lewis of Gaston County is appointed to the North Carolina State Building Commission for a term expiring on June 30, 2019.

SECTION 1.26. Effective January 1, 2017, Daniel Zeller of Guilford County is appointed to the State Ethics Commission for a term expiring on December 31, 2020.

SECTION 1.27. Diane R. Smith of Caldwell County is appointed to the North Carolina State Board of Cosmetic Art Examiners for a term expiring on June 30, 2019.

SECTION 1.28. Jerome J. Cook of Forsyth County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2018.

SECTION 1.29. Melinda L. Baran of Wake County is appointed to the Supplemental Retirement Board of Trustees for a term expiring on June 30, 2019.

SECTION 1.30. Ronald Cooper of Pitt County and Perri Morgan of Wake County are appointed to the Umstead Act Unfair Competition Panel for terms expiring on June 30, 2020.

SECTION 1.32. Dr. Brian B. Sheitman of Wake County and Robin Todd-Hall of Caldwell County are appointed to the North Carolina Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for terms expiring on June 30, 2019.

SECTION 1.33. Charles E. Vines of Mitchell County is appointed to the North Carolina State Water Infrastructure Authority for a term expiring on June 30, 2018.

SECTION 1.34. Effective on the date this act becomes law, Ernie L. Coleman of Beaufort County and Benjamin J. Curtis of Rockingham County are appointed to the Governor's Crime Commission for terms expiring on February 28, 2017.

SECTION 1.35. Effective September 1, 2016, Angela L. Harris of Franklin County, Gregory C. Light of Rockingham County, The Honorable David V. Byrd of Wilkes County, and Maureen H. Krueger of Moore County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2018.

SECTION 1.36. Michael J. Martini of Guilford County and Sajjan Agarwal of Wake County are appointed to the North Carolina Education and Workforce Innovation Commission for terms expiring on June 30, 2019.

SECTION 1.37. Effective January 1, 2017, Marie D. Inscore of Nash County, James P. Danahy of Guilford County, and Lorraine Benthin of Rockingham County are appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for terms expiring on December 31, 2019.

SECTION 1.38. Effective January 1, 2017, Hugh Campbell of Surry County is appointed to the North Carolina State Judicial Council for a term expiring on December 31, 2020.

SECTION 1.39. H. Vernon Massengill of Caswell County is appointed to the North Carolina State Fire and Rescue Commission for a term expiring on June 30, 2019.

SECTION 1.40. Effective on the date this act becomes law, Leslie T. Everett of Pitt County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on June 30, 2018, to fill the unexpired term of Chris Nuckolls.

SECTION 1.41. Effective on the date this act becomes law, Michael Caron of Union County is appointed to the North Carolina Landscape Contractors' Licensing Board for a term expiring on July 31, 2018.

PART II. SPEAKER'S RECOMMENDATIONS

SECTION 2.1. Karen A. Vaughn of New Hanover County is appointed to the Acupuncture Licensing Board for a term expiring on June 30, 2019.

SECTION 2.2. Effective October 1, 2016, Marvin N. Arrington of Pitt County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2016.

SECTION 2.3. Harold T. Owen of Alamance County is appointed to the Board of Directors of the North Carolina Arboretum for a term expiring on June 30, 2020.

SECTION 2.4. Anthony L. Gordon of Wake County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on June 30, 2019.

SECTION 2.5. Effective October 1, 2016, Craig Fitzgerald of Wake County is appointed to the North Carolina Brain Injury Advisory Council for a term expiring on September 30, 2020.

SECTION 2.6. Kirby J. Robinson of Forsyth County is appointed to the North Carolina State Building Commission for a term expiring on June 30, 2018, to fill the unexpired term of Kent Jackson.

SECTION 2.7. Robert Seligson of Wake County is appointed to the Centennial Authority for a term expiring on June 30, 2020.

SECTION 2.8. Kristin Weaver of Wake County, Brooke H. King of Wayne County, and Amelie F. Schoel of Union County are appointed to the North Carolina Child Care Commission for terms expiring on June 30, 2018.

SECTION 2.9. Charles E. Vines of Mitchell County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2019.

SECTION 2.10. James B. Steele of New Hanover County and Allen Kelly of Wake County are appointed to the North Carolina Code Officials Qualifications Board for terms expiring on June 30, 2020.

SECTION 2.11.(a) Joel R. Shores of Cleveland County is appointed to the Criminal Justice Information Network Governing Board for a term expiring on June 30, 2017, to fill the unexpired term of Robert A. Graves.

SECTION 2.11.(b) William M. Bryan of Nash County is appointed to the Criminal Justice Information Network Governing Board for a term expiring on June 30, 2019, to fill the unexpired term of Norlan Graves.

SECTION 2.12. Effective September 1, 2016, Johnette R. Smith of Wake County, Michael C. Phillips of Wake County, Mary Catherine Stevens of Surry County, Charles E. Campbell, II, of Moore County, and Julia B. Freeman of Haywood County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2018.

SECTION 2.13. Effective December 1, 2016, Russell L. Proctor of Nash County is appointed to the Economic Investment Committee for a term expiring on November 30, 2018.

SECTION 2.14. Effective January 1, 2017, Representative D. Craig Horn of Union County is appointed to the Education Commission of the States for a term expiring on December 31, 2019.

SECTION 2.15. Judith E. Irwin of Johnston County and Anthony D. Fogleman of Cleveland County are appointed to the North Carolina Education and Workforce Innovation Commission for terms expiring on June 30, 2019.

SECTION 2.16. Effective September 1, 2016, Ronda Jones of Stokes County is appointed to the North Carolina Board of Electrolysis Examiners for a term expiring on August 31, 2019.

SECTION 2.17. Effective January 1, 2017, Robert E. Moseley, Jr., of Wake County is appointed to the State Ethics Commission for a term expiring on December 31, 2020.

SECTION 2.18. Michael C. "Mike" Stone of Lee County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2017, to fill the unexpired term of James B. Combs.

SECTION 2.19. Wanda Burns-Ramsey of Johnston County is appointed to the North Carolina State Commission for Indian Affairs for a term expiring on June 30, 2018.

SECTION 2.20. Effective September 1, 2016, David Mark Hullender of Cleveland County is appointed to the Commission on Indigent Defense Services for a term expiring on August 31, 2020.

SECTION 2.21. Effective January 1, 2017, Tammy B. Owens of Wake County, Joe M. Cabaleiro of Wake County, Michael Tramber of Forsyth County, and Cathy L. Swanson of

Caldwell County are appointed to the License to Give Trust Fund for terms expiring on December 31, 2018.

SECTION 2.22. Effective January 1, 2017, James M. "Mike" Williams of Henderson County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2019.

SECTION 2.23. Effective January 1, 2017, Charles D. Greene of Forsyth County and Eric S. Cramer of Wake County are appointed to the 911 Board for terms expiring on December 31, 2020.

SECTION 2.24. Jerry O. Pearce of Wake County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on July 1, 2019.

SECTION 2.25.(a) Effective October 1, 2016, William Larry Stone of Cleveland County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2020.

SECTION 2.25.(b) If House Bill 1030, 2016 Regular Session of the 2015 General Assembly becomes law, then effective October 1, 2016, James A. Harrill, III, of Wake County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 2.26. Lydia Boesch of Moore County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on July 1, 2019.

SECTION 2.27. Daniel L. Gurley of Wake County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2018.

SECTION 2.28. Roy E. Carroll of Guilford County is appointed to the North Carolina Railroad Board of Directors for a term expiring on June 30, 2019, to fill the unexpired term of Gervais Oxendine.

SECTION 2.29. Tracy J. Warren of Beaufort County is appointed to the North Carolina Recreational Therapy Licensing Board for a term expiring on June 30, 2019.

SECTION 2.30. Kenneth J. Daidone of Dare County, James W. "Walt" Spruill of Dare County, and Areca J. Oliff of Dare County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2018.

SECTION 2.31. Jeannette K. Doran of Wake County and Paul Powell of Guilford County are appointed to the Rules Review Commission for terms expiring on June 30, 2018.

SECTION 2.32. Lige Daughtridge of Nash County and Frank A. Stewart of Gaston County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2019.

SECTION 2.33. Donald L. Wells of Vance County is appointed to the North Carolina Board for Licensing of Soil Scientists for a term expiring on June 30, 2019.

SECTION 2.34. Kevin S. Gordon of Cleveland County is appointed to the State Fire and Rescue Commission for a term expiring on June 30, 2019.

SECTION 2.35. Dr. Donald L. Martin, Jr., of Forsyth County is appointed to the Board of Trustees of the State Health Plan for Teachers and State employees for a term expiring on June 30, 2018.

SECTION 2.36. Effective January 1, 2017, James A. Phillips, Jr., of Stanly County is appointed to the State Judicial Council for a term expiring on December 31, 2020.

SECTION 2.37. Calvin H. Stiles of Cherokee County is appointed to the State Water Infrastructure Authority for a term expiring on June 30, 2018.

SECTION 2.38. Michael H. Lewis of Wake County is appointed to the Supplemental Retirement Board of Trustees for a term expiring on June 30, 2019.

SECTION 2.39. Effective January 14, 2017, T. Scott Aman of Halifax County is appointed to the North Carolina Turnpike Authority Board for a term expiring on January 14, 2023.

SECTION 2.40. Justin N. Barefoot of Johnston County and David J. Brown of Yadkin County are appointed to the Well Contractors Certification Commission for terms expiring on June 30, 2019.

SECTION 2.41. Brian Maness of Guilford County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2019.

SECTION 2.42. If House Bill 1146, 2016 Regular Session of the 2015 General Assembly becomes law, then R. Eugene Davis, Jr., of Wake County and Mary Jo Cresimore of Wake County are appointed to the Museum of Art Board of Directors for terms expiring on June 30, 2020.

SECTION 2.43. If House Bill 630, 2016 Regular Session of the 2015 General Assembly becomes law, then Johnny Hutchins of Cleveland County is appointed to the North Carolina Mining Commission for a term beginning June 1, 2016, and expiring on December 31, 2018.

SECTION 2.44.(a) If House Bill 630, 2016 Regular Session of the 2015 General Assembly becomes law, then Dr. Karen Sullivan Glaser of Lee County is appointed to the North Carolina Oil and Gas Commission for a term beginning June 1, 2016, and expiring on December 31, 2018.

SECTION 2.44.(b) If House Bill 630, 2016 Regular Session of the 2015 General Assembly becomes law, then Raymond P. Covington of Guilford County is appointed to the North Carolina Oil and Gas Commission for a term beginning June 1, 2016, and expiring on December 31, 2019.

PART III. SENATE MAJORITY LEADER'S RECOMMENDATION

SECTION 3. Effective January 1, 2017, Cheryl Cavanaugh of Onslow County is appointed to the North Carolina Partnership for Children, Inc., Board of Directors for a term expiring on December 31, 2019.

PART IV. CORRECTIONS

SECTION 4.1. Section 1.12 of S.L. 2015-254 reads as rewritten:

"**SECTION 1.12.** Effective ~~August 1, 2015,~~July 1, 2015, J. Frank Bragg of Mecklenburg County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on ~~July 31, 2017.~~July 1, 2018."

SECTION 4.2. Section 1.58 of S.L. 2015-254 reads as rewritten:

"**SECTION 1.58.** Effective September 1, 2015, Sheriff James "Alan" Norman of Cleveland County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on ~~June 30, 2017.~~August 31, 2018."

PART V. EFFECTIVE DATE

SECTION 5. Unless otherwise provided, this act becomes effective July 1, 2016.

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB

SB **898** **(CS#1)** 2016 PPT Appointments Bill.

Draft Number:	S898-PCS45559-LG-16
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes
Floor Manager:	Lewis

TOTAL REPORTED: 1

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Rules

DATE: 06/30/2016 Room: 1228

House Sgt-At Arms:

1. Name: David Leighton
2. Name: Doug Harris
3. Name: Dean Marshbourne
4. Name: Malachi McCullough
5. Name:

Senate Sgt-At Arms:

1. Name:
2. Name:
3. Name:
4. Name:
5. Name:

House Committee on Rules, Calendar, and Operations of the House
Friday, July 1, 2016 at During First Recess
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Rules, Calendar, and Operations of the House met at During First Recess on July 1, 2016 in Room 1228/1327 of the Legislative Building. Representatives Boles, Bumgardner, Burr, Carney, Cotham, Davis, Goodman, L. Hall, Hanes, Hastings, Jackson, L. Johnson, Lewis, Robinson, Torbett, and Wray attended.

Representative David R. Lewis, Chair, presided.

The following bills were considered:

SB 821 GSC Technical Corrections 1. (Senator Hartsell)
Rep. Lewis moves favorable report to the PCS as amended and gives staff the authority to make any technical and clarifying changes needed. The motion carries.

SB 890 Elections Every Four Years/Town of Marietta. (Senator Smith)
Rep. Torbett moves favorable report. The motion carries.

The meeting adjourned at 5:00 PM.

Representative David R. Lewis, Chair
Presiding

Mark Coggins, Committee Clerk

Corrected #4: Bill added to calendar

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

You are hereby notified that the **House Committee on Rules, Calendar, and Operations of the House** will meet as follows:

DAY & DATE: Friday, July 1, 2016
TIME: **During First Recess**
LOCATION: **1228/1327 LB**
COMMENTS: **DURING THE NEXT HOUSE RECESS**

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 821	GSC Technical Corrections 1.	Senator Hartsell
SB 890	Elections Every Four Years/Town of Marietta.	Senator Smith

Respectfully,

Representative David R. Lewis, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:21 PM on Tuesday, July 12, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Mark Coggins (Committee Assistant)

SENATE BILL 821:
GSC Technical Corrections 1.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	**Date:**	July 1, 2016
Introduced by:	Sen. Hartsell	**Prepared by:**	Wendy Ray Committee Counsel
Analysis of:	PCS to Fourth Edition S821-CSSU-55		

SUMMARY: ***The PCS for Senate Bill 821 makes technical changes recommended by the General Statutes Commission and various other changes to State law.***

Part I of the PCS for this bill (Sections 1-14.1) contains technical changes recommended by the General Statutes Commission. Part II of the PCS contains additional technical amendments and changes to State law.

BILL ANALYSIS:

PART I. General Statutes Commission Recommendations

Sections 1 through 14.1 contain corrections of a technical nature that are recommended by the General Statutes Commission. The text of the General Statutes Commission's explanatory memorandum has been added to the end of this summary.

PART II. Other Amendments

Section 15 would amend the statute governing special judges by specifying that the five-year term for the special superior court judge commencing March 1, 2011, shall expire the earlier of September 30, 2016, or upon retirement, resignation, removal from office, or death.

Section 16 (a-k) would make essentially the same amendment to various statutes that list the institutions in which funds are authorized to be deposited. The list covers monies subject to an interpleader action; occupational licensing and proprietary school provisions that authorize the assigning of a savings account or CD in lieu of a bond; funds of the North Carolina Real Estate Commission; and time share deposits that were not addressed in S.L. 2015-93. With three exceptions, the amendments change a list of specific types of institutions to the phrase used in S.L. 2015-93, "federally insured depository institution lawfully doing business in this State." The three exceptions are statutes that currently include trust companies, which are only federally insured under some circumstances. To avoid inadvertently excluding trust companies, and to update the terminology, the phrase "federally insured depository institution or trust institution authorized to do business in this State" was used in these three statutes.

Section 17 would correct an incorrect statutory citation.

Section 18(a-l) would amend the statutes already amended by Section 16, plus four other sections on tenant deposits and first-time condominium purchaser deposits, to include trust companies in the statutes that do not currently include them.

Karen Cochrane-Brown
Director

Legislative Analysis
Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Section 19 would repeal two provisions that have been found to be unconstitutional by the NC Court of Appeals in *State v. Singletary* because they allow the sentence to be modified based on findings by a judge. The US Supreme Court has held that, other than prior record, factors affecting sentencing must be found by a jury.

Section 19.5 would add a provision to allow the Order of the Long Leaf Pine special registration plate to be on a full-color background rather than the standard "First in Flight" or "First in Freedom" background.

Section 20 would amend G.S. 28A-2B-2 to change the venue provision under the living probate statutes enacted last year from "domicile" to "residence," which is consistent with venue requirements for trusts and most other civil matters.

Section 21 would amend G.S. 31D-5-505, as recodified by Section 7.2(b) of this bill, to remove references to "limitation" of a power of appointment, which are apparently no longer needed.

Section 22 would amend G.S. 36C-5-505(c)(1)c. According to the NC Bar Association's Trusts and Estates Division, current law allows a spouse to establish a trust for the other spouse, and to set it up so that when the beneficiary spouse dies, the trust benefits the settlor spouse and his children. This kind of trust is not subject to claims by creditors of the settlor spouse. The change would allow the children of the beneficiary spouse (stepchildren of the grantor spouse) to also be beneficiaries if the grantor spouse chooses to include them when the trust is drafted.

Section 23 would amend two laws regarding purchase money mortgages or deeds of trust to apply when the secured party is a third party lender as well as when the secured party is the seller of the real property. This section would become effective when it becomes law and applies to purchase money mortgages and deeds of trust entered into on or after that date.

Section 24 would amend the statute governing tenancy by the entireties trusts in real property. It would specify how to give notice that the real property held in trust received immunity from the claims of separate creditors. It also provides that a person entering a transaction involving real property held in trust may request confirmation from the trustee on whether the requirements providing immunity from the claims of separate creditors are met at the time of the transaction. According to the NC Bar Association's Trusts and Estates Division, these provisions are designed to assist persons searching for title, so they will have notice that property held in trust has retained its character as tenancy by the entireties property.

Section 25 would amend the statute governing drug-related overdose treatment by correcting an internal citation referenced in G.S. 90-12.7(b1).

Section 26 – In 2014, the General Assembly enacted G.S. 90-113.22A, which separated the possession of marijuana paraphernalia from the possession of all other drug paraphernalia. This section would add the new separate offense to the statute authorizing the conditional discharge of a first offense of possession of drug paraphernalia so that a first offense of possession of marijuana paraphernalia will continue to be eligible for conditional discharge.

Section 27 would correct incorrect statutory citations.

Section 28 would make changes to the NC historic rehabilitation tax credit. Subsection 28(a) clarifies that property will be considered placed in service in 2016, notwithstanding that it was placed in service in 2015, for purposes of the NC rehabilitation tax credit if it meets the conditions of G.S. 105-129.105(e), consistent with the intent of last year's legislation in S.L. 2015-264.

Subsection 28(b) decouples North Carolina from the federal tax rule for a taxpayer who claims the NC historic rehabilitation tax credit under G.S. 105-129.105(e), and from the limited exception provided under NC's historic rehabilitation tax credit. For taxpayers that fall under this provision, a deduction from federal AGI is allowed in determining State taxable income. The deduction means that a taxable gain on the sale of a tax credit for federal tax purposes will not be considered a taxable gain on the sale of a tax credit for North Carolina purposes.

Section 29 Reserved.

Section 30 changes the date by which several State Board of Education reports are required to be submitted to the Joint Legislative Education Oversight Committee.

Section 31 would amend three sections in the new Article 7A of Chapter 115C of the General Statutes, dealing with achievement school districts and innovation zones, to authorize the ASD Superintendent to hire staff and to make stylistic changes.

Section 32 – S.L. 2016-11 created privacy protections for student information held by third-party online educational applications for K-12 students in public schools. This section would allow use of a student's information solely to identify nonprofit institutions of higher education or scholarship providers to the student if the provider secures the written consent of the parent or student who is at least 13 years of age.

Section 32.5 would make a conforming change to reflect that the Secretary of Administration, not the Attorney General, now reviews contracts under G.S. 114-8.3

Section 33 would allow the Board of Governors to authorize the President to engage legal counsel for the University and its constituent institutions independent of the Attorney General and Governor's authorization.

Section 34 would provide that the employees in the specified positions that are currently exempt from classification and compensation rules established by the State Human Resources Commission would no longer be exempt from incentive pay programs established by the Commission.

Section 35 changes the current State Human Resources Commission requirement to adopt rules or policies to carry out the State's policy of hiring "among the most qualified persons", to instead require "from among the pool of qualified persons."

Section 36 would amend membership of the Board of Trustees of the North Carolina Museum of Art by extending the term of General Assembly appointees from two years to four years and by giving them a limit of three consecutive terms instead of two (other appointments are for terms of six years with a limit of two consecutive terms).

Section 37 would eliminate the two consecutive term limit for the member of the Vocational Rehabilitation Council representing a parent training and information center.

Section 38 would adjust membership of Public Librarian Certification Commission to eliminate the chairman of the NC Association of Library Trustees, and substitute an individual named by the Governor upon nomination by the NC Library Association.

Section 39 would authorize cabinet agencies to use surplus furnishings from the Governor's mansion for decorative purposes in other State-owned facilities.

Section 40 corrects terminology by clarifying that the wage standard used by the Department of Commerce to provide funds to aid economically distressed counties is determined by where the "project" is located, not where the "datacenter" is located.

Section 41 would correct the name of a State department.

Section 42 would amend a statute in the Iran Divestment Act. Under current law, a State agency must require that a person contracting with the State or a political subdivision certify that he or she is not identified on the State Treasurer's list of persons engaging in investment activities in Iran. This section would provide that if a State agency and the same person enter into multiple contracts or multiple contract renewals within 180 days after a certification is made, then a new certification is not required.

Section 43 would amend a statute that requires counties to deposit cash when it reaches $250 ***or*** at the end of each month, to eliminate the required monthly deposit and allow the cash to be locked in a secure location until it reaches $250, at which point a deposit would be required with a properly licensed and recognized cash collection service.

Section 43.5 – Currently, G.S. 163-22(l) provides that a person seeking judicial review of any decision of the State Board of Elections rendered in the performance of its duties or in the exercise of its powers under Chapter 163 must file in the Superior Court of Wake County. This section would provide that any action challenging any decision of the State Board of Elections regarding the site plan for one-stop voting locations may not be challenged.

Section 44 would amend the fast-track replication process for high-quality charter schools by requiring the State Board of Education to ensure rules provide that decisions on whether to grant a charter be completed in less than 120 days from the application submission date but in no event later than October 15 of the year immediately preceding the year of the proposed school opening.

Section 45 would repeal Section 1 of 2015-52, which requires the Department of Health and Human Services to provide information to the Program Evaluation Division. PED in turn is required to report to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services on certain criteria to be used in determining whether provision of overnight respite services in an adult day care setting is a worthwhile service. Permanent provision for such services has, however, been provided through the enactment of G.S. 131D-6.1.

Section 46 would delay until October 1, 2016 the moped liability insurance requirement enacted last year in S.L. 2015-125; and make two related technical corrections to House Bill 959.

Section 47 would correct an incorrect statutory citation.

Section 48 restores language in Senate Bill 600 (Appraiser Compensation/Judge Perform Marriage) regarding appraiser compensation by appraisal management companies that was amended on the House floor.

Section 49 would correct the effective date of House Bill 289 (Money Transmitters Act), which has already passed.

Section 50 would correct the category of a Board of Agriculture appointee in the resolution giving the Senate's consent.

Section 51 would allow the Revisor of Statutes to print certain explanatory comments.

Section 52 would amend provisions in House Bill 630 (Drinking Water Protect'n/Coal Ash Cleanup Act) to: (1) clarify that Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, collectively, must build 3 beneficial use coal ash processing projects in total (not 3 from each entity); and (2) correct a reference to the location of the Weatherspoon Steam Station, from New Hanover County to Robeson County.

Section 52.5 would allow LEA partners or other third parties, if necessary, to fund a program that was initially funded through federal Investing in Innovation Grants. The grant administrator has declared

bankruptcy. No appropriation is required, community colleges would not earn budget FTEs, and the authorization would only be for the 2016-2017 school year.

Section 53 would amend a budget provision to make teachers eligible to receive bonuses if they have more than 30 years of creditable experience and do not receive a recurring salary increase.

Section 53.5 earmarks $150,000 for Big Brothers Big Sisters of the Triangle within the Social Services Block Grant.

Section 54 would (i) increase the percentage of the remaining balance in certain budget codes that The University of North Carolina may carry forward at the end of each fiscal year from two and one-half percent (2½%) to five percent (5%), (ii) require that amounts carried forward in excess of two and one-half percent (2½%) be used only for projects eligible to receive funds from the Repairs and Renovations Reserve or for advanced planning of capital improvement projects, and (iii) requires an annual report on expenditures of these funds.

Section 54.5 would repeal a change to teacher licensing requirements that was added in the budget bill. The budget bill provision would have required that teachers receive a rating of at least proficient to maintain licensed status.

PART III. Effective Date.

Section 55 would provide for the bill to be effective when it becomes law.

TEXT OF EXPLANATORY MEMORANDUM FROM GENERAL STATUTES COMMISSION:

General Comments

Part I of the committee substitute for this bill contains corrections of a technical nature to the General Statutes and session laws as recommended by the General Statutes Commission.

These amendments correct typographical, redlining, and other obvious drafting and stylistic errors, make conforming changes, make references to public officials gender neutral, update archaic phrasing, repeal duplicative and obsolete provisions, rephrase unclear provisions, recodify two statutes, and add a cross-reference.

Specific Comments (Revised)

Section 1 amends G.S. 1-117 primarily to update a citation. G.S. 2-42, referred to in G.S. 1-117, was revised and transferred to G.S. 7A-109 by Section 6 of Chapter 363 of the 1971 Session Laws. In addition, the reference to clerks of superior court is made gender neutral.

Section 1.1 amends G.S. 14-118.6(b1) to clarify the phrasing of the third sentence. S.L. 2015-87 added subsection (b1) to provide clerks of court with authority similar to the authority of registers of deeds to refuse to file what appear to be false liens or encumbrances against public officers or public employees or one of their immediate

family members. If the clerk declines to file, the document may not be filed unless a judge approves filing. As drafted, however, the 2015 provision can be read to require the clerk to review the clerk's own actions, followed by a mandatory appeal to a judge, if the reader assumes that an "and" is missing between "by the clerk of superior court by any judge ...." The amendment in this section reverses the order of two phrases in this sentence and makes it clearer.

Section 1.2 amends G.S. 14-159.3(a1) to correct an inadvertent error in the 2015 amendment to this section. Among other things, the 2015 amendment made references to "landowner" gender neutral by replacing references to "his" and "he" with references to "his or hers" and "he or she." "Landowner" can, however, include corporations and other entities. Rather than use "his, her, or its" and similar phrases, the amendment in this section repeats the word "landowner."

Section 2 amends G.S. 14-208.6 to make a conforming amendment in subdivision (5), the definition of "sexually violent offense."

S.L. 2015-181 recodified the sex offenses in former Article 7A of Chapter 14 of the General Statutes into a new Article 7B of that chapter and reorganized them to separate the rape offenses from the sexual assault offenses and also to separate out the offenses against children from the offenses against adults. In the process, former G.S. 14-27.2 (First degree rape) was separated into two new statutes, G.S. 14-27.21 (First degree forcible rape) and G.S. 14-27.24 (First degree statutory rape).

G.S. 14-208.6(5) included former G.S. 14-27.2 in its list of sexually violent offenses. As a result, S.L. 2015-181 should have amended G.S. 14-208.6(5) to include both new G.S. 14-27.21 and new G.S. 14-27.24 in this list as part of its conforming amendments. The 2015 session law did insert a reference to new G.S. 14-27.21, but it inadvertently failed to include new G.S. 14-27.24. The amendment in this section corrects that oversight.

Section 2.1 amends G.S. 20-45 in subsection (a) to eliminate an unnecessary word as legalese; in subsection (b) to make a reference to the Commissioner of Motor Vehicles gender neutral; and in subsection (c) to make a conforming amendment. The conforming amendment replaces a reference to former G.S. 20-309(e) with a reference to G.S. 20-311; S.L. 2006-213 repealed G.S. 20-309(e) and enacted new, more detailed provisions on revocation of licenses due to the cancellation of insurance. Those provisions are now contained in G.S. 20-311.

Section 3 amends the catchline of G.S. 20-171.24 to make a conforming amendment. Subsection (f) of G.S. 20-171.24, which formerly limited the application of that statute to certain listed municipalities and counties, was repealed by S.L. 2015-26. The statute therefore now applies statewide. The 2015 session law, however, failed to amend the catchline to reflect the change.

Section 3.1 amends G.S. 24-10.1 to delete a reference to repealed G.S. 24-1.2. That statute dealt with a special interest rate cap for installment sales. There was apparently no successor provision.

Section 4 amends G.S. 28A-2-4 to correct an obvious error in subdivision (a)(4) and one in subsection (c) and to add a cross-reference in subsection (c). G.S. 36C-2-203, the equivalent statute for trusts, was used as the model for this statute when it was enacted in 2011. Some of the changes to the text of G.S. 36C-2-203 that were needed to adapt the wording to estates rather than trusts and to allow for changes from the original text were not made. Specifically, in subdivision (a)(4), the reference in the last sentence to "a trust" proceeding should have been changed to "an estate" proceeding, and the citation in the introductory language of subsection (c) to "subsection ... (c) of this section" is an obvious error. Comparing the text of subsection (c) to the original model makes it apparent that the comparable reference in G.S. 28A-2-49(c) should be to subsection (b). In addition, this section adds a cross-reference to G.S. 28A-2-5.

Section 5, which amended G.S. 28A-2B-2, has been moved from this Part to Part II.

Section 6 amends G.S. 28A-19-5(b) to correct an obvious error by inserting a missing "not."

Section 7 amends G.S. 31B-1(a) to make a conforming amendment. G.S. 31B-1(a) lists possible persons that may renounce an interest in property. Subdivision (8) lists specifically only an "[a]ppointee" under a power of appointment with references to powers of appointment. However, G.S. 31D-4-401 expressly also allows permissible appointees and takers in default under a power of appointment to renounce, and G.S. 31B-2.1 describes how an instrument of renunciation by a permissible appointee or taker in default must be delivered.

Section 7.1 amends G.S. 36C-8-816.1 in subdivision (c)(9) to clarify the wording of a requirement and to correct an obvious drafting error.

G.S. 36C-8-816.1 is termed a "decanting" statute, that is, it allows a trustee to transfer the assets of one trust into another trust ("decant" from one to another), subject to certain restrictions. Subdivision (c)(9) requires that the terms of the second trust must not jeopardize any existing tax benefits. However, the current wording does not reflect the possibility that the existence of the decanting statute itself may be regarded as sufficient to disqualify the first trust from tax benefits for which it was designed to qualify. The amendment to this provision clarifies that, even assuming the possibility that the decanting statute itself may disqualify the first trust from certain tax benefits, the existence of the decanting statute is not a bar to the ability to decant. The amendment follows the wording of the equivalent provision in the Uniform Trust Decanting Act.

This section also changes references in subdivision (c)(9) to "Code" to "Internal Revenue Code." Chapter 36C defines "Internal Revenue Code" but does not define "Code"; for this reason, the full defined term should be included for precision.

Section 7.2 repeals two statutes in Chapter 39 of the General Statutes that were made duplicative or obsolete by the enactment last year of Chapter 31D of the General Statutes (Uniform Powers of Appointment Act) and recodifies two other statutes from

that Chapter into Chapter 31D. Specifically, G.S. 39-33 provides a method of releasing a power of appointment that G.S. 39-34 makes non-exclusive. Essentially the same provision is now included in G.S. 31D-4-403, rendering the older statute duplicative and unnecessary. The repeal of G.S. 39-33 would in turn render G.S. 39-34 obsolete. Finally, subsections (b) and (c) of this section recodify G.S. 39-35 as G.S. 31D-5-505 and G.S. 39-36 as G.S. 31D-4-403.1. Subsection (b) of Section 54 authorizes the Revisor of Statutes to print drafters comments.

Section 7.3 amends G.S. 42A-17(a) to make a conforming amendment. S.L. 2015-93 amended the primary statute on institutions in which a landlord in a vacation rental can deposit a tenant's security deposit and other advance payments to change the reference to a "bank or savings and loan association" to a "federally insured depository institution lawfully doing business in this State." G.S. 42A-17 effectively refers back to that provision by requiring the rental agreement to identify "the" institution where the security deposit is held. This section accordingly amends the wording in G.S. 42A-17(a) to conform to the new description in the primary provision.

Section 7.4 amends G.S. 97-25(f) to make two changes. First, the reference in the introductory language to filing "via electronic mail" is changed to "via electronic means"; the existing reference appears not to have literally meant e-mail only, since elsewhere in this same subsection (subdivision (2)) transcripts may be "submitted electronically." Second, the dangling language at the end of the introductory paragraph is corrected.

Section 8 makes a conforming amendment to the catchline of G.S. 108A-70.21. Former subsections (g) and (h) of that statute provided for the purchase of extended coverage in the North Carolina Health Insurance for Children Program. With their repeal in 2015, the reference in the catchline to "purchase of extended coverage" is no longer relevant.

Section 9 amends G.S. 120-4.16(b) by codifying the second paragraph as subsection (b1). Please note that this second paragraph has what appears to be intended as a subsection catchline.

Section 9.1 repeals G.S. 120-57, which sets out duties for the now-repealed Legislative Intern Program Council and is therefore obsolete.

Section 9.2 amends G.S. 136-41.2(c) to update a reference. G.S. 160-410.3 has been long since repealed. The comparable provisions are G.S. 159-8 and G.S. 159-13.

Section 9.3 amends G.S. 143-215.31(a1)(6) to correct a typographical error in the reference to a section of the Code of Federal Regulations. There is no 18 C.F.R. § 3**33**.112; the correct reference is to 18 C.F.R. § 3**88**.112.

Section 9.4 amends G.S. 143B-168.5 to update the reference to G.S. 110-105.2, which was repealed last year. The comparable, more detailed, provisions are in G.S. 110-105.3, 110-105.4, 110-105.5, and 110-105.6. In addition, this section inserts a specific reference to the Division within the Department of Health and Human Services where the special unit established in this statute is located.

Section 9.5 amends G.S. 143B-394.15(c) to remove a duplicate entry in the list of ex officio members of the Domestic Violence Commission. The duplication occurred in 2011 when the former Departments of Correction, Crime Control and Public Safety, and Juvenile Justice were combined to create the Department of Public Safety. The ex officio members of the Domestic Violence Commission included the Secretaries of Correction and of Crime Control and Public Safety. S.L. 2011-145, which created the Department of Public Safety, included conforming amendments to change the titles of the respective Secretaries to the new title (in Sections 19.1(g) and 19.1(i)). As a result, the Secretary of Public Safety appears twice in the list in G.S. 143B-394.15(c)(4). The amendment also (i) conforms the total number of Commission members in the introductory language of subsection (c) to reflect that the Secretary of Public Safety is only one person and (ii) conforms other titles in the list.

Section 9.6 amends G.S. 143B-931(b) to update references to G.S. 115C-238.56N to the current G.S. number, G.S. 115C-238.73.

Section 9.7 amends G.S. 143C-6-4(b)(2) to make a conforming change in the references to G.S. 166A-19.40, which was reorganized in last year's budget bill.

Section 10 amends G.S. 146-9(b)(4) to delete an extra word ("to").

Section 10.1 amends G.S. 147-12(a)(12) to update a citation. In 1989, the then-existing text of G.S. 143B-373 was designated as subsection (a) of that section and new subsections (b) through (d) were added. No conforming amendment was made to G.S. 147-12(a)(12).

Section 11 amends G.S. 153A-340(h) to remove "garbage language" caused by a redlining error in S.L. 2011-286 that caused the phrase "county development approval required by law" to be inserted twice.

Section 12 amends the introductory language of G.S. 160A-332(a) to update a citation. The definition formerly at subdivision (1) of G.S. 160A-331 was renumbered as (1b) in 1997. This section also changes the parentheses to commas.

Section 13 amends G.S. 160A-372(e) and (f) to change references to "paragraph" to "subsection," which is now the correct term after the previously undesignated paragraphs in subsection (c) were given their own subsection designation.

Section 14(a) amends Section 7.1 of S.L. 2014-107 to make it clear that the amendment by Section 5.1 of that act applies to all trusts, regardless of when created. The 2014 act clarified that the common-law rule against accumulations no longer applies to trusts in this State. **Section 14(b)** makes the provision retroactive to the effective date of S.L. 2014-107.

Section 14.1 amends the introductory language of Section 54.5(b) of S.L. 2015-264 to correct a typographical error in the citation. Section 54.5(b) stated that it was

amending "Section 32.**2**(c)" of S.L. 2015-241, but there was no such section and the provision actually set out was Section 32.**3**(c).

The **final section** of the bill is the effective date section for the entire bill. It provides that, except as otherwise provided in the bill, the bill is effective when it becomes law. A retroactive effective date for Section 2 was added by the General Assembly, making the amendment in that section effective on the same date that S.L. 2015-181 was effective.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S D

SENATE BILL 821
Judiciary I Committee Substitute Adopted 6/21/16
Rules and Operations of the Senate Committee Substitute Adopted 6/29/16
Fourth Edition Engrossed 6/30/16
PROPOSED HOUSE COMMITTEE SUBSTITUTE S821-CSSU-55 [v.10]
07/01/2016 03:59:23 PM

Short Title: GSC Technical Corrections 1. (Public)

Sponsors:

Referred to:

May 10, 2016

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER AMENDMENTS TO THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1. G.S. 1-117 reads as rewritten:

"**§ 1-117. Cross-index of lis pendens.**

Every notice of pending litigation filed under this Article shall be cross-indexed by the clerk of the superior court in a record, called the "Record of Lis Pendens," to be kept by ~~him pursuant to G.S. 2-42(6).~~the clerk *under G.S. 7A-109*."

SECTION 1.1. G.S. 14-118.6(b1) reads as rewritten:

"(b1) When a lien or encumbrance is presented to a clerk of superior court for filing and the clerk of court has a reasonable suspicion that the lien or encumbrance is false as described in subsection (a) of this section, the clerk of court may refuse to file the lien or encumbrance. Neither the clerk of court nor the clerk's staff shall be liable for filing or the refusal to file a lien or encumbrance under this subsection. The clerk of superior court shall not file, index, or docket the document against the property of a public officer or public employee until that document is approved by any judge of the judicial district having subject matter jurisdiction for filing by the clerk of superior ~~court by any judge of the judicial district having subject matter jurisdiction.~~ court. If the judge determines that the filing is not false, the clerk shall index the claim of lien. A lien or encumbrance filed upon order of the court under this subsection shall have a priority interest as of the date and time of indexing by the clerk of superior court. If the court finds that there is no statutory or contractual basis for the proposed filing, the court shall enter an order that the proposed filing is null and void as a matter of law, and that it shall not be filed or indexed. The clerk of superior court shall serve the order and return the original denied filing to the person or entity that presented it. The person or entity shall have 30 days from the entry of the order to appeal the order. If the order is not appealed within the applicable time period, the clerk may destroy the filing."

SECTION 1.2. G.S. 14-159.3(a1) reads as rewritten:

"(a1) A landowner who gives a person written consent to operate an all-terrain vehicle on ~~his or her~~ the landowner's property owes the person the same duty of care that ~~he or she~~ the landowner owes a trespasser."

SECTION 2. G.S. 14-208.6 reads as rewritten:

"**§ 14-208.6. Definitions.**

The following definitions apply in this Article:

...

(5) "Sexually violent offense" means a violation of former G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger and where the defendant is at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a person who is 15 years of age or younger and where the defendant is at least six years older), G.S. 14-27.31 (sexual activity by a substitute parent or custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a minor who is less than 18 years of age or (ii) the offense is committed against any person with the intent that they be held in sexual servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious indecent exposure), G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a prostitute who is a minor or a mentally disabled person), G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses.

...."

SECTION 2.1. G.S. 20-45 reads as rewritten:

"**§ 20-45. Seizure of documents and plates.**

(a) The Division is ~~hereby~~ authorized to take possession of any certificate of title, registration card, permit, license, or registration plate issued by it upon expiration, revocation, cancellation, or suspension thereof, or which is fictitious, or which has been unlawfully or erroneously issued, or which has been unlawfully used.

(b) The Division may give notice to the owner, licensee or lessee of its authority to take possession of any certificate of title, registration card, permit, license, or registration plate issued by it and require that person to surrender it to the Commissioner or ~~his~~ the Commissioner's officers or agents. Any person who fails to surrender the certificate of title, registration card, permit, license, or registration plate or any duplicate thereof, upon personal service of notice or

within 10 days after receipt of notice by mail as provided in G.S. 20-48, shall be guilty of a Class 2 misdemeanor.

(c) Any sworn law enforcement officer with jurisdiction, including a member of the State Highway Patrol, is authorized to seize the certificate of title, registration card, permit, license, or registration plate, if the officer has electronic or other notification from the Division that the item has been revoked or cancelled, or otherwise has probable cause to believe that the item has been revoked or cancelled under any law or statute, including ~~G.S. 20-309(e).~~ G.S. 20-311. If a criminal proceeding relating to a certificate of title, registration card, permit, or license is pending, the law enforcement officer in possession of that item shall retain the item pending the entry of a final judgment by a court with jurisdiction. If there is no criminal proceeding pending, the law enforcement officer shall deliver the item to the Division.

(d) Any law enforcement officer who seizes a registration plate pursuant to this section shall report the seizure to the Division within 48 hours of the seizure and shall return the registration plate, but not a fictitious registration plate, to the Division within 10 business days of the seizure."

SECTION 3. The catch line of G.S. 20-171.24 reads as rewritten:

"**§ 20-171.24. Motorized all-terrain vehicle use by municipal and county employees ~~of listed municipalities and counties~~ permitted on certain highways.**"

SECTION 3.1. G.S. 24-10.1(a) reads as rewritten:

"(a) Subject to the limitations contained in subsection (b) of this section, any lender may charge a party to a loan or extension of credit governed by the provisions of ~~G.S. 24-1.1, 24-1.2,~~ G.S. 24-1.1 or G.S. 24-1.1A a late payment charge as agreed upon by the parties in the loan contract."

SECTION 4. G.S. 28A-2-4 reads as rewritten:

"**§ 28A-2-4. Subject matter jurisdiction of the clerk of superior court in estate proceedings.**

(a) The clerks of superior court of this State, as ex officio judges of probate, shall have original jurisdiction of estate proceedings. Except as provided in subdivision (4) of this subsection, the jurisdiction of the clerk of superior court is exclusive. Estate proceedings include, but are not limited to, the following:

(1) Probate of wills.

(2) Granting and revoking of letters testamentary and letters of administration, or other proper letters of authority for the administration of estates.

(3) Determination of the elective share for a surviving spouse as provided in G.S. 30-3.

(4) Proceedings to ascertain heirs or devisees, to approve settlement agreements pursuant to G.S. 28A-2-10, to determine questions of construction of wills, to determine priority among creditors, to determine whether a person is in possession of property belonging to an estate, to order the recovery of property of the estate in possession of third parties, and to determine the existence or nonexistence of any immunity, power, privilege, duty, or right. Any party or the clerk of superior court may file a notice of transfer of a proceeding pursuant to this subdivision to the Superior Court Division of the General Court of Justice as provided in G.S. 28A-2-6(h). In the absence of a transfer to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to ~~a trust~~ an estate proceeding pending before the clerk of superior court to the extent consistent with this Article.

(b) Nothing in this section shall affect the right of a person to file an action in the Superior Court Division of the General Court of Justice for declaratory relief under Article 26 of Chapter 1 of the General Statutes. In the event that either the petitioner or the respondent in an estate proceeding requests declaratory relief under Article 26 of Chapter 1 of the General Statutes, either party may move for a transfer of the proceeding to the Superior Court Division of the General

Court of Justice as provided in Article 21 of Chapter 7A of the General Statutes. In the absence of a removal to superior court, Article 26 of Chapter 1 of the General Statutes shall apply to an estate proceeding to the extent consistent with this Article.

(c) Without otherwise limiting the jurisdiction of the Superior Court Division of the General Court of Justice, the clerk of superior court shall not have jurisdiction under subsection (a) or ~~(c)~~ (b) of this section or G.S. 28A-2-5 of the following:

(1) Actions by or against creditors or debtors of an estate, except as provided in Article 19 of this Chapter.

(2) Actions involving claims for monetary damages, including claims for breach of fiduciary duty, fraud, and negligence.

(3) Caveats, except as provided under G.S. 31-36.

(4) Proceeding to determine proper county of venue as provided in G.S. 28A-3-2.

(5) Recovery of property transferred or conveyed by a decedent with intent to hinder, delay, or defraud creditors, pursuant to G.S. 28A-15-10(b)."

SECTION 5. Reserved.

SECTION 6. G.S. 28A-19-5(b) reads as rewritten:

"(b) With respect to a contingent or unliquidated claim rejected by a personal representative pursuant to G.S. 28A-19-16, the claimant may, within the three-month period prescribed by G.S. 28A-19-16, file a petition for an order of the clerk of superior court in accordance with subsection (a) of this section, provided that nothing in this section shall require the clerk of superior court to hear and determine the validity of, priority of, or amount of a contingent or unliquidated claim that has not yet become absolute."

SECTION 7. G.S. 31B-1(a) reads as rewritten:

"(a) A person who succeeds to a property interest as:

...

(8) ~~Appointee~~ Appointee, permissible appointee, or taker in default under a power of appointment exercised by a testamentary instrument or a nontestamentary instrument;

...

may renounce at anytime, in whole or in part, the right of succession to any property or interest therein, including a future interest, by filing a written instrument under the provisions of this Chapter. A renunciation may be of a fractional share or any limited interest or estate. The renunciation shall be deemed to include the entire interest of the person whose property or interest is being renounced unless otherwise specifically limited. A person may renounce any interest in or power over property, including a power of appointment, even if its creator imposed a spendthrift provision or similar restriction on transfer or a restriction or limitation on the right to renounce. Notwithstanding the foregoing, there shall be no right of partial renunciation if the instrument creating the interest expressly so provides."

SECTION 7.1. G.S. 36C-8-816.1 reads as rewritten:

"**§ 36C-8-816.1. Trustee's special power to appoint to a second trust.**

(a) For purposes of this section, the following definitions apply:

(1) Current beneficiary. – A person who is a permissible distributee of trust income or principal.

(2) Original trust. – A trust established under an irrevocable trust instrument pursuant to the terms of which a trustee has a discretionary power to distribute principal or income of the trust to or for the benefit of one or more current beneficiaries of the trust.

(3) Second trust. – A trust established under an irrevocable trust instrument, the current beneficiaries of which are one or more of the current beneficiaries of the original trust. The second trust may be a trust created under the same trust instrument as the original trust or under a different trust instrument.

(b) A trustee of an original trust may, without authorization by the court, exercise the discretionary power to distribute principal or income to or for the benefit of one or more current beneficiaries of the original trust by appointing all or part of the principal or income of the original trust subject to the power in favor of a trustee of a second trust. The trustee of the original trust may exercise this power whether or not there is a current need to distribute principal or income under any standard provided in the terms of the original trust. The trustee's special power to appoint trust principal or income in further trust under this section includes the power to create the second trust. The second trust may have a duration that is longer than the duration of the first trust.

(c) The terms of the second trust shall be subject to all of the following:

(1) The beneficiaries of the second trust may include only beneficiaries of the original trust.

(2) A beneficiary who has only a future beneficial interest, vested or contingent, in the original trust cannot have the future beneficial interest accelerated to a present interest in the second trust.

(3) The terms of the second trust may not reduce any fixed income, annuity, or unitrust interest of a beneficiary in the assets of the original trust if that interest has come into effect with respect to the beneficiary.

(4) If any contribution to the original trust qualified for a marital or charitable deduction for federal income, gift, or estate tax purposes under the Internal Revenue Code, then the second trust shall not contain any provision that, if included in the original trust, would have prevented the original trust from qualifying for the deduction or that would have reduced the amount of the deduction.

(5) If contributions to the original trust have been excluded from the gift tax by the application of section 2503(b) and section 2503(c) of the Internal Revenue Code, then the second trust shall provide that the beneficiary's remainder interest in the contributions shall vest and become distributable no later than the date upon which the interest would have vested and become distributable under the terms of the original trust.

(6) If any beneficiary of the original trust has a power of withdrawal over trust property, then either:

a. The terms of the second trust must provide a power of withdrawal in the second trust identical to the power of withdrawal in the original trust; or

b. Sufficient trust property must remain in the original trust to satisfy the outstanding power of withdrawal.

(7) If a trustee of an original trust exercises a power to distribute principal or income that is subject to an ascertainable standard by appointing property to a second trust, then the power to distribute income or principal in the second trust must be subject to the same ascertainable standard as in the original trust and must be exercisable in favor of the same current beneficiaries to whom such distribution could be made in the original trust.

(8) The second trust may confer a power of appointment upon a beneficiary of the original trust to whom or for the benefit of whom the trustee has the power to distribute principal or income of the original trust. The permissible appointees of the power of appointment conferred upon a beneficiary may include persons who are not beneficiaries of the original or second trust. The power of appointment conferred upon a beneficiary shall be subject to the provisions of G.S. 41-23 specifying the permissible period allowed for the suspension of the power of alienation of the original trust and the time from which that permissible period is computed.

(9) The terms of the second trust shall not contain any provisions that would jeopardize (i) the qualification of a transfer as a direct skip under section 2642(c) of the ~~[Internal Revenue]~~ Internal Revenue Code, (ii) if the first trust owns subchapter S Corporation stock, the election to treat a corporation as a subchapter S Corporation under section 1362 of the Internal Revenue Code, (iii) if the first trust owns an interest in property subject to the minimum distribution rules of section 401(a)(9) of the Internal Revenue Code, a favorable distribution period by shortening the minimum distribution period, or (iv) any other specific tax benefit for which ~~a contribution originally~~ the first trust was clearly designed to qualify and for which the first trust qualified or would have qualified ~~for income, gift, estate, or generation-skipping transfer tax purposes.~~ but for the enactment of this section. In this subdivision, "tax benefit" means a federal or State tax deduction, exemption, exclusion, or other benefit not otherwise listed in this section, except for the benefit from having the settlor considered the owner under sections 671 through 679 of the Internal Revenue Code. Subject to clause (ii) above, the second trust may be a trust as to which the settlor is not considered the owner under sections 671 through 679 of the Internal Revenue Code even if the settlor is considered the owner of the first trust, and the second trust may be a trust as to which the settlor of the first trust is considered the owner under sections 671 through 679 of the Internal Revenue Code, even if the settlor is not considered the owner of the first trust.

(10) Notwithstanding any other provision of this section, but subject to the limitations of subdivisions (1), (2), (4), (5), and (9) of this subsection, a trustee may exercise the power to appoint principal and income under subsection (b) of this section with respect to a disabled beneficiary's interest in the original trust to a second trust that is a supplemental needs trust that does not have (i) an ascertainable standard (or has a different ascertainable standard); (ii) a fixed income, annuity, or unitrust interest in the assets of the original trust; or (iii) a right of withdrawal, if the trustee determines that it would be in the best interest of the disabled beneficiary. For purposes of this subsection, the following apply:

a. A "supplemental needs trust" means a trust that is a discretionary trust under G.S. 36C-5-504 and relative to the original trust contains either lesser or greater restrictions on the trustee's power to distribute income or principal, and which the trustee believes would, if implemented, allow the disabled beneficiary to receive greater governmental benefits than the disabled beneficiary would receive if the power to appoint principal and income had not been exercised.

b. "Governmental benefits" means medical assistance, financial aid, or services from any local, State, or federal agency or department.

c. A "disabled beneficiary" means a current beneficiary of the original trust who the trustee determines has a condition that substantially impairs the beneficiary's ability to provide for his or her own support, care, or custody whether or not the beneficiary has been adjudicated a "disabled person" by any government agency or department.

d. The second supplemental needs trust shall not be liable to pay or reimburse the State or any government or public agency for medical assistance, financial aid, or services provided to the disabled beneficiary except as provided in the second supplemental needs trust.

(d) A trustee may not exercise the power to appoint principal or income under subsection (b) of this section if the trustee is a beneficiary of the original trust, but the remaining cotrustee or

a majority of the remaining cotrustees may act for the trust. If all the trustees are beneficiaries of the original trust, then the court may appoint a special fiduciary with authority to exercise the power to appoint principal or income under subsection (b) of this section.

(e) The exercise of the power to appoint principal or income under subsection (b) of this section:

(1) Shall be considered the exercise of a power of appointment, other than a power to appoint to the trustee, the trustee's creditors, the trustee's estate, or the creditors of the trustee's estate; and

(2) Shall be subject to the provisions of G.S. 41-23 specifying the permissible period allowed for the suspension of the power of alienation of the original trust and the time from which that permissible period is computed; and

(3) Is not prohibited by a spendthrift provision or by a provision in the original trust instrument that prohibits amendment or revocation of the trust.

(f) To effect the exercise of the power to appoint principal or income under subsection (b) of this section, all of the following shall apply:

(1) The exercise of the power to appoint shall be made by an instrument in writing, signed and acknowledged by the trustee, setting forth the manner of the exercise of the power, including the terms of the second trust, and the effective date of the exercise of the power. The instrument shall be filed with the records of the original trust.

(2) The trustee shall give written notice to all qualified beneficiaries of the original trust, at least 60 days prior to the effective date of the exercise of the power to appoint, of the trustee's intention to exercise the power. The notice shall include a copy of the instrument described in subdivision (1) of this subsection.

(3) If all qualified beneficiaries waive the notice period by a signed written instrument delivered to the trustee, the trustee's power to appoint principal or income shall be exercisable after notice is waived by all qualified beneficiaries, notwithstanding the effective date of the exercise of the power.

(4) The trustee's notice under this subsection shall not limit the right of any beneficiary to object to the exercise of the trustee's power to appoint and bring an action for breach of trust seeking appropriate relief as provided by G.S. 36C-10-1001.

(g) Nothing in this section shall be construed to create or imply a duty of the trustee to exercise the power to distribute principal or income, and no inference of impropriety shall be made as a result of a trustee not exercising the power to appoint principal or income conferred under subsection (b) of this section. Nothing in this section shall be construed to abridge the right of any trustee who has a power to appoint property in further trust that arises under the terms of the original trust or under any other section of this Chapter or under another provision of law or under common law.

(h) A trustee or beneficiary may commence a proceeding to approve or disapprove a proposed exercise of the trustee's special power to appoint to a second trust pursuant to subsection (b) of this section."

SECTION 7.2.(a) G.S. 39-33 and G.S. 39-34 are repealed.

SECTION 7.2.(b) G.S. 39-35 is recodified as G.S. 31D-5-505.

SECTION 7.2.(c) G.S. 39-36 is recodified as G.S. 31D-4-403.1.

SECTION 7.3. G.S. 42A-17(a) reads as rewritten:

"(a) A vacation rental agreement shall identify the name and address of the ~~bank or savings and loan association~~ federally insured depository institution in which the tenant's security deposit and other advance payments are held in a trust account, and the landlord and real estate broker shall provide the tenant with an accounting of such deposit and payments if the tenant makes a reasonable request for an accounting prior to the tenant's occupancy of the property."

SECTION 7.4. G.S. 97-25(f) reads as rewritten:

"(f) In claims subject to G.S. 97-18(b) and (d), a party may file a motion as set forth in this subsection regarding a request for medical compensation or a dispute involving medical issues. The nonmoving party shall have the right to contest the motion. Motions and responses shall be submitted contemporaneously via electronic ~~mail~~ means to the Commission and to the opposing party or the opposing party's ~~attorney[, as follows]:~~attorney, as follows:

(1) A party may file a motion with the Executive Secretary for an administrative ruling regarding a request for medical compensation or a dispute involving medical issues. The motion shall be decided administratively pursuant to rules governing motions practices in contested cases. The Commission shall decide the motion within 30 days of the filing of the motion unless an extension of time to respond to the motion has been granted for good cause shown. Either party may file a motion for reconsideration of the administrative order with the Executive Secretary. Either party may request an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary approving or denying the original motion or the motion for reconsideration. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision shall not be stayed during the pendency of an appeal pursuant to G.S. 97-84 and subdivision (2) of this subsection except under those circumstances set out in subdivision (4) of this subsection. A motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the formal hearing pursuant to G.S. 97-84. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(2) In lieu of filing a motion with the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection, when appealing a ruling made pursuant to subdivision (1) of this subsection or when appealing an administrative ruling of the Chief Deputy or the Chief Deputy's designee on an emergency motion, a party may request a full evidentiary hearing pursuant to G.S. 97-84 on an expedited basis, limited to a request for medical compensation or a dispute involving medical issues, by filing a motion with the Office of the Chief Deputy Commissioner. The case will not be ordered into mediation based upon a party's request for hearing on the motion or appeal under this subdivision, except upon the consent of the parties. The Commission shall set the date of the expedited hearing, which shall be held within 30 days of the filing of the motion or appeal and shall notify the parties of the time and place of the hearing on the motion or appeal. Upon request, the Commission may order expedited discovery. The record shall be closed within 60 days of the filing of the motion, or in the case of an appeal pursuant to subdivisions (1) and (3) of this subsection, within 60 days of the filing of the appeal, unless the parties agree otherwise or the Commission so orders. Transcripts of depositions shall be expedited if necessary and paid pursuant to rules promulgated by the

Commission related to depositions and shall be submitted electronically to the Commission. The Commission shall decide the issue in dispute and make findings of fact based upon the preponderance of the evidence in view of the entire record. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue shall be filed with the record of the proceedings within 15 days of the close of the hearing record, and a copy of the award shall immediately be sent to the parties. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner pursuant to G.S. 97-84 shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(3) An emergency medical motion filed by either party shall be filed with the Office of the Chief Deputy Commissioner. The Chief Deputy or Chief Deputy's designee shall rule on the motion within five days of receipt unless the Chief Deputy or Chief Deputy's designee determines that the motion is not an emergency, in which case the motion shall be referred to the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection. Motions requesting emergency medical relief shall contain all of the following:

a. An explanation of the medical diagnosis and treatment recommendation of the health care provider that requires emergency attention.
b. A specific statement detailing the time-sensitive nature of the request to include relevant dates and the potential for adverse consequences to the movant if the recommended relief is not provided emergently.
c. An explanation of opinions known and in the possession of the movant of additional medical or other relevant experts, independent medical examiners, and second opinion examiners.
d. Documentation known and in the possession of the movant in support of the request, including relevant medical records.
e. A representation that informal means of resolving the issue have been attempted.

Either party may appeal the decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion by requesting an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the administrative decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision of the Chief Deputy or the Chief Deputy's designee shall not be stayed during the pendency of an appeal of the administrative decision except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. If so, the decision of the Deputy

Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(4) The Commission shall consider, among other factors, all of the following when determining whether to grant a motion to stay filed pursuant to this subsection:

a. Whether there would be immediate and irreparable injury, harm, loss, or damage to either party.

b. The nature and cost of the medical relief sought.

c. The risk for further injury or disability to the employee inherent in the treatment or its delay.

d. Whether it has been recommended by an authorized physician.

e. Whether alternative therapeutic modalities are available and reasonable.

(5) If the Commission determines that any party has acted unreasonably by initiating or objecting to a motion filed pursuant to this section, the Commission may assess costs associated with any proceeding, including any reasonable attorneys' fees and deposition costs, against the offending party."

SECTION 8. The catch line of G.S. 108A-70.21 reads as rewritten:

"**§ 108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private ~~plans; purchase of extended coverage.~~plans.**"

SECTION 9. G.S. 120-4.16(b) reads as rewritten:

"(b) Purchase of Service Credits Through Rollover Contributions From Certain Other Plans. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through rollover contributions to the Annuity Savings Fund from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code, (ii) an eligible plan under Section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, (iii) an individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income, or (iv) a qualified plan described in Section 401(a) or 403(a) of the Internal Revenue Code. Notwithstanding the foregoing, the Retirement System shall not accept any amount as a rollover contribution unless such amount is eligible to be rolled over to a qualified trust in accordance with applicable law and the member provides evidence satisfactory to the Retirement System that such amount qualifies for rollover treatment. Unless received by the Retirement System in the form of a direct rollover, the rollover contribution must be paid to the Retirement System on or before the 60th day after the date it was received by the member.

(b1) Purchase of Service Credits Through Plan-to-Plan Transfers. – Notwithstanding any other provision of this Article, and without regard to any limitations on contributions otherwise set forth in this Article, a member, who is eligible to restore or purchase membership or creditable service pursuant to the provisions of this Article, may purchase such service credits through a direct transfer to the Annuity Savings Fund of funds from (i) an annuity contract described in Section 403(b) of the Internal Revenue Code or (ii) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state."

SECTION 9.1. G.S. 120-57 is repealed.

SECTION 9.2. G.S. 136-41.2(c) reads as rewritten:

"(c) No municipality shall be eligible to receive funds under G.S. 136-41.1 unless it has formally adopted a budget ordinance in substantial compliance with ~~G.S. 160-410.3,~~ G.S. 159-8 and G.S. 159-13, showing revenue received from all sources, and showing that funds have been appropriated for at least two of the following municipal services if the municipality was incorporated with an effective date prior to January 1, 2000, water distribution; sewage collection or disposal; garbage and refuse collection or disposal; fire protection; police protection; street maintenance, construction, or right-of-way acquisition; or street lighting, or at least four of the following municipal services if the municipality was incorporated with an effective date of on or after January 1, 2000: (i) police protection; (ii) fire protection; (iii) solid waste collection or disposal; (iv) water distribution; (v) street maintenance; (vi) street construction or right-of-way acquisition; (vii) street lighting; and (viii) zoning."

SECTION 9.3. G.S. 143-215.31(a1) reads as rewritten:

"(a1) The owner of a dam classified by the Department as a high-hazard dam or an intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this ~~subsection;~~subsection:

(1) The owner of the dam shall submit a proposed Emergency Action Plan for the dam within 90 days after the dam is classified as a high-hazard dam or an intermediate-hazard dam to the Department and the Department of Public Safety for their review and approval. The Department and the Department of Public Safety shall approve the Emergency Action Plan if they determine that it complies with the requirements of this subsection and will protect public health, safety, and welfare; the environment; and natural resources.

(2) The Emergency Action Plan shall include, at a minimum, all of the following:

a. A description of potential emergency conditions that could occur at the dam, including security risks.

b. A description of actions to be taken in response to an emergency condition at the dam.

c. Emergency notification procedures to aid in warning and evacuations during an emergency condition at the dam.

d. A downstream inundation map depicting areas affected by a dam failure and sudden release of the impoundment. A downstream inundation map prepared pursuant to this section does not require preparation by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer unless the dam is associated with a coal combustion residuals surface impoundment, as defined by G.S. 130A-309.201.

(3) The owner of the dam shall update the Emergency Action Plan annually and shall submit it to the Department and the Department of Public Safety for their review and approval within one year of the prior approval.

(4) The Department shall provide a copy of the Emergency Action Plan to the regional offices of the Department that might respond to an emergency condition at the dam.

(5) The Department of Public Safety shall provide a copy of the Emergency Action Plan to all local emergency management agencies that might respond to an emergency condition at the dam.

(6) Information included in an Emergency Action Plan that constitutes sensitive public security information, as provided in G.S. 132-1.7, shall be maintained as confidential information and shall not be subject to disclosure under the Public Records Act. For purposes of this section, "sensitive public security information" shall include Critical Energy Infrastructure Information protected

from disclosure under rules adopted by the Federal Energy Regulatory Commission in ~~18 C.F.R. § 333.112.~~18 C.F.R. § 388.112."

SECTION 9.4. G.S. 143B-168.5 reads as rewritten:

"**§ 143B-168.5. Child Care – special unit.**

There is established within the Department of Health and Human ~~Services~~ Services, Division of Child Development and Early Education, a special unit to deal primarily with violations involving child abuse and neglect in child care arrangements. The Child Care Commission shall make rules for the investigation of reports of child abuse or neglect and for administrative action when child abuse or neglect is substantiated, pursuant to G.S. 110-88(6a), 110-105, ~~and 110-105.2.~~ 110-105.3, 110-105.4, 110-105.5, and 110-105.6."

SECTION 9.5. G.S. 143B-394.15(c) reads as rewritten:

"(c) Membership. – The Commission shall consist of ~~39~~ 38 members, who reflect the geographic and cultural regions of the State, as follows:

...

(4) The following persons or their designees, ex officio:

a. The Governor.
b. The Lieutenant Governor.
c. The Attorney General.
d. The Secretary of ~~the Department of~~ Administration.
~~e. The Secretary of the Department of Public Safety.~~
f. The Superintendent of Public Instruction.
g. The Secretary of Public Safety.
h. The Secretary of ~~the Department of~~ Health and Human Services.
i. The Director of the Office of State Human Resources.
j. The Chair of the North Carolina Council for Women.
k. The Dean of the School of Government at the University of North Carolina at Chapel Hill.
l. The Chairman of the Governor's Crime Commission."

SECTION 9.6. G.S. 143B-931(b) reads as rewritten:

"(b) The Department of Public Safety may provide a criminal history record check to the board of directors of a regional school of a person who is employed at a regional school or of a person who has applied for employment at a regional school if the employee or applicant consents to the record check. The Department may also provide a criminal history record check of school personnel as defined in ~~G.S. 115C-238.56N~~ *G.S. 115C-238.73* by fingerprint card to the board of directors of the regional school from the National Repositories of Criminal Histories, in accordance with ~~G.S. 115C-238.56N.~~ G.S. 115C-238.73. The information shall be kept confidential by the board of directors of the regional school as provided in ~~G.S. 115C-238.56N.~~ G.S. 115C-238.73."

SECTION 9.7. G.S. 143C-6-4(b) reads as rewritten:

"(b) Budget Adjustments. – Notwithstanding the provisions of G.S. 143C-6-1, a State agency may, with approval of the Director of the Budget, spend more than was appropriated in the certified budget by adjusting the authorized budget for all of the following:

(1) Line items within programs. – An object or line item within a purpose or program so long as the total amount expended for the purpose or program is no more than was authorized in the certified budget for the purpose or program.

(2) Responses to extraordinary events. – A purpose or program if the overexpenditure of the purpose or program is:

a. Required by a court or Industrial Commission order;
b. Authorized under ~~G.S. 166A-19.40(a)~~ *G.S. 166*A-19.40(a)(1) and (c) of the North Carolina Emergency Management Act; or
c. Required to call out the North Carolina National Guard.

(3) Responses to unforeseen circumstances. – A purpose or program not subject to the provisions of subdivision (b)(2) of this subsection, if each of the following conditions is satisfied:

a. The overexpenditure is required to continue the purpose or programs due to complications or changes in circumstances that could not have been foreseen when the budget for the fiscal period was enacted.

b. The scope of the purpose or program is not increased.

c. The overexpenditure is authorized on a one-time nonrecurring basis for one year only, unless the overexpenditure is the result of (i) salary adjustments authorized by law or (ii) the establishment of time-limited positions funded with agency receipts."

SECTION 10. G.S. 146-9(b) reads as rewritten:

"(b) Notwithstanding subsection (a) of this section, or any other provision of law, prior to expiration of a lease of mineral deposits in State lands, the Department of Administration or other entity designated by the Department shall solicit competitive bids for lease of such mineral deposits, which shall include a process for upset bids as described in this subsection. An upset bid is an increased or raised bid whereby a person offers to lease such mineral rights for an amount exceeding the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, by a minimum of five percent (5%). The process shall provide that the Department or other designated entity that issued the solicitation for competitive bids shall issue a notice of high bid to the person submitting the highest bid in response to the initial solicitation for competitive bids, or the person submitting the last upset bid, as applicable, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, of the highest bid received at that point within 10 days of the closure of the bidding period, as provided in the solicitation for competitive bids, through notice delivered by any means authorized under G.S. 1A-1, Rule 4. Thereafter, an upset bid may be made by delivering to the Department or other designated entity, subject to all of the following requirements and conditions:

...

(4) When an upset bid is made as provided in this subsection, the Department or other designated entity shall notify ~~to~~ the highest prior bidder, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the current high bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable.

...."

SECTION 10.1. G.S. 147-12(a) reads as rewritten:

"(a) In addition to the powers and duties prescribed by the Constitution, the Governor has the powers and duties prescribed in this and the following sections:

(1) To supervise the official conduct of all executive and ministerial officers; and when the Governor deems it advisable to visit all State institutions for the purpose of inquiring into the management and needs of the same.

...

(12) To name and locate State government buildings, monuments, memorials, and improvements, as provided by ~~G.S. 143B-373(1).~~ G.S. 143B-*373*(a)(1).

...."

SECTION 11. G.S. 153A-340(h) reads as rewritten:

"(h) As provided in this subsection, counties may adopt temporary moratoria on any ~~county development approval required by law.~~ county development approval required by law, except for the purpose of developing and adopting new or amended plans or ordinances as to residential uses. The duration of any moratorium shall be reasonable in light of the specific conditions that warrant imposition of the moratorium and may not exceed the period of time necessary to correct, modify,

or resolve such conditions. Except in cases of imminent and substantial threat to public health or safety, before adopting an ordinance imposing a development moratorium with a duration of 60 days or any shorter period, the board of commissioners shall hold a public hearing and shall publish a notice of the hearing in a newspaper having general circulation in the area not less than seven days before the date set for the hearing. A development moratorium with a duration of 61 days or longer, and any extension of a moratorium so that the total duration is 61 days or longer, is subject to the notice and hearing requirements of G.S. 153A-323. Absent an imminent threat to public health or safety, a development moratorium adopted pursuant to this section shall not apply to any project for which a valid building permit issued pursuant to G.S. 153A-357 is outstanding, to any project for which a conditional use permit application or special use permit application has been accepted, to development set forth in a site-specific or phased development plan approved pursuant to G.S. 153A-344.1, to development for which substantial expenditures have already been made in good faith reliance on a prior valid administrative or quasi-judicial permit or approval, or to preliminary or final subdivision plats that have been accepted for review by the county prior to the call for public hearing to adopt the moratorium. Any preliminary subdivision plat accepted for review by the county prior to the call for public hearing, if subsequently approved, shall be allowed to proceed to final plat approval without being subject to the moratorium.

Any ordinance establishing a development moratorium must expressly include at the time of adoption each of the following:

(1) A clear statement of the problems or conditions necessitating the moratorium and what courses of action, alternative to a moratorium, were considered by the county and why those alternative courses of action were not deemed adequate.

(2) A clear statement of the development approvals subject to the moratorium and how a moratorium on those approvals will address the problems or conditions leading to imposition of the moratorium.

(3) An express date for termination of the moratorium and a statement setting forth why that duration is reasonably necessary to address the problems or conditions leading to imposition of the moratorium.

(4) A clear statement of the actions, and the schedule for those actions, proposed to be taken by the county during the duration of the moratorium to address the problems or conditions leading to imposition of the moratorium.

No moratorium may be subsequently renewed or extended for any additional period unless the city shall have taken all reasonable and feasible steps proposed to be taken by the county in its ordinance establishing the moratorium to address the problems or conditions leading to imposition of the moratorium and unless new facts and conditions warrant an extension. Any ordinance renewing or extending a development moratorium must expressly include, at the time of adoption, the findings set forth in subdivisions (1) through (4) of this subsection, including what new facts or conditions warrant the extension.

Any person aggrieved by the imposition of a moratorium on development approvals required by law may apply to the appropriate division of the General Court of Justice for an order enjoining the enforcement of the moratorium, and the court shall have jurisdiction to issue that order. Actions brought pursuant to this section shall be set down for immediate hearing, and subsequent proceedings in those actions shall be accorded priority by the trial and appellate courts. In any such action, the county shall have the burden of showing compliance with the procedural requirements of this subsection."

SECTION 12. G.S. 160A-332(a) reads as rewritten:

"(a) The suppliers of electric service inside the corporate limits of any city in which a secondary supplier was furnishing electric service on the determination ~~date (as defined in G.S. 160A-331(1))~~date, as defined in G.S. 160A-331(1b), shall have rights and be subject to restrictions as follows:

...."

SECTION 13.(a) G.S. 160A-372(e) reads as rewritten:

"(e) The ordinance may provide that a developer may provide funds to the city whereby the city may acquire recreational land or areas to serve the development or subdivision, including the purchase of land that may be used to serve more than one subdivision or development within the immediate area. All funds received by the city pursuant to this ~~paragraph [subsection]~~ subsection shall be used only for the acquisition or development of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this ~~paragraph [subsection]~~ subsection shall be based on the value of the development or subdivision for property tax purposes. The ordinance may allow a combination or partial payment of funds and partial dedication of land when the governing body of the city determines that this combination is in the best interests of the citizens of the area to be served."

SECTION 13.(b) G.S. 160A-372(f) reads as rewritten:

"(f) The ordinance may provide that in lieu of required street construction, a developer may be required to provide funds that the city may use for the construction of roads to serve the occupants, residents, or invitees of the subdivision or development and these funds may be used for roads which serve more than one subdivision or development within the area. All funds received by the city pursuant to this ~~paragraph [subsection]~~ subsection shall be used only for development of roads, including design, land acquisition, and construction. However, a city may undertake these activities in conjunction with the Department of Transportation under an agreement between the city and the Department of Transportation. Any formula adopted to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the city determines that a combination is in the best interests of the citizens of the area to be served."

SECTION 14.(a) Section 7.1 of S.L. 2014-107 reads as rewritten:

"**SECTION 7.1.** Section 5.1 of this act applies to all trusts created before, on, or after the effective date of this act. Except as otherwise provided, this act is effective when it becomes law."

SECTION 14.(b) This section becomes retroactively effective August 6, 2014.

SECTION 14.1. The introductory language of Section 54.5(b) of S.L. 2015-264 reads as rewritten:

"**SECTION 54.5.(b)** ~~Section 32.2(c)~~ Section 32.3(c) of S.L. 2015-241 reads as rewritten:"

PART II. ADDITIONAL TECHNICAL AND OTHER AMENDMENTS

SECTION 15. G.S. 7A-45.1(a10) reads as rewritten:

"(a10) Except for the judgeships abolished pursuant to subsection (a8) of this section, upon the retirement, resignation, removal from office, death, or expiration of the term of any special superior court judge on or after September 1, 2014, each judgeship shall be filled for a full five-year term beginning upon the judge's taking office according to the following procedure prescribed by the General Assembly pursuant to Article IV, Section 9(1) of the North Carolina Constitution. As each judgeship becomes vacant or the term expires, the Governor shall submit the name of a nominee for that judgeship to the General Assembly for confirmation by ratified joint resolution. Upon each such confirmation, the Governor shall appoint the confirmed nominee to that judgeship. The term of the special superior court judge commencing on March 1, 2011, shall expire on the earlier of (i) the date on which the office shall become vacant through retirement, resignation, removal from office, or death, or (ii) September 30, 2016.

However, upon the failure of the Governor to submit the name of a nominee within 90 days of the occurrence of the vacancy or within 90 days of the expiration of the judge's term, as applicable, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit the name of a nominee to the General Assembly. The

appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, and the county of residence of the appointee.

The Governor may withdraw any nomination prior to it failing on any reading, and in case of such withdrawal the Governor shall submit a different nomination within 45 days of withdrawal. If a nomination shall fail any reading, the Governor shall submit a different nomination within 45 days of such failure. In either case of failure to submit a new nomination within 45 days, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall submit the name of a nominee to the General Assembly under the procedure provided in the preceding paragraph.

No person shall occupy a special superior court judgeship authorized under this subsection in any capacity, or have any right to, claim upon, or powers of those judgeships, unless that person's nomination has been confirmed by the General Assembly by joint resolution or appointed through the enactment of a bill upon the failure of the Governor to submit a nominee. Until confirmed by the General Assembly and appointed by the Governor, or appointed by the General Assembly upon the failure of the Governor to appoint a nominee, and qualified by taking the oath of office, a nominee is neither a de jure nor a de facto officer."

SECTION 16.(a) G.S. 1A-1, Rule 22, reads as rewritten:

"**Rule 22. Interpleader.**

(a) Persons having claims against the plaintiff may be joined as defendants and required to interplead when their claims expose or may expose the plaintiff to double or multiple liability. It is not ground for objection to the joinder that the claims of the several claimants or the titles on which their claims depend do not have a common origin or are not identical but are adverse to and independent of one another, or that the plaintiff avers that he is not liable in whole or in part to any or all of the claimants. A defendant exposed to similar liability may obtain such interpleader by way of crossclaim or counterclaim. The provisions of this rule supplement and do not in any way limit the joinder of parties permitted in Rule 20.

(b) Where funds are subject to competing claims by parties to the action, the court may order the party in possession of the funds either to deposit the funds in an interest bearing account in a ~~bank, savings and loan, or trust company licensed to do business in this State~~ federally insured depository institution or a trust institution authorized to do business in this State or to deposit the funds with the clerk. If the funds are deposited in a ~~bank, savings and loan, or trust company,~~ federally insured depository institution or a trust institution authorized to do business in this State, the court shall specify the type of interest bearing account to be used. Funds deposited with the clerk shall be invested or deposited as provided in G.S. 7A-112 and G.S. 7A-112.1. Upon determination of the action, the judgment shall provide for disbursement of the principal and interest earned on the funds while so deposited."

SECTION 16.(b) G.S. 20-63.01 reads as rewritten:

"**§ 20-63.01. Bonds required for commission contractors.**

(a) A guaranty bond is required for each commission contractor that is not a governmental subdivision of this State that is granted a contract to issue license plates or conduct business pursuant to G.S. 20-63. Provided, however, a commission contractor that is unable to secure a bond may, with the consent of the Division, provide an alternative to a guaranty bond, as provided in subsection (c) of this section.

The Division may revoke, with cause, a contract with a commission contractor that fails to maintain a bond or an alternative to a bond, pursuant to this section.

(b) (1) When application is made for a contract or contract renewal, the applicant shall file a guaranty bond with the clerk of the superior court and/or the register of deeds of the county in which the commission contractor will be located. The bond shall be in favor of the Division. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in

this State. The bond shall be conditioned to provide indemnification to the Division for a loss of revenue for any reason, including bankruptcy, employee embezzlement or theft, foreclosure, or ceasing to operate.

(2) The bond shall be in an amount determined by the Division to be adequate to provide indemnification to the Division under the terms of the bond. The bond amount shall be at least one hundred thousand dollars ($100,000).

(3) The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days' notice to the Division. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(4) The Division may be able to negotiate bonds for contractors who qualify for bonds as a group under favorable rates or circumstances. If so, the Division may require those contractors who can qualify for the group bond to obtain their bond as part of a group of contractors. The Division may deduct the premiums for any bonds it may be able to negotiate at group rates from the commissioned contractors' compensation.

(c) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Division and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Division, an applicant may file with the clerk of the superior court and/or the register of deeds of the county in which the commission contractor will be located, in lieu of a bond:

(1) An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Division; (ii) which is executed by the applicant; (iii) which is executed by a ~~state or federal savings and loan association, state bank, or national bank that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section.

(2) A certificate of deposit (i) which is executed by a ~~state or federal savings and loan association, state bank, or national bank which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Division of Motor Vehicles; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Division of Motor Vehicles; or in the case of a nonnegotiable certificate of deposit, is assigned to the Division of Motor Vehicles in a form satisfactory to the Division; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section."

SECTION 16.(c) G.S. 85B-7.1(a) reads as rewritten:

"(a) Each licensee who does not disburse all funds to the seller on auction day shall maintain a trust or escrow account and shall deposit in the account all funds that are received for the benefit of another person and are not disbursed to the seller on auction day. The licensee shall deposit funds that are not disbursed on auction day with ~~an insured bank or savings and loan association~~ a federally insured depository institution located in North Carolina. At or before the time of all final settlements, the auctioneer shall provide the seller or consignor with a settlement statement, which includes a description of all goods sold, the selling price of the goods sold, the net proceeds due to the seller or consignor, the name and address of the person receiving the disbursement, and the amount of the disbursement. All settlement statements shall be signed by the licensee or the licensee's agent and by the person receiving the disbursement."

SECTION 16.(d) G.S. 85B-8 reads as rewritten:

"**§ 85B-8. Prohibited acts; assessment of civil penalty; denial, suspension, or revocation of license.**

(a) The following shall be grounds for the assessment of a civil penalty in accordance with G.S. 85B-3.1(b) or the denial, suspension, or revocation of an auctioneer, auctioneer apprentice, or auction firm license:

...

(7) Commingling the funds or property of a client with the licensee's own or failing to maintain and deposit in a trust or escrow account in ~~an insured bank or savings and loan association~~ a federally insured depository institution located in North Carolina funds received for another person through sale at auction.

...."

SECTION 16.(e) G.S. 86A-22 reads as rewritten:

"**§ 86A-22. Licensing and regulating barber schools and colleges.**

The North Carolina State Board of Barber Examiners may approve barber schools or colleges in the State, and may prescribe rules and regulations for their operation. The Board shall adopt rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber school or college shall be approved by the Board unless the school or college meets all of the following requirements:

...

(7) a. Each school shall provide a guaranty bond unless the school has already provided a bond or an alternative to a bond under G.S. 115D-95.

The North Carolina State Board of Barber Examiners may revoke the approval of a school that fails to maintain a bond or an alternative to a bond pursuant to this subdivision or G.S. 115D-95.

b. When application is made for approval or renewal of approval, the applicant shall file a guaranty bond with the clerk of the superior court of the county in which the school will be located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student, or his parent or guardian, who has suffered a loss of tuition or any fees by reason of the failure of the school to offer or complete student instruction, academic services, or other goods and services related to course enrollment for any reason, including the suspension, revocation, or nonrenewal of a school's approval, bankruptcy, foreclosure, or the school ceasing to operate.

The bond shall be in an amount determined by the Board to be adequate to provide indemnification to any student, or his parent or guardian, under the terms of the bond. The bond amount for a school shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the school. The bond amount shall also be at least ten thousand dollars ($10,000).

Each application for approval shall include a letter signed by an authorized representative of the school showing in detail the calculations made and the method of computing the amount of the bond pursuant to this subpart and the rules of the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days notice to the Board. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

c. An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subpart. With the approval of the Board, an applicant may file with the clerk of the superior court of the county in which the school will be located, in lieu of a bond:

1. An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Board; (ii) which is executed by the applicant; and (iii) which is executed by a ~~state or federal savings and loan association, state bank, or national bank, that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above.

2. A certificate of deposit (i) which is executed by a ~~state or federal savings and loan association, state bank, or national bank, which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; and (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above."

SECTION 16.(f) G.S. 88B-17 reads as rewritten:

"**§ 88B-17. Bond required for private cosmetic art schools.**

(a) Each private cosmetic art school shall provide a guaranty bond unless the school has already provided a bond or an alternative to a bond under G.S. 115D-95. The Board may restrict, suspend, revoke, or refuse to renew or reinstate the license of a school that fails to maintain a bond or an alternative to a bond pursuant to this section or G.S. 115D-95.

(b) (1) The applicant shall file the guaranty bond with the clerk of superior court in the county in which the school is located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student or the student's parent or guardian who has suffered loss of tuition or any fees by reason of the failure of the school to offer or complete student instruction, academic services, or other goods and services as related to course enrollment for any reason, including suspension, revocation, or nonrenewal of a school's approval, bankruptcy, foreclosure, or the school's ceasing to operate.

(2) The bond amount shall be at least equal to the maximum amount of prepaid tuition held at any time by the school during the last fiscal year, but in no case shall be less than ten thousand dollars ($10,000). Each application for license or

license renewal shall include a letter signed by an authorized representative of the school showing the calculations made and the method of computing the amount of the bond in accordance with rules prescribed by the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

(3) The bond shall remain in force and effect until canceled by the guarantor. The guarantor may cancel the bond upon 30 days' notice to the Board. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(c) An applicant who is unable to secure a bond may seek from the Board a waiver of the guaranty bond requirement and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Board, an applicant may file one of the following instead of a bond with the clerk of court in the county in which the school is located:

(1) An assignment of a savings account in an amount equal to the bond required that is in a form acceptable to the Board, and is executed by the applicant and a ~~state or federal savings and loan association, state bank, or national bank that is doing business in this State and whose accounts are insured by a federal depositor's corporation,~~ federally insured depository institution lawfully doing business in this State, and access to the account is subject to the same conditions as those for a bond in subsection (b) of this section.

(2) A certificate of deposit that is executed by a ~~state or federal savings and loan association, state bank, or national bank that is doing business in this State and whose accounts are insured by a federal depositor's corporation~~ federally insured depository institution lawfully doing business in this State and access to the certificate of deposit is subject to the same conditions as those for a bond in subsection (b) of this section."

SECTION 16.(g) G.S. 90-171.55 reads as rewritten:

"**§ 90-171.55. Nurses Aides Registry.**

(a) The Board of Nursing, established pursuant to G.S. 90-171.21, shall establish a Nurses Aides Registry for persons functioning as nurses aides regardless of title. The Board shall consider those Level I nurses aides employed in State licensed or Medicare/Medicaid certified nursing facilities who meet applicable State and federal registry requirements as adopted by the North Carolina Medical Care Commission as having fulfilled the training and registry requirements of the Board. The Board may not charge an annual fee to a nurse aide I registry applicant. The Board may charge an annual fee of twelve dollars ($12.00) for each nurse aide II registry applicant. The Board shall adopt rules to ensure that whenever possible, the fee is collected through the employer or prospective employer of the registry applicant. Fees collected may be used by the Board in administering the registry. The Board's authority granted by this Article shall not conflict with the authority of the Medical Care Commission.

(b) (1) Each nurses aide training program, except for those operated by (i) institutions under the Board of Governors of The University of North Carolina, (ii) institutions of the North Carolina Community College System, (iii) public high schools, and (iv) hospital authorities acting pursuant to G.S. 131E-23(31), shall provide a guaranty bond unless the program has already provided a bond or an alternative to a bond under G.S. 115D-95. The Board of Nursing may revoke the approval of a program that fails to maintain a bond or an alternative to a bond pursuant to this subsection or G.S. 115D-95.

(2) When application is made for approval or renewal of approval, the applicant shall file a guaranty bond with the clerk of the superior court of the county in

which the program will be located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student, or his parent or guardian, who has suffered a loss of tuition or any fees by reason of the failure of the program to offer or complete student instruction, academic services, or other goods and services related to course enrollment for any reason, including the suspension, revocation, or nonrenewal of a program's approval, bankruptcy, foreclosure, or the program ceasing to operate.

The bond shall be in an amount determined by the Board to be adequate to provide indemnification to any student, or his parent or guardian, under the terms of the bond. The bond amount for a program shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the program. The bond amount shall also be at least ten thousand dollars ($10,000).

Each application for a license shall include a letter signed by an authorized representative of the program showing in detail the calculations made and the method of computing the amount of the bond pursuant to this subdivision and the rules of the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days notice to the Board. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(3) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subdivision. With the approval of the Board, an applicant may file with the clerk of the superior court of the county in which the program will be located, in lieu of a bond:

a. An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Board; (ii) which is executed by the applicant; and (iii) which is executed by a ~~state or federal savings and loan association, state bank, or national bank, that is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection.

b. A certificate of deposit (i) which is executed by a ~~state or federal savings and loan association, state bank, or national bank, which is doing business in North Carolina and whose accounts are insured by a federal depositors corporation;~~ federally insured depository institution lawfully doing business in this State; and (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North

Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection."

SECTION 16.(h) G.S. 90-210.86 reads as rewritten:

"**§ 90-210.86. Deposit or investment of funds of mutual burial associations.**

Funds belonging to each mutual burial association over and above the amount determined by the Board of Funeral Service to be necessary for operating capital shall be invested in:

(1) Deposits in any ~~bank or trust company in this State.~~federally insured depository institution or any trust institution authorized to do business in this State.

(2) Obligations of the United States of America.

(3) Obligations of any agency or instrumentality of the United States of America if the payment of interest and principal of such obligations is fully guaranteed by the United States of America.

(4) Obligations of the State of North Carolina.

(5) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Board of Funeral Service may impose.

(6) Shares of or deposits in any savings and loan association organized under the laws of this State and shares of or deposits in any federal savings and loan association having its principal office in this State, provided that any such savings and loan association is insured by the United States of America or any agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Insurance of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.

(7) Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, Fannie Mae, the Banks for Cooperatives, and the Federal Land Banks, maturing no later than 18 months after the date of purchase.

Violation of the provisions of this section shall, after hearing, be cause for revocation or suspension of license to operate a mutual burial association."

SECTION 16.(i) G.S. 93A-3 reads as rewritten:

"**§ 93A-3. Commission created; compensation; organization.**

...

(b) The provisions of G.S. 93B-5 notwithstanding, members of the Commission shall receive as compensation for each day spent on work for the Commission a per diem in an amount established by the Commission by rule, and mileage reimbursement for transportation by privately owned automobile at the business standard mileage rate set by the Internal Revenue Service per mile of travel along with actual cost of tolls paid. The total expense of the administration of this Chapter shall not exceed the total income therefrom; and none of the expenses of said Commission or the compensation or expenses of any office thereof or any employee shall ever be paid or payable out of the treasury of the State of North Carolina; and neither the Commission nor any officer or employee thereof shall have any power or authority to make or incur any expense, debt or other financial obligation binding upon the State of North Carolina. After all expenses of operation, the Commission may set aside an expense reserve each year. The Commission may deposit moneys in accounts, certificates of deposit, or time deposits as the Commission may approve, in any ~~bank, savings and loan association, or trust company.~~ federally insured depository institution or any trust institution authorized to do business in this State. Moneys also may be invested in the same classes of securities referenced in G.S. 159-30(c).

...."

SECTION 16.(j) G.S. 93A-42 reads as rewritten:

"**§ 93A-42. Time shares deemed real estate.**

...

(d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and maintain the purchaser's payments in an insured trust or escrow account in a ~~bank or savings and~~

~~loan association located in this State.~~ federally insured depository institution lawfully doing business in this State. The trust or escrow account may be interest-bearing and the interest earned shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the time share instrument is not recorded within the time periods specified in this section, then the interest earned shall belong to the purchaser. The independent escrow agent shall return all payments to the purchaser at the expiration of 180 days following the execution of the contract of sale by the purchaser, unless prior to that time the time share instrument has been recorded. However, if prior to the expiration of 180 days following the execution of the contract of sale, the developer and the purchaser provide their written consent to the independent escrow agent, the developer's obligation to record the time share instrument and the escrow period may be extended for an additional period of 120 days. Upon recordation of the time share instrument, the independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the Commission, the independent escrow agent shall promptly make available to the Commission inspection of records of money held by the independent escrow agent.

...."

SECTION 16.(k) G.S. 93A-45 reads as rewritten:

"**§ 93A-45. Purchaser's right to cancel; escrow; violation.**

...

(c) Any payments received by a time share developer or time share salesperson in connection with the sale of the time share shall be immediately deposited by such developer or salesperson in a trust or escrow account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution lawfully doing business in this State and shall remain in such account for 10 days or cancellation by the purchaser, whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the developer. In lieu of such escrow requirements, the Commission shall have the authority to accept, in its discretion, alternative financial assurances adequate to protect the purchaser's interest during the contract cancellation period, including but not limited to a surety bond, corporate bond, cash deposit or irrevocable letter of credit in an amount equal to the escrow requirements.

...."

SECTION 17. G.S. 36C-8-816(31) reads as rewritten:

"(31) Distribute the assets of an inoperative trust consistent with the authority granted under ~~G.S. 28A-22-110;~~G.S. 28A-22-10; and"

SECTION 18.(a) G.S. 20-63.01, as amended by Section 16(b) of this act, reads as rewritten:

"**§ 20-63.01. Bonds required for commission contractors.**

(a) A guaranty bond is required for each commission contractor that is not a governmental subdivision of this State that is granted a contract to issue license plates or conduct business pursuant to G.S. 20-63. Provided, however, a commission contractor that is unable to secure a bond may, with the consent of the Division, provide an alternative to a guaranty bond, as provided in subsection (c) of this section.

The Division may revoke, with cause, a contract with a commission contractor that fails to maintain a bond or an alternative to a bond, pursuant to this section.

(b) (1) When application is made for a contract or contract renewal, the applicant shall file a guaranty bond with the clerk of the superior court and/or the register of deeds of the county in which the commission contractor will be located. The bond shall be in favor of the Division. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to the Division for a loss of revenue for any reason, including bankruptcy, employee embezzlement or theft, foreclosure, or ceasing to operate.

(2) The bond shall be in an amount determined by the Division to be adequate to provide indemnification to the Division under the terms of the bond. The bond amount shall be at least one hundred thousand dollars ($100,000).

(3) The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days' notice to the Division. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(4) The Division may be able to negotiate bonds for contractors who qualify for bonds as a group under favorable rates or circumstances. If so, the Division may require those contractors who can qualify for the group bond to obtain their bond as part of a group of contractors. The Division may deduct the premiums for any bonds it may be able to negotiate at group rates from the commissioned contractors' compensation.

(c) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Division and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Division, an applicant may file with the clerk of the superior court and/or the register of deeds of the county in which the commission contractor will be located, in lieu of a bond:

(1) An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Division; (ii) which is executed by the applicant; (iii) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section.

(2) A certificate of deposit (i) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Division of Motor Vehicles; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Division of Motor Vehicles; or in the case of a nonnegotiable certificate of deposit, is assigned to the Division of Motor Vehicles in a form satisfactory to the Division; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of this section."

SECTION 18.(b) G.S. 42-50 reads as rewritten:

"**§ 42-50. Deposits from the tenant.**

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State, or the landlord may, at ~~his~~ the landlord's option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of ~~said~~ the deposits. The landlord or ~~his~~ the landlord's agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where ~~his~~ the tenant's deposit is currently located or the name of the insurance company providing the bond."

SECTION 18.(c) G.S. 42A-15 reads as rewritten:

"**§ 42A-15. Trust account uses.**

A landlord or real estate broker may require a tenant to pay all or part of any required rent, security deposit, or other fees permitted by law in advance of the commencement of a tenancy under this Chapter if these payments are expressly authorized in the vacation rental agreement. If

the tenant is required to make any advance payments, other than a security deposit, whether the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these payments in a trust account in a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State no later than three banking days after the receipt of these payments. These payments deposited in a trust account shall not earn interest unless the landlord and tenant agree in the vacation rental agreement that the payments may be deposited in an interest-bearing account. The landlord and tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

SECTION 18.(d) G.S. 42A-17(a), as amended by Section 7.3 of this act, reads as rewritten:

"(a) A vacation rental agreement shall identify the name and address of the federally insured depository institution or trust institution in which the tenant's security deposit and other advance payments are held in a trust account, and the landlord and real estate broker shall provide the tenant with an accounting of such deposit and payments if the tenant makes a reasonable request for an accounting prior to the tenant's occupancy of the property."

SECTION 18.(e) G.S. 47C-4-110 reads as rewritten:

"§ 47C-4-110. Escrow of deposits.

(a) Any deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be immediately deposited in a trust or escrow account in a federally insured depository institution ~~lawfully doing business in this State~~ or a trust institution authorized to do business in this State and shall remain in such account for such period of time as a purchaser is entitled to cancel pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the seller.

(b) Except as provided in G.S. 47C-4-108, nothing in subsection (a) is intended to preclude the parties to a contract from providing for the use of progress payments by the declarant during construction."

SECTION 18.(f) G.S. 85B-7.1(a), as amended by Section 16(c) of this act, reads as rewritten:

"(a) Each licensee who does not disburse all funds to the seller on auction day shall maintain a trust or escrow account and shall deposit in the account all funds that are received for the benefit of another person and are not disbursed to the seller on auction day. The licensee shall deposit funds that are not disbursed on auction day with a federally insured depository institution ~~located in North Carolina.~~ or a trust institution authorized to do business in this State. At or before the time of all final settlements, the auctioneer shall provide the seller or consignor with a settlement statement, which includes a description of all goods sold, the selling price of the goods sold, the net proceeds due to the seller or consignor, the name and address of the person receiving the disbursement, and the amount of the disbursement. All settlement statements shall be signed by the licensee or the licensee's agent and by the person receiving the disbursement."

SECTION 18.(g) G.S. 85B-8, as amended by Section 16(d) of this act, reads as rewritten:

"§ 85B-8. Prohibited acts; assessment of civil penalty; denial, suspension, or revocation of license.

(a) The following shall be grounds for the assessment of a civil penalty in accordance with G.S. 85B-3.1(b) or the denial, suspension, or revocation of an auctioneer, auctioneer apprentice, or auction firm license:

...

(7) Commingling the funds or property of a client with the licensee's own or failing to maintain and deposit in a trust or escrow account in a federally insured depository institution ~~located in North Carolina~~ or a trust institution authorized

to do business in this State funds received for another person through sale at auction.

...."

SECTION 18.(h) G.S. 86A-22, as amended by Section 16(e) of this act, reads as rewritten:

"**§ 86A-22. Licensing and regulating barber schools and colleges.**

The North Carolina State Board of Barber Examiners may approve barber schools or colleges in the State, and may prescribe rules and regulations for their operation. The Board shall adopt rules establishing criteria for barber schools and colleges to maintain their accreditation. No barber school or college shall be approved by the Board unless the school or college meets all of the following requirements:

...

(7) a. Each school shall provide a guaranty bond unless the school has already provided a bond or an alternative to a bond under G.S. 115D-95.

The North Carolina State Board of Barber Examiners may revoke the approval of a school that fails to maintain a bond or an alternative to a bond pursuant to this subdivision or G.S. 115D-95.

b. When application is made for approval or renewal of approval, the applicant shall file a guaranty bond with the clerk of the superior court of the county in which the school will be located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student, or his parent or guardian, who has suffered a loss of tuition or any fees by reason of the failure of the school to offer or complete student instruction, academic services, or other goods and services related to course enrollment for any reason, including the suspension, revocation, or nonrenewal of a school's approval, bankruptcy, foreclosure, or the school ceasing to operate.

The bond shall be in an amount determined by the Board to be adequate to provide indemnification to any student, or his parent or guardian, under the terms of the bond. The bond amount for a school shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the school. The bond amount shall also be at least ten thousand dollars ($10,000).

Each application for approval shall include a letter signed by an authorized representative of the school showing in detail the calculations made and the method of computing the amount of the bond pursuant to this subpart and the rules of the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days notice to the Board. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

c. An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subpart. With the approval of the Board, an

applicant may file with the clerk of the superior court of the county in which the school will be located, in lieu of a bond:

1. An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Board; (ii) which is executed by the applicant; and (iii) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above.
2. A certificate of deposit (i) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; and (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subpart b. above."

SECTION 18.(i) G.S. 88B-17, as amended by Section 16(f) of this act, reads as rewritten:

"**§ 88B-17. Bond required for private cosmetic art schools.**

(a) Each private cosmetic art school shall provide a guaranty bond unless the school has already provided a bond or an alternative to a bond under G.S. 115D-95. The Board may restrict, suspend, revoke, or refuse to renew or reinstate the license of a school that fails to maintain a bond or an alternative to a bond pursuant to this section or G.S. 115D-95.

(b) (1) The applicant shall file the guaranty bond with the clerk of superior court in the county in which the school is located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student or the student's parent or guardian who has suffered loss of tuition or any fees by reason of the failure of the school to offer or complete student instruction, academic services, or other goods and services as related to course enrollment for any reason, including suspension, revocation, or nonrenewal of a school's approval, bankruptcy, foreclosure, or the school's ceasing to operate.

(2) The bond amount shall be at least equal to the maximum amount of prepaid tuition held at any time by the school during the last fiscal year, but in no case shall be less than ten thousand dollars ($10,000). Each application for license or license renewal shall include a letter signed by an authorized representative of the school showing the calculations made and the method of computing the amount of the bond in accordance with rules prescribed by the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

(3) The bond shall remain in force and effect until canceled by the guarantor. The guarantor may cancel the bond upon 30 days' notice to the Board. Cancellation

of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(c) An applicant who is unable to secure a bond may seek from the Board a waiver of the guaranty bond requirement and approval of one of the guaranty bond alternatives set forth in this subsection. With the approval of the Board, an applicant may file one of the following instead of a bond with the clerk of court in the county in which the school is located:

(1) An assignment of a savings account in an amount equal to the bond required that is in a form acceptable to the Board, and is executed by the applicant and a federally insured depository institution ~~lawfully doing business in this State,~~ or a trust institution authorized to do business in this State, and access to the account is subject to the same conditions as those for a bond in subsection (b) of this section.

(2) A certificate of deposit that is executed by a federally insured depository institution ~~lawfully doing business in this State~~ or a trust institution authorized to do business in this State and access to the certificate of deposit is subject to the same conditions as those for a bond in subsection (b) of this section."

SECTION 18.(j) G.S. 90-171.55, as amended by Section 16(g) of this act, reads as rewritten:

"**§ 90-171.55. Nurses Aides Registry.**

(a) The Board of Nursing, established pursuant to G.S. 90-171.21, shall establish a Nurses Aides Registry for persons functioning as nurses aides regardless of title. The Board shall consider those Level I nurses aides employed in State licensed or Medicare/Medicaid certified nursing facilities who meet applicable State and federal registry requirements as adopted by the North Carolina Medical Care Commission as having fulfilled the training and registry requirements of the Board. The Board may not charge an annual fee to a nurse aide I registry applicant. The Board may charge an annual fee of twelve dollars ($12.00) for each nurse aide II registry applicant. The Board shall adopt rules to ensure that whenever possible, the fee is collected through the employer or prospective employer of the registry applicant. Fees collected may be used by the Board in administering the registry. The Board's authority granted by this Article shall not conflict with the authority of the Medical Care Commission.

(b) (1) Each nurses aide training program, except for those operated by (i) institutions under the Board of Governors of The University of North Carolina, (ii) institutions of the North Carolina Community College System, (iii) public high schools, and (iv) hospital authorities acting pursuant to G.S. 131E-23(31), shall provide a guaranty bond unless the program has already provided a bond or an alternative to a bond under G.S. 115D-95. The Board of Nursing may revoke the approval of a program that fails to maintain a bond or an alternative to a bond pursuant to this subsection or G.S. 115D-95.

(2) When application is made for approval or renewal of approval, the applicant shall file a guaranty bond with the clerk of the superior court of the county in which the program will be located. The bond shall be in favor of the students. The bond shall be executed by the applicant as principal and by a bonding company authorized to do business in this State. The bond shall be conditioned to provide indemnification to any student, or his parent or guardian, who has suffered a loss of tuition or any fees by reason of the failure of the program to offer or complete student instruction, academic services, or other goods and services related to course enrollment for any reason, including the suspension, revocation, or nonrenewal of a program's approval, bankruptcy, foreclosure, or the program ceasing to operate.

The bond shall be in an amount determined by the Board to be adequate to provide indemnification to any student, or his parent or guardian, under the

terms of the bond. The bond amount for a program shall be at least equal to the maximum amount of prepaid tuition held at any time during the last fiscal year by the program. The bond amount shall also be at least ten thousand dollars ($10,000).

Each application for a license shall include a letter signed by an authorized representative of the program showing in detail the calculations made and the method of computing the amount of the bond pursuant to this subdivision and the rules of the Board. If the Board finds that the calculations made and the method of computing the amount of the bond are inaccurate or that the amount of the bond is otherwise inadequate to provide indemnification under the terms of the bond, the Board may require the applicant to provide an additional bond.

The bond shall remain in force and effect until cancelled by the guarantor. The guarantor may cancel the bond upon 30 days notice to the Board. Cancellation of the bond shall not affect any liability incurred or accrued prior to the termination of the notice period.

(3) An applicant that is unable to secure a bond may seek a waiver of the guaranty bond from the Board and approval of one of the guaranty bond alternatives set forth in this subdivision. With the approval of the Board, an applicant may file with the clerk of the superior court of the county in which the program will be located, in lieu of a bond:

a. An assignment of a savings account in an amount equal to the bond required (i) which is in a form acceptable to the Board; (ii) which is executed by the applicant; and (iii) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; and (iv) for which access to the account in favor of the State of North Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection.

b. A certificate of deposit (i) which is executed by a federally insured depository institution ~~lawfully doing business in this State;~~ or a trust institution authorized to do business in this State; and (ii) which is either payable to the State of North Carolina, unrestrictively endorsed to the Board; in the case of a negotiable certificate of deposit, is unrestrictively endorsed to the Board; or in the case of a nonnegotiable certificate of deposit, is assigned to the Board in a form satisfactory to the Board; and (iii) for which access to the certificate of deposit in favor of the State of North Carolina is subject to the same conditions as for a bond in subdivision (2) of this subsection."

SECTION 18.(k) G.S. 93A-42, as amended by Section 16(j) of this act, reads as rewritten:

"**§ 93A-42. Time shares deemed real estate.**

...

(d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit and maintain the purchaser's payments in an insured trust or escrow account in a federally insured depository institution ~~lawfully doing business in this State.~~ or a trust institution authorized to do business in this State. The trust or escrow account may be interest-bearing and the interest earned shall belong to the developer, if agreed upon in writing by the purchaser; provided, however, if the time share instrument is not recorded within the time periods specified in this section, then the interest earned shall belong to the purchaser. The independent escrow agent shall return all payments to the purchaser at the expiration of 180 days following the execution of the contract of sale by the purchaser, unless prior to that time the time share instrument has been recorded.

However, if prior to the expiration of 180 days following the execution of the contract of sale, the developer and the purchaser provide their written consent to the independent escrow agent, the developer's obligation to record the time share instrument and the escrow period may be extended for an additional period of 120 days. Upon recordation of the time share instrument, the independent escrow agent shall pay the purchaser's funds to the developer. Upon request by the Commission, the independent escrow agent shall promptly make available to the Commission inspection of records of money held by the independent escrow agent.

...."

SECTION 18.(l) G.S. 93A-45, as amended by Section 16(k) of this act, reads as rewritten:

"**§ 93A-45. Purchaser's right to cancel; escrow; violation.**

...

(c) Any payments received by a time share developer or time share salesperson in connection with the sale of the time share shall be immediately deposited by such developer or salesperson in a trust or escrow account in a federally insured depository institution ~~lawfully doing business in this State~~ or a trust institution authorized to do business in this State and shall remain in such account for 10 days or cancellation by the purchaser, whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the developer. In lieu of such escrow requirements, the Commission shall have the authority to accept, in its discretion, alternative financial assurances adequate to protect the purchaser's interest during the contract cancellation period, including but not limited to a surety bond, corporate bond, cash deposit or irrevocable letter of credit in an amount equal to the escrow requirements.

...."

SECTION 19. G.S. 14-27.23(c) and G.S. 14-27.28(c) are repealed.

SECTION 19.5. G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

...

(54) Order of the Long Leaf Pine."

SECTION 20. G.S. 28A-2B-2 reads as rewritten:

"**§ 28A-2B-2. Venue.**

The venue for a petition under G.S. 28A-2B-1 is the county of this State in which the petitioner whose will or codicil is the subject of the petition ~~is domiciled.~~resides."

SECTION 21. G.S. 31D-5-505, as recodified by Section 7.2(b) of this act, reads as rewritten:

"**§ 31D-5-505. Requisites of release ~~or limitation~~ as against creditors and purchasers for value.**

No release ~~or limitation~~ of a power of appointment after March 8, 1943, which is made by the owner of the legal title to real property in this State shall be valid as against creditors and purchasers for a valuable consideration until an instrument in writing setting forth the release ~~or limitation~~ is executed and acknowledged in the manner required for a deed and recorded in the county where the real property is."

SECTION 22. G.S. 36C-5-505 reads as rewritten:

"**§ 36C-5-505. Creditor's claim against settlor.**

...

(c) Subject to the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes, for purposes of this section, property contributed to the following trusts is not considered to have been contributed by the settlor and a person who would otherwise be treated as a settlor or a deemed settlor of the following trusts may not be treated as a settlor:

(1) If the settlor is a beneficiary after the death of the settlor's spouse:

a. An irrevocable inter vivos marital trust that is treated as a general power of appointment trust described in section 2523(e) of the Internal Revenue Code.

b. An irrevocable inter vivos marital trust that is treated as a qualified terminable interest trust under section 2523(f) of the Internal Revenue Code.

c. An irrevocable inter vivos trust of which the settlor's spouse is a beneficiary during the spouse's lifetime but which does not qualify for the federal gift tax marital deduction, and during the lifetime of the settlor's spouse (i) the settlor's spouse is the only beneficiary or (ii) the settlor's spouse and ~~the settlor's issue~~ any issue of the settlor or the settlor's spouse, or both, are the only beneficiaries.

d. Another trust, to the extent that the property of the other trust is attributable to property passing from a trust described in sub-subdivisions a., b., and c. of this subdivision.

For purposes of this subdivision, notwithstanding the provisions of G.S. 36C-1-103(3), the settlor is a beneficiary whether so named under the initial trust instrument or through the exercise of a limited or general power of appointment.

(2) An irrevocable inter vivos trust for the benefit of a person if the settlor is the person's spouse, regardless of whether or when that person was a settlor of an irrevocable inter vivos trust for the benefit of the person's spouse.

For purposes of this subsection, the "settlor's spouse" refers to the person to whom the settlor was married at the time the irrevocable inter vivos trust was created, notwithstanding a subsequent dissolution of the marriage."

SECTION 23.(a) G.S. 39-13 reads as rewritten:

"**§ 39-13. Spouse need not join in purchase-money mortgage.**

~~The purchaser of real estate who does not pay the whole of the purchase money at the time when he or she takes a deed for title may make a mortgage or deed of trust for securing the payment of such purchase money, or such part thereof as may remain unpaid, which~~ A mortgage or deed of trust given by the purchaser of real property to secure a loan, the proceeds of which were used to pay all or a portion of the purchase price of the encumbered real property, regardless of whether the secured party is the seller of the real property or a third-party lender, shall be good and effectual against his or her spouse as well as the purchaser, without requiring the spouse to join in the execution of such mortgage or deed of trust."

SECTION 23.(b) G.S. 29-30(g) reads as rewritten:

"(g) Neither the household furnishings in the dwelling house nor the life estates taken by election under this section shall be subject to the payment of debts due from the estate of the deceased spouse, except those debts secured by such property as follows:

(1) By a mortgage or deed of trust in which the surviving spouse has waived the surviving spouse's rights by joining with the other spouse in the making ~~thereof; or~~thereof.

(2) By a mortgage or deed of trust given by the deceased spouse to secure a loan, the proceeds of which were used to pay all or a portion of the purchase price of the encumbered real property, regardless of whether the secured party is the seller of the real property or a third-party lender, ~~By a purchase money mortgage~~

~~or deed of trust,~~ or by a conditional sales contract of personal property in which title is retained by the vendor, made prior to or during the ~~marriage; or~~marriage.

(3) By a mortgage or deed of trust made prior to the ~~marriage; or~~marriage.

(4) By a mortgage or deed of trust constituting a lien on the property at the time of its acquisition by the deceased spouse either before or during the marriage."

SECTION 23.(c) This section is effective when it becomes law, and applies to mortgages and deeds of trust entered into on or after that date.

SECTION 24. G.S. 39-13.7 is amended by adding two new subsections to read:

"(f) Notice that the real property held in trust receives immunity from the claims of separate creditors may be given in a statement in the conveyance of the tenancy by the entireties real property to the trust that the real property is held under this section and that as of the date of the conveyance, the requirements of subsection (b) of this section are met.

(g) A person entering a transaction involving real property held in trust under this section may request confirmation from the trustee whether the requirements of this section providing immunity from the claims of separate creditors are met at the time of the transaction."

SECTION 25. G.S. 90-12.7(b1), as enacted by S.L. 2016-17, reads as rewritten:

"(b1) A pharmacist may dispense an opioid antagonist to a person described in subdivision ~~(b)(1)~~(1) of subsection (b) of this section pursuant to a prescription issued pursuant to subsection (b) of this section. For purposes of this section, the term "pharmacist" is as defined in G.S. 90-85.3."

SECTION 26. G.S. 90-96 reads as rewritten:

"**§ 90-96. Conditional discharge for first offense.**

(a) Whenever any person who has not previously been convicted of (i) any felony offense under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any statute of the United States or any state relating to those substances included in Article 5 or 5A of Chapter 90 or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes pleads guilty to or is found guilty of (i) a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article or by possessing drug paraphernalia as prohibited by ~~G.S. 90-113.22,~~ G.S. 90-113.22 or G.S. 90-113.22A, or (ii) a felony under G.S. 90-95(a)(3), the court shall, without entering a judgment of guilt and with the consent of ~~such~~ the person, defer further proceedings and place ~~him~~ the person on probation upon such reasonable terms and conditions as it may require, unless the court determines with a written finding, and with the agreement of the District Attorney, that the offender is inappropriate for a conditional discharge for factors related to the offense. Notwithstanding the provisions of G.S. 15A-1342(c) or any other statute or law, probation may be imposed under this section for an offense under this Article for which the prescribed punishment includes only a fine. To fulfill the terms and conditions of probation the court may allow the defendant to participate in a drug education program approved for this purpose by the Department of Health and Human Services or in the Treatment for Effective Community Supervision Program under Subpart B of Part 6 of Article 13 of Chapter 143B of the General Statutes. Upon violation of a term or condition, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions, the court shall discharge ~~such~~ the person and dismiss the ~~proceedings against him.~~ proceedings. Discharge and dismissal under this section shall be without court adjudication of guilt and shall not be deemed a conviction for purposes of this section or for purposes of disqualifications or disabilities imposed by law upon conviction of a crime including the additional penalties imposed for second or subsequent convictions under this Article. Discharge and dismissal under this section or G.S. 90-113.14 may occur only once with respect to any person. Disposition of a case to determine discharge and dismissal under this section at the district court division of the General Court of Justice shall be final for the purpose of appeal. Prior to taking any action to discharge and dismiss under this section the court shall make a finding that the defendant has no record of previous convictions as provided in this subsection.

(a1) Upon the first conviction only of any offense which qualifies under the provisions of subsection (a) of this section, and the provisions of this subsection, the court may place defendant on probation under this section for an offense under this Article including an offense for which the prescribed punishment includes only a fine. The probation, if imposed, shall be for not less than one year and shall contain a minimum condition that the defendant who was found guilty or pleads guilty enroll in and successfully complete, within 150 days of the date of the imposition of said probation, the program of instruction at the drug education school approved by the Department of Health and Human Services pursuant to G.S. 90-96.01. The court may impose probation that does not contain a condition that defendant successfully complete the program of instruction at a drug education school if:

(1) There is no drug education school within a reasonable distance of the defendant's residence; or

(2) There are specific, extenuating circumstances which make it likely that defendant will not benefit from the program of instruction.

The court shall enter such specific findings in the record; provided that in the case of subdivision (2) above, such findings shall include the specific, extenuating circumstances which make it likely that the defendant will not benefit from the program of instruction.

Upon fulfillment of the terms and conditions of the probation, the court shall discharge such person and dismiss the proceedings against the person.

For the purposes of determining whether the conviction is a first conviction or whether a person has already had discharge and dismissal, no prior offense occurring more than seven years before the date of the current offense shall be considered. In addition, convictions for violations of a provision of G.S. 90-95(a)(1) or 90-95(a)(2) or 90-95(a)(3), or 90-113.10, or 90-113.11, or 90-113.12, or ~~90-113.22~~ 90-113.22, or 90-113.22A shall be considered previous convictions.

Failure to complete successfully an approved program of instruction at a drug education school shall constitute grounds to revoke probation pursuant to this subsection and deny application for expunction of all recordation of defendant's arrest, indictment, or information, trial, finding of guilty, and dismissal and discharge pursuant to G.S. 15A-145.2. For purposes of this subsection, the phrase "failure to complete successfully the prescribed program of instruction at a drug education school" includes failure to attend scheduled classes without a valid excuse, failure to complete the course within 150 days of imposition of probation, willful failure to pay the required fee for the course as provided in G.S. 90-96.01(b), or any other manner in which the person fails to complete the course successfully. The instructor of the course to which a person is assigned shall report any failure of a person to complete successfully the program of instruction to the court which imposed probation. Upon receipt of the instructor's report that the person failed to complete the program successfully, the court shall revoke probation, shall not discharge such person, shall not dismiss the proceedings against the person, and shall deny application for expunction of all recordation of defendant's arrest, indictment, or information, trial, finding of guilty, and dismissal and discharge pursuant to G.S. 15A-145.2. A person may obtain a hearing before the court of original jurisdiction prior to revocation of probation or denial of application for expunction.

This subsection is supplemental and in addition to existing law and shall not be construed so as to repeal any existing provision contained in the General Statutes of North Carolina.

(b) Upon the discharge of such person, and dismissal of the proceedings against the person under subsection (a) or (a1) of this section, such person, if he or she was not over 21 years of age at the time of the offense, may be eligible to apply for expunction of certain records relating to the offense pursuant to G.S. 15A-145.2(a).

(c) Repealed by Session Laws 2009-510, s. 8(b), effective October 1, 2010.

(d) Whenever any person is charged with a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article or a felony under G.S. 90-95(a)(3), upon dismissal by the State of the charges against such person, upon entry of a nolle prosequi, or upon a finding of not guilty or other adjudication of innocence, the person may

be eligible to apply for expunction of certain records relating to the offense pursuant to G.S. 15A-145.2(b).

(e) Whenever any person who has not previously been convicted of (i) any felony offense under any state or federal laws; (ii) any offense under this Article; or (iii) an offense under any statute of the United States or any state relating to controlled substances included in any schedule of this Article or to that paraphernalia included in Article 5B of Chapter 90 of the General Statutes pleads guilty to or has been found guilty of (i) a misdemeanor under this Article by possessing a controlled substance included within Schedules I through VI of this Article, or by possessing drug paraphernalia as prohibited by G.S. 90-113.22 or G.S. 90-113.22A, or (ii) a felony under G.S. 90-95(a)(3), the person may be eligible to apply for cancellation of the judgment and expunction of certain records related to the offense pursuant to G.S. 15A-145.2(c).

(f) Repealed by Session Laws 2009-577, s. 6, effective December 1, 2009, and applicable to petitions for expunctions filed on or after that date."

SECTION 27.(a) G.S. 90-414.5 reads as rewritten:

"(a) The Authority shall provide the Department and the State Health Plan for Teachers and State Employees secure, real-time access to data and information disclosed through the HIE Network, solely for the purposes set forth in ~~subsection (a) of this section~~ G.S. 90-414.4(a) and in G.S. 90-414.2. The Authority shall limit access granted to the State Health Plan for Teachers and State Employees pursuant to this section to data and information disclosed through the HIE Network that pertains to services (i) rendered to teachers and State employees and (ii) paid for by the State Health Plan."

SECTION 27.(b) G.S. 90-414.7(b) reads as rewritten:

"(b) Powers and Duties. – The Authority has the following powers and duties:

(1) Oversee and administer the HIE Network in a manner that ensures all of the following:

...

h. Minimization of the amount of data required to be submitted under ~~G.S. 90-414(b)~~ G.S. 90-414.4(b) and any use or disclosure of such data to what is determined by the Authority to be required in order to advance the purposes set forth in G.S. 90-414.2 and ~~G.S. 90-414(a).~~ G.S. 90-414.4(a)."

SECTION 28.(a) If a taxpayer is eligible for a historic rehabilitation tax credit under G.S. 105-129.105(e) with respect to qualifying rehabilitation expenditures that were incurred in 2014 and 2015 in connection with a certified historic structure for which a certificate of occupancy was issued on or after December 15, 2015, and before January 1, 2016, for purposes of Article 3L of Chapter 105 of the General Statutes the certified historic structure shall be treated as having been placed in service in 2016 notwithstanding that the certified historic structure may be considered placed in service in 2015 for purposes of the tax credit under section 47 of the Internal Revenue Code or other federal income tax purposes.

SECTION 28.(b) G.S. 105-153.5(b) reads as rewritten:

"(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

...

(10) Gain or income from the allocation or application of a historic rehabilitation tax credit that the taxpayer is eligible to receive under G.S. 105-129.105(e)."

SECTION 28.(c) Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2016. The remainder of this section is effective when it becomes law.

SECTION 29. Reserved.

SECTION 30.(a). G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, ~~beginning October 15, 2015, and annually thereafter,~~ by November 15 of each year, the State Board shall submit reports to that Committee regarding schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION 30.(b). G.S. 115C-296.13(e) reads as rewritten:

"(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by ~~December 15.~~March 15."

SECTION 30.(c). G.S. 115C-238.55 reads as rewritten:

"**§ 115C-238.55. Evaluation of cooperative innovative high schools.**

The State Board of Education and the governing Boards shall evaluate the success of students in cooperative innovative high schools approved under this Part. Success shall be measured by high school retention rates, high school completion rates, high school dropout rates, certification and associate degree completion, admission to four-year institutions, postgraduation employment in career or study-related fields, and employer satisfaction of employees who participated in and graduated from the schools. The Boards shall jointly report by ~~January 15~~ March 15 of each year to the Joint Legislative Education Oversight Committee on the evaluation of these schools."

SECTION 30.(d). Section 1(b) of S.L. 2013-1, as amended by Section 16.1 of S.L. 2013-410, as amended by Section 89 of S.L. 2014-115 reads as rewritten:

"**SECTION 1.(b)** The State Board of Education shall make high school diploma endorsements, as provided under this section, available to students graduating from high school beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the progress toward establishing specific college and career endorsements for high school diplomas and for awarding these endorsements by February 1, 2014. The State Board of Education shall submit the report on the impact of awarding the high school endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates by ~~September 15, 2016,~~ November 15, 2016, and annually thereafter."

SECTION 30.(e). G.S. 115C-156.2(b) reads as rewritten:

"(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by ~~September 15~~ November 15 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials."

SECTION 30.(f). Section 8.29(e) of S.L. 2015-241 reads as rewritten:

"**SECTION 8.29.(e)** The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by ~~September 15, 2016,~~ November 15, 2016, with a final report on the program by ~~September 15, 2017.~~November 15, 2017. The final report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients."

SECTION 30.(g). G.S. 115C-83.10(c) reads as rewritten:

"(c) The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsections (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by ~~October 15 of each year, beginning with the 2015-2016 school year.~~December 15, 2016 and annually thereafter."

SECTION 30.(h). G.S. 115C-174.26(h) reads as rewritten:

"(h) ~~Beginning November 15, 2014, the~~ The State Board of Education shall report annually by December 15 to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.

(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.

(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.

(4) Number of students participating in 10th grade PSATMSQT testing.

(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.

(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.

(7) Status and efforts of the North Carolina Advanced Placement Partnership.

(8) Other trends in advanced courses and examinations."

SECTION 31. If House Bill 1080 of the 2015 General Assembly, 2016 Regular Session, becomes law, Article 7A of Chapter 115C, as enacted by that bill, reads as rewritten:

"Article 7A.

"Achievement School District and Innovation Zones.

...

"§ 115C-75.6. Achievement School District.

...

(c) The State Board of Education ~~shall consider~~ shall, upon the recommendation of the ASD Superintendent Selection Advisory ~~Committee and shall~~Committee, appoint a superintendent to serve as the executive officer of the ASD. The ASD Superintendent shall serve at the pleasure of the State Board of Education at a salary established by the State Board of Education within the funds appropriated for this purpose. The ASD Superintendent shall have qualifications consistent with G.S. 115C-271(a) and report directly to the State Board of Education.

...

"§ 115C-75.7. Selection of achievement schools.

(a) State Board Selection. – The State Board of Education ~~is authorized to~~ shall select, upon the recommendation of the ASD Superintendent, no more than five qualifying schools to transfer to the ASD as achievement schools. The five qualifying schools selected for inclusion in the ASD should represent geographic diversity, including urban and rural schools. The State Board of Education shall select no more than one qualifying school per local school administrative unit, unless the local board of education consents.

...

(e) Waivers for Achievement Schools. – The ASD Superintendent ~~may~~ is authorized to waive State Board of Education rules, regulations, policies, and procedures, or the provisions of

this Chapter for achievement schools; however, achievement schools shall be required to comply with, at a minimum, the statutory requirements for charter schools as provided in Article 14A of this Chapter. The goal for each waiver shall be improvement of student performance. All achievement schools shall comply with all applicable constitutional and statutory nondiscrimination requirements.

...

"§ 115C-75.13. Innovation zones.

...

(b) The innovation zone created by a local board of education must include all of the following:

(1) Development of a clear and specific plan for improving schools within the innovation ~~zone.~~zone approved by the State Board of Education to govern and lead the schools in the innovation zone.

(2) Establishment of an innovation zone office with a leader appointed by the local board of ~~education and approved by the State Board of Education to govern and lead the schools in the innovation zone.~~ education.

..."

SECTION 32. G.S. 115C-401.2(e), as enacted by S.L. 2016-11, is amended by adding a new subsection to read:

"(6) Using a student's information, including covered information, solely to identify or display information on nonprofit institutions of higher education or scholarship providers to the student if the provider secures the express written consent of the parent or student who is at least 13 years of age given in response to clear and conspicuous notice."

SECTION 32.5. G.S. 115D-67.4 reads as rewritten:

"§ 115D-67.4. Fees collected by the Center; purchases using Center funds.

Notwithstanding any other provision of law, all fees collected by the Applied Textile Technology Center for services to the textile industry, except for regular curriculum and continuing education tuition receipts, shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall: (i) submit all proposed agreements or contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars ($1,000,000) authorized by this section to the ~~Attorney General or the Attorney General's~~ Secretary of Administration or the Secretary's designee for review as provided in G.S. 114-8.3; and (ii) include in all agreements or contracts to be awarded by the Center under this section a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center shall not award a cost plus percentage of cost agreement or contract for any purpose."

SECTION 33. G.S. 116-11 is amended by adding a new subsection to read:

"(13b) Notwithstanding G.S. 114-2, G.S. 114-2.3, G.S. 147-17, or any other provision of law, the Board of Governors may authorize the President to employ or engage the services of and fix the compensation for legal counsel as the President deems necessary to represent the University, a constituent institution, or University employees and officials in any matter, including any case or proceeding in or before any court or agency of this State or any other state or the United States."

SECTION 34. G.S. 126-5(c11) reads as rewritten:

"(c11) The following are exempt from: (i) the classification and compensation rules established by the State Human Resources Commission pursuant to G.S. 126-4(1) through (4); (ii) G.S. 126-4(5) only as it applies to hours and days of work, vacation, and sick leave; (iii) G.S. 126-4(6) only as it applies to promotion and transfer; and (iv) ~~G.S. 126-4(10) only as it~~

~~applies to the prohibition of the establishment of incentive pay programs; and (v)~~ Article 2 of Chapter 126 of the General Statutes, except for G.S. 126-7.1:

(1) The Office of the Commissioner of Banks and its employees; and

(2) The following employees of the Department of Natural and Cultural Resources:

a. Director and Associate Directors of the North Carolina Museum of History.

b. Program Chiefs and Curators.

c. Regional History Museum Administrators and Curators.

d. North Carolina Symphony.

e. Director, Associate Directors, and Curators of Tryon Palace.

f. Director, Associate Directors, and Curators of Transportation Museum.

g. Director and Associate Directors of the North Carolina Arts Council.

h. Director, Assistant Directors, and Curators of the Division of State Historic Sites.

(3) Employees of the Department of Information Technology (DIT), and employees in all agencies, departments, and institutions with similar classifications as DIT employees, who voluntarily relinquish annual longevity payments, relinquish any claim to longevity pay, voluntarily relinquish any claim to career status or eligibility for career status as approved by the State Chief Information Officer and the Director of the Office of State Human Resources (OSHR)."

SECTION 35. G.S. 126-14.3 reads as rewritten:

"**§ 126-14.3. Open and fair competition.**

The State Human Resources Commission shall adopt rules or policies to:

(1) Assure recruitment, selection, and hiring procedures that encourage open and fair competition for positions in State government employment and that encourage the hiring of a diverse State government workforce.

(2) Assure the proper and thorough advertisement of job openings in State government employment and lengthen, as appropriate, the period for submitting applications for State government employment.

(3) Require that a closing date shall be posted for each job opening, unless an exception for critical classifications has been approved by the State Human Resources Commission.

(4) Require that timely written notice shall be provided to each unsuccessful applicant for State employment who is in the pool of the ~~most~~ qualified applicants for a position, as defined by G.S. 126-14.2(b).

(5) Assure that State departments, agencies, and institutions follow similar selection processes when hiring State employees in accordance with this Chapter.

(6) Assure that State supervisory and management personnel, and personnel professionals, receive adequate training and continuing education to carry out the State's policy of hiring from among the pool of ~~most~~ qualified persons.

(7) Establish a monitoring system to measure the effectiveness of State agency personnel procedures to promote fairness and reduce adverse impact on all demographic groups in the State government workforce.

(8) Otherwise implement the State's policy of nonpolitical hiring practices in accordance with this Chapter."

SECTION 36.(a) G.S. 140-5.13 reads as rewritten:

"**§ 140-5.13. Board of Trustees. – establishment; members; selection; quorum; compensation; officers; meetings.**

...

(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25 members, chosen as follows:

...

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All ~~regular~~ appointments by the General Assembly shall be for ~~the then current legislative term, and no appointee of the General Assembly may be appointed to more than two consecutive~~ terms of ~~two years.~~four years with no person being appointed to more than three consecutive terms.

...."

SECTION 36.(b) If Senate Bill 898, 2015 Regular Session, becomes law, then Section 2.42 of that act is repealed.

SECTION 36.(c) R. Eugene Davis, Jr., of Wake County and Mary Jo Cresimore of Wake County are appointed to the Museum of Art Board of Directors for terms expiring on June 30, 2020.

SECTION 37. G.S. 143-548 reads as rewritten:

"**§ 143-548. Vocational Rehabilitation Council.**

...

(d1) Terms of Appointment. –

(1) Length of Term. – Each member of the Council shall serve for a term of not more than three years, except that:

a. A member appointed to fill a vacancy occurring prior to the expiration of the term for which a predecessor was appointed shall be appointed for the remainder of that term;

b. The terms of service of the members initially appointed are as specified by the appointing authority for a fewer number of years as will provide for the expiration of terms on a staggered basis and shall include the members of the existing Council to the extent possible with appropriate adjustments to their terms;

c. The appointing authority shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16; and

d. A member may continue to serve until a successor for the position is appointed;

(2) Number of Terms. – No member of the Council other than the representative of the Client Assistance ~~Program~~ Program, the representative of a parent training and information center, and the representative of the directors of projects carried out under section 121 of the Rehabilitation Act of 1973, 29 U.S.C. § 741, as amended, may serve more than two consecutive full terms.

...."

SECTION 38. G.S. 143B-68 reads as rewritten:

"**§ 143B-68. Public Librarian Certification Commission – members; selection; quorum; compensation.**

The Public Librarian Certification Commission of the Department of Natural and Cultural Resources shall consist of five members as follows: (i) ~~the chairman of the North Carolina Association of Library Trustees, (ii)~~ the chairman of the public libraries section of the North Carolina Library Association, ~~(iii) an individual~~ (ii) two individuals named by the Governor upon the nomination of the North Carolina Library Association, ~~(iv)~~ (iii) the dean of a State or regionally accredited graduate school of librarianship in North Carolina appointed by the Governor and ~~(v)~~ (iv) one member at large appointed by the Governor.

The members shall serve four-year terms or while holding the appropriate ~~chairmanships.~~chairmanship. Any appointment to fill a vacancy created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, and nonfeasance according to the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

The members of the Commission shall receive per diem, and necessary travel expenses in accordance with the provisions of G.S. 138-5.

A majority of the Commission shall constitute a quorum for the transaction of business.

All clerical and other services required by the Commission shall be supplied by the Secretary of the Department through the regular staff of the Department."

SECTION 39. G.S. 143B-79 is amended by adding a new subdivision to read as follows:

"(8) Any surplus furnishings for use in the Governor's mansion and not needed by the Governor for current purposes, are available for use by the cabinet agencies for decorative purposes in State-owned facilities. This is irrespective of ownership and without approval of any committee or required process set forth in this section or elsewhere. An inventory of these items will be maintained by the Department of Administration, and the items can be recalled at any time for use in the Governor's mansion."

SECTION 40. G.S. 143B-437.01(a)(6), as amended by Section 5.5(c) of S.L. 2016-5, reads as rewritten:

"(6) The funds shall not be used for any retail, entertainment, or sports projects. The funds shall not be used for any nonmanufacturing project that does not meet the wage standard for the development tier area or zone in which the project is located. There is no wage standard for a development tier one area. If an urban progress zone or an agrarian growth zone is not in a development tier one area, then the wage standard for that zone is an average weekly wage that is at least equal to ninety percent (90%) of the lesser of the average wage for all insured private employers in the State and the average wage for all insured private employers in the county in which the ~~datacenter~~ project is located. The wage standard for a development tier two area or a development tier three area is an average weekly wage that is at least equal to one hundred ten percent (110%) of the lesser of the average wage for all insured private employers in the State and ninety percent (90%) of the average wage for all insured private employers in the county in which the ~~datacenter~~ project is located."

SECTION 41. G.S. 147-12(b) reads as rewritten:

"(b) The Department of Transportation, the Division of Adult Correction of the Department of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of Parks and Recreation in the ~~Department of Natural and Natural Resources [Department of Natural and Cultural Resources],~~ Department of Natural and Cultural Resources, and the Division of Marine Fisheries in the Department of Environmental Quality shall deliver to the Governor by February 1 of each year detailed information on the agency's litter enforcement, litter prevention, and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor, by February 1 of each year, detailed information on the enforcement of the littering laws of the State, including the number of charges and convictions under the littering laws of the State. The Governor shall gather the information submitted by the respective agencies and deliver a consolidated annual report, on or before March 1 of each year, to the Environmental Review Commission, the Joint Legislative Transportation Oversight Committee, and the House of Representatives and the Senate appropriations committees with jurisdiction over natural and economic resources."

SECTION 42. G.S. 147-86.59 reads as rewritten:

"**§ 147-86.59. Certification required.**

(a) A State agency shall ~~require~~ certify that a person that attempts to contract with the State or political subdivision of the ~~State, including a contract renewal or assumption, to certify, at the time~~ State is not identified on a list created by the State Treasurer pursuant to G.S. 147-86.58 when the bid is submitted or the contract is entered into, renewed, or ~~assigned, that the person or the assignee is not identified on a list created by the State Treasurer pursuant to G.S. 147-86.58.~~ assigned. "Attempts to contract" include a contract renewal or assumption. A State agency shall include certification information in the procurement record. If a State agency and the same person enter into multiple contracts or multiple contract renewals or assumptions within 180 days after a certification is made, a new certification need not be made.

(b) A person that contracts with the State or a political subdivision of the State, including a contract renewal or assumption, shall not utilize on the contract with the State agency any subcontractor that is identified on a list created pursuant to G.S. 147-86.58.

(c) Upon receiving information that a person who has ~~made the certification~~ been certified as required by subsection (a) of this section is in violation thereof, the State agency shall review the information and offer the person an opportunity to respond. If the person fails to demonstrate that the person should not have been identified on the list created pursuant to G.S. 147-86.58 within 90 days after the determination of the violation, then the State agency shall take action as may be appropriate and provided for by law, rule, or contract."

SECTION 43.(a) G.S. 159-32 reads as rewritten:

"**§ 159-32. Daily deposits.**

Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys ~~shall~~ shall, on a daily basis, deposit ~~his~~ or submit to a properly licensed and recognized cash collection service all collections and ~~receipts daily. If~~ receipts. However, if the governing board gives its approval, deposits or submissions to a properly licensed and recognized cash collection service shall be required only when the moneys on hand amount to ~~as much as~~ two hundred fifty dollars ~~($250.00), but in any event a deposit shall be made on the last business day of the month.~~ ($250.00) or greater. Until deposited or officially submitted to a properly licensed and recognized cash collection service, all moneys must be maintained in a secure location. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any officer or employee collecting or receiving taxes or other moneys, and may prescribe the form and detail of these accounts. The accounts of such an officer or employee shall be audited at least annually."

SECTION 43.(b) This section becomes effective October 1, 2016.

SECTION 43.5. G.S. 163-227.2(g) reads as rewritten:

"(g) Notwithstanding any other provision of this section, a county board of elections by unanimous vote of all its members may provide for one or more sites in that county for absentee ballots to be applied for and cast under this section. Every individual staffing any of those sites shall be a member or full-time employee of the county board of elections or an employee of the county board of elections whom the board has given training equivalent to that given a full-time employee. Those sites must be approved by the State Board of Elections as part of a Plan for Implementation approved by both the county board of elections and by the State Board of Elections which shall also provide adequate security of the ballots and provisions to avoid allowing persons to vote who have already voted. The Plan for Implementation shall include a provision for the presence of political party observers at each one-stop site equivalent to the provisions in G.S. 163-45 for party observers at voting places on election day. A county board of

elections may propose in its Plan not to offer one-stop voting at the county board of elections office; the State Board may approve that proposal in a Plan only if the Plan includes at least one site reasonably proximate to the county board of elections office and the State Board finds that the sites in the Plan as a whole provide adequate coverage of the county's electorate. If a county board of elections has considered a proposed Plan or Plans for Implementation and has been unable to reach unanimity in favor of a Plan, a member or members of that county board of elections may petition the State Board of Elections to adopt a plan for it. If petitioned, the State Board may also receive and consider alternative petitions from another member or members of that county board. The State Board of Elections may adopt a Plan for that county. The State Board, in that plan, shall take into consideration factors including geographic, demographic, and partisan interests of that county. Any plan adopted by either the county board of elections or the State Board of Elections under this subsection shall provide for the same days of operation and same number of hours of operation on each day for all sites in that county for that election. The requirement of the previous sentence does not apply to the county board of elections office itself nor, if one-stop voting is not conducted at the county board of elections office, to the reasonably proximate alternate site approved under this subsection. No plan adopted by the State Board of Elections in the exercise of its supervisory authority under this subsection may be challenged in a petition for judicial review."

SECTION 44. If House Bill 242, 2015 Regular Session, becomes law, then Section 2 of that act reads as rewritten:

"**SECTION 2.** Section 6.5 of S.L. 2014-101 reads as rewritten:

"**SECTION 6.5.** Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State. The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process adopted by the State Board of Education shall, at a minimum, require a board of directors of a charter school to demonstrate one of the following in order to qualify for fast-track replication:

(1) A charter school in this State governed by the board of directors has student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located and can provide three years of financially sound audits.

(2) The board of directors agrees to contract with an education management organization or charter management organization that can demonstrate that it can replicate high-quality charter schools in the State that have proven student academic success and financial soundness.

The State Board of Education shall ensure that the rules for a fast-track replication process provide that decisions by the State Board of Education on whether to grant a charter through the replication process are completed in less than 120 days from the application submission date but in no event later than October 15 of the year immediately preceding the year of the proposed school opening. The State Board of Education shall adopt rules and procedures required by this section within 90 days of the effective date of this act, and report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of this act.""

SECTION 45. Section 1 of S.L. 2015-52 is repealed.

SECTION 46.(a) Section 10 of S.L. 2015-125 reads as rewritten:

"**SECTION 10.** Sections 8 and 9 of this act become effective July 1, 2015. Section 3 of this act becomes effective October 1, 2016. The remainder of this act becomes effective July 1, 2016, and applies to offenses committed on or after that date."

SECTION 46.(b) If House Bill 959, 2015 Regular Session, becomes law, Section 13.(f) of the act is repealed.

SECTION 46.(c) If House Bill 959, 2015 Regular Session, becomes law, Section 13.(j) of the act reads as rewritten:

"**SECTION 13.(j)** This section becomes effective ~~December 1, 2016, and applies to offenses committed on or after that date.~~July 1, 2016."

SECTION 46.(d) This section becomes effective July 1, 2016..

SECTION 47. Section 4 of S.L. 2016-27 reads as rewritten:

"**SECTION 4.** ~~G.S. 14-309(5)c., G.S. 14-309.14(5)c.,~~ as enacted by Section 1 of this act, becomes effective October 1, 2016, and applies to applications submitted on or after October 1, 2016, and offenses committed on or after that date. The remainder of Section 1 of this act becomes effective December 1, 2016, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law."

SECTION 48.(a) If Senate Bill 600, 2016 Regular Session of the 2015 General Assembly, becomes law, G.S. 93E-2-4(i), as enacted by that act, reads as rewritten:

"(i) For appraisal assignments of ~~property secured by the principal dwelling of the consumer,~~one- to four-family residential dwellings, an appraisal management company shall compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act (15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. The Board shall adopt rules necessary to enforce this subsection. ~~Rules establishing customary and reasonable rates shall be based on objective third-party information, such as academic studies and independent private sector surveys.~~"

SECTION 48.(b) This section becomes effective January 1, 2017.

SECTION 49. If House Bill 289, 2016 Regular Session of the 2015 General Assembly, becomes law, Section 3 of the act reads as rewritten:

"**SECTION 3.** This act becomes effective ~~October 1, 2015.~~ October 1, 2016."

SECTION 50. Section 1 of Senate Resolution 746, adopted by the Senate, 2016 Regular Session of the 2015 General Assembly, is amended by deleting the phrase "general farming" and substituting the word "marketing" in its place.

SECTION 51.(a) The Revisor of Statutes shall cause to be printed an explanatory comment to G.S. 36C-1-112 prepared by the Estate Planning and Fiduciary Law Section of the North Carolina Bar Association, that Section having originally prepared Chapter 36C of the General Statutes for introduction in 2005, as the Revisor may deem appropriate.

SECTION 51.(b) The Revisor of Statutes shall cause to be printed all explanatory comments of the drafters of Sections 7.1, 7.2(b) and (c), 21, and 22, as the Revisor may deem appropriate.

SECTION 52.(a) If House Bill 630, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 1.1.** For purposes of G.S. 130A-309.216, as enacted by Section 1 of this act, the term "an impoundment owner" shall be construed to mean Duke Energy Progress, LLC, and Duke Energy Carolinas, LLC, as a single entity, and as such, G.S. 130A-309.216, as enacted by Section 1 of this act, requires installation and operation of a total of three ash beneficiation projects in the State."

SECTION 52.(b) If House Bill 630, 2015 Regular Session becomes law, then Section 3(a) reads as rewritten:

"**SECTION 3.(a)** Notwithstanding G.S. 130A-309.213 or G.S. 130A-309.214, as amended by Section 1 of this act, and except as otherwise preempted by the requirements of federal law, the following coal combustion residuals surface impoundments shall be deemed intermediate-risk and, as soon as practicable, but no later than August 1, 2028, shall be closed in conformance with Section 3(b) of this act:

(1) Coal combustion residuals surface impoundments located at the H.F. Lee Steam Station, owned and operated by Duke Energy Progress, and located in Wayne County.

(2) Coal combustion residuals surface impoundments located at the Cape Fear Steam Station, owned and operated by Duke Energy Progress, and located in Chatham County.

(3) Coal combustion residuals surface impoundments located at the Weatherspoon Steam Station, owned and operated by Duke Energy Progress, and located in ~~New Hanover~~Robeson County."

SECTION 52.5.(a) If House Bill 1030, 2015 Regular Session, becomes law, subsection (d) of Section 8.32 of that act is repealed.

SECTION 52.5.(b) This section becomes effective July 1, 2016."

SECTION 53 If House Bill 1030, 2015 Regular Session, becomes law, then Section 36.16(a1) reads as rewritten:

"**SECTION 36.16.(a1)** Teachers paid on the Salary Schedule in Section 9.1 of this act are not eligible to receive the bonus awarded by subsection (a) of this ~~section.~~section unless they have more than 30 years of creditable experience and do not receive a recurring salary increase."

SECTION 53.5. If House Bill 1030, 2015 Regular Session, becomes law, then Section 12I.1(a) of S.L. 2015-241, as amended by Section 4.6 of S.L. 2015-268 and Section 12K.1 of House Bill 1030, 2015 Regular Session, reads as rewritten:

"**SECTION 12I.1.(a)** Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2017, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**FY 2015-2016**	**FY 2016-2017**
...		
SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01. County Departments of Social Services (Transfer From TANF $4,148,001)	$27,335,458	~~$27,215,583~~$27,065,583
01A. EBCI Tribal Public Health and Human Services	0	244,740
02. Child Protective Services (Transfer From TANF)	5,040,000	5,040,000
03. State In-Home Services Fund	2,209,023	1,943,950
04. Adult Protective Services	1,245,363	1,245,363
05. State Adult Day Care Fund	2,039,647	1,994,084
06. Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program	563,868	563,868

07. Special Children Adoption Incentive Fund	462,600	462,600
08. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF)	1,300,000	1,300,000
08A. Child Protective Services – Child Welfare Training for Counties/Mobile Training	0	737,067
09. Home and Community Care Block Grant (HCCBG)	1,788,157	1,696,888
10. Child Advocacy Centers	375,000	375,000
11. Guardianship	4,107,032	4,035,704
12. Foster Care Services (Transfer From TANF)	1,385,152	1,385,152
Division of Central Management and Support		
13. DHHS Competitive Block Grants for Nonprofits	3,852,500	3,852,500
14. NC FAST – Operations and Maintenance	712,324	939,315
14A. Big Brothers Big Sisters of the Triangle	0	150,000
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
15. Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult	4,030,730	4,030,730
DHHS Program Expenditures		
Division of Services for the Blind		
16. Independent Living Program	3,361,323	3,361,323
Division of Health Service Regulation		
17. Adult Care Licensure Program	381,087	381,087
18. Mental Health Licensure and Certification Program	190,284	190,284
DHHS Administration		

19. Division of Aging and Adult Services	577,745	577,745
20. Division of Social Services	559,109	559,109
21. Office of the Secretary/Controller's Office	127,731	127,731
22. Division of Child Development and Early Education	13,878	13,878
23. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	27,446	27,446
24. Division of Health Service Regulation	118,946	118,946
TOTAL SOCIAL SERVICES BLOCK GRANT	**$61,804,403**	**$62,420,093**

...."

SECTION 54. G.S. 116-30.3 reads as rewritten:

"**§ 116-30.3. Reversions.**

(a) Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each of the budget codes listed in this subsection, any amount of the General Fund appropriation for that budget code for that fiscal year (i) may be carried forward to the next fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be used for any of the purposes set out in subsection (f) of this section. However, the amount carried forward in each budget code under this subsection shall not exceed ~~two and one-half percent (2.5%)~~ five percent (5%) of the General Fund appropriation in that budget code. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code.

The budget codes that may carry forward a General Fund current operations appropriations credit balance remaining at the end of each fiscal year pursuant to this section are the budget codes for each of the following:

(1) Each special responsibility constituent institution.

(2) The Area Health Education Centers of the University of North Carolina at Chapel Hill.

(3) General Administration Budget Code 16010.

(b) Repealed by Session Laws 1998-212, s. 11(b).

(c) Repealed by Session Laws 1998-212, s. 11(a).

(d) Repealed by Session Laws 1998-212, s. 11(b).

(e) Repealed by Session Laws 2014-100, s. 11.17(a), effective July 1, 2014.

(f) ~~Funds~~ Except as provided otherwise by this subsection, funds carried forward pursuant to subsection (a) of this section may be used for one-time expenditures, provided, however, that the expenditures shall not impose additional financial obligations on the State and shall not be used to support positions. Any amount carried forward in a budget code that is in excess of two and one-half percent (2.5%) of the General Fund appropriation for that fiscal year in that budget code shall be used only (i) for projects that are eligible to receive funds from the Repairs and Renovations Reserve under G.S. 143C-4-3(b) or (ii) for advanced planning of capital improvement projects.

(g) The Board of Governors of The University of North Carolina shall submit the following written reports to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division on the allocation and use of funds accruing from the carryforward provided by subsection (a) of this section:

(1) A report on expenditures for repairs and renovations from the funds carried forward no later than October 1 each year.

(2) A report on any expenditures for advanced planning no later than 30 days after the funds are spent."

SECTION 54.5.(a) Notwithstanding Section 8.27(c) of S.L. 2015-241, as amended by Section 3.1 of S.L. 2015-268, if federal Investing in Innovation Grant funds are unavailable due to the insolvency of the North Carolina New Schools Project, any costs incurred by local school administrative units and the community college partners in implementing the program may be funded by the local school administrative unit or a third party entity. Community colleges shall not earn budget FTE for student course enrollments under this section, unless the student course enrollment is otherwise authorized as provided in G.S. 115D-20(4)a.

SECTION 54.5.(b) This section is effective when it becomes law and applies only to the 2016-2017 school year.

PART III. EFFECTIVE DATE

SECTION 55. Section 2 of this act becomes effective December 1, 2015. Except as otherwise provided in this act, this act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. _____ DATE _____

S. B. No. 821 Amendment No. _____
(to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE X

Rep.)
) _____
Sen.)

1 moves to amend the bill on page 34, line s 40-49

2 ( ) WHICH CHANGES THE TITLE

3 by deleting ~~[illegible]~~ the lines.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S **1**

SENATE BILL 890

Short Title:	Elections Every Four Years/Town of Marietta.	(Local)
Sponsors:	Senator Smith (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

June 1, 2016

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE TOWN OF MARIETTA TO HOLD MUNICIPAL ELECTIONS EVERY FOUR YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2.3 of the Charter of the Town of Marietta, being Chapter 111 of the 1985 Session Laws, reads as rewritten:

"Sec. 2.3. Mayor; Term of Office; Duties. The Mayor shall be elected in the manner provided by Article III of this Charter to serve for a term of ~~two~~ four years or until his successor is elected and qualified. The Mayor shall be the official head of the Town government and shall preside at all meetings of the Council. He shall have the right to vote in any and all matters before the Council. The Mayor shall exercise such powers and perform such duties as presently are or hereinafter may be conferred upon him by the General Statutes of North Carolina, by this Charter, and by the ordinances of the Town."

SECTION 2. Article III of the Charter of the Town of Marietta, being Chapter 111 of the 1985 Session Laws, reads as rewritten:

"Article III.

"Elections.

"Sec. 3.1. Regular Municipal Elections; Conduct and Method of Election. ~~Regular~~ Beginning in 2017, regular municipal elections shall be held in the Town every ~~two~~ four years in odd-numbered years and shall be conducted by the Robeson County Board of Elections in accordance with the uniform municipal election laws of North Carolina. At each such election, the Mayor and ~~two~~ four members of the Council shall be elected according to the nonpartisan plurality method of election.

"Sec. 3.2. Election of Council Members. Members of the Town Council are elected to four-year terms. ~~In 1985 all four members of the Town Council shall be elected, two for four years and two for two years, the two candidates receiving the highest number of votes to serve for four years and the two candidates who receive the next largest number of votes to serve for two years.~~The two members whose terms expire in 2017 shall be elected to serve four-year terms at the regular municipal election in 2017. The two members whose terms expire in 2019 shall continue to serve until 2021. In ~~1987,~~2021, and ~~biennially~~ quadrennially thereafter, ~~two~~ four members shall be elected by the voters of the Town voting at large.

"Sec. 3.3. Election of the Mayor. At the regular municipal election in ~~1985,~~2017, and ~~biennially~~ quadrennially thereafter, there shall be elected a Mayor to serve a term of ~~two~~ four years. The Mayor shall be elected by the voters of the Town voting at large.

...."

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

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB NO. 2

SB **821** **(CS#2)** GSC Technical Corrections 1.

Draft Number:	S821-PCS55009-SU-56
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Lewis

TOTAL REPORTED: 1

NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

RULES, CALENDAR, AND OPERATIONS OF THE HOUSE COMMITTEE REPORT
Representative David R. Lewis, Chair

FAVORABLE

SB **890** Elections Every Four Years/Town of Marietta.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	C. Graham

TOTAL REPORTED: 1