

2019

**HOUSE
COMMERCE**

MINUTES



North Carolina General Assembly

House Commerce

2018-19 Session

**Chair
Rep. Ross**

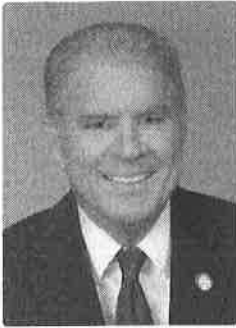
**Co-Chair
Rep. Conrad**

**Committee Clerk
Tammy Ross, LA**

COMMERCE

House Standing Committee

Senior Chair



Rep. Ross

Vice Chair



Rep. Conrad

Members



Rep. Adams



Rep. Adcock



Rep. Ball



Rep. Butler



Rep. Clemmons



Rep. Cunningham



Rep. Everitt



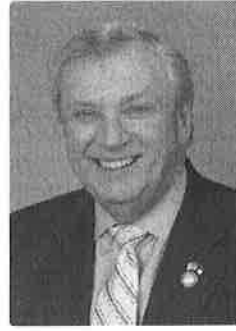
Rep. Farmer-Butterfield



Rep. D. Hall



Rep. K. Hall



Rep. Horn



Rep. Howard



Rep. Iler



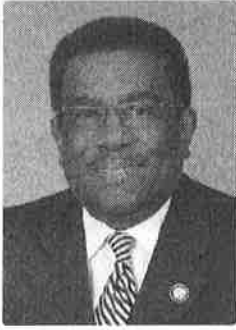
Rep. Jarvis



Rep. Kidwell



Rep. Lofton



Rep. Pierce



Rep. Shepard



Rep. Strickland



Rep. Terry



Rep. Warren

Pursuant to House Rules 26(e) and 26(f), the Chair of the Committee on Rules, Calendar and Operations of the House, the Speaker Pro Tempore, the Majority Leader, and the Deputy Majority Leader are ex officio members of each standing committee and permanent subcommittee with the right to vote. The previous sentence does not apply to the Standing Committee on Ethics. For the purposes of determining a quorum, when serving only as ex officio members, these members shall be counted among the membership of the committee or subcommittee only when present.

HOUSE COMMITTEE ON Commerce

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Rep. Steve Ross Senior Chair	Tammy Ross/Clerk	733-5820	1229 LB	50
Rep. Debra Conrad Vice-Chair	Ginny Taylor	733-5787	635 LOB	41
Rep. Jay Adams	Susan Phillips	733-5988	301N LOB	75
Rep. Gale Adcock	Suzanne Smith	733-5602	1213 LB	119
Rep. Cynthia Ball	Patty Williams	733-5860	1004 LB	70
Rep. Deb Butler	Tayler Williams	733-5754	502 LOB	80
Rep. Ashton Clemmons	Rianah Alexander	733-5781	1211 LB	118
Rep. Carla Cunningham	Sherrie Burnette	733-5807	609 LOB	24
Rep. Terence Everitt	Noreen Elnady	715-3010	1301 LB	84
Rep. Jean Farmer-Butterfield	Winnona Swayze	733-5898	1220 LB	21
Rep. Destin Hall	David Cobb	733-5931	539 LOB	87
Rep. Kyle Hall	Jeffrey Briggs	733-5609	529 LOB	78
Rep. Craig Horn	Erin Wilson	733-2406	305 LOB	13
Rep. Julia Howard	Cody Huneycutt	733-5904	302 LOB	1
Rep. Frank Iler	Carla Langdon	301-1450	639 LOB	14
Rep. Steve Jarvis	Lynn Taylor	715-2526	306C LOB	99
Rep. Keith Kidwell	Joy Albright	733-5881	2213 LB	113
Rep. Brandon Lofton	Taylor Allen	715-3009	1317 LB	94
Rep. Garland Pierce	Janice Fenner	733-5803	1204 LB	22
Rep. Phillip Shepard	Pamela Pate	715-9644	534 LOB	29

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
Rep. Larry Strickland	KJ Stancil	733-5849	533 LOB	86
Rep. Terry Evelyn	Franklin Terry	733-5777	514 LOB	33
Rep. Harry Warren	Cristy Yates	733-5784	611 LOB	16

STAFF

Legislative Analysis

Greg Roney
733-2578
200 LOB

Amy Darden
733-2578
545 LOB

Bill Patterson
733-2578
545

5-22-19
6-16-19
7-9-19

Rep. David Lewis																	
Rep. Sarah Stevens																	
Rep. John Bell ✓					✓												
Rep. Brendan Jones					✓												
Tammy Ross - LA	✓	✓	✓	✓	✓	✓	✓	✓									

Clerk

Kirk O'Steen

✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓

House Committee on Commerce
Wednesday, March 13, 2019 at 10:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 10:08 AM on March 13, 2019 in Room 423 of the Legislative Office Building. Representatives Adcock, Ball, Butler, Clemmons, Conrad, K. Hall, Horn, Howard, Iler, Kidwell, Pierce, Ross, and Shepard attended.

Representative Stephen M. Ross, Senior Chair, presided, called the meeting to order and introduced the Page Ms Kelly that was present today and the Sergeant At Arms, Jonas Cherry, Rey Cooke and Dean Marshbourne who would be assisting the committee. Visitor attendance sign in attached to these minutes.

The following bills were considered:

HB 51 Official Azalea Festival. (Representative Davis) presented and explained the bill.

Floor was opened for questions.

Rep. Ball recognized for a question: Answered by Rep. Ross

Rep. Horn recognized for a question: Answered by Rep. Davis

After discussion on the bill Rep. Shepard made a motion that **House Bill 51** receive a favorable report with serial referral to Rules Calendar and Operations of the House. Rep. Ross called for a vote and the motion carried.

HB 161 Small Business Development Fund Appropriation. (Representative Floyd) asked **HB161** to be pulled from the agenda and not be heard in Commerce today. Rep. Ross announced to committee that the bill was stricken from the agenda at the request of the bill sponsor.

HB 179 Mini-Truck Classification. (Representatives Stevens, Shepard) Rep. Shepard presented and explained the bill. Following the explanation, Rep. Ross recognized members for questions and comments.

Rep. Horn recognized for a question: Answered by Rep. Shepard

Rep. Adcock recognized for a question: Answered by Justin Delaney with Department of Administration.

Rep. Ball recognized for a question: Answered by Rep. Shepard

After discussion on the bill Rep. Horn made a motion that **House Bill 179** receive a favorable report with a serial referral to Rules Calendar and Operations of the House. Rep. Ross called for a vote and the motion carried.

HB 258 Expand Eligibility for Utility Account. (Representatives Boles, McNeill) Rep. Boles presented and explained the bill. Title Amendment put forth to the committee. (Attachment1) Amendment 1 (H258-ATM-2) Offered by Rep. Ross. Amendment adopted. Motion offered by Rep. Shepard for an unfavorable to original bill to be rolled into a Proposed Committee Substitute and a motion that the PCS receive a favorable report. Rep. Ross called for a vote. The PCS received a favorable report.

Rep. Ross opened the floor for discussion.

Rep. Horn recognized for a question: Answered by Rep. Boles


Rep. Pierce recognized for a question: Answered by Rep. Boles

After discussion on the bill Rep. Horn made a motion that **House Bill 258** receive a favorable report with a serial referral to Energy and Public Utilities. Rep. Ross called for a vote and the bill carried.

There being no further business before the Committee, Representative Ross adjourned the meeting.

The meeting adjourned at 10:25 AM.

Respectfully submitted,


Representative Stephen M. Ross, Senior Chair
Presiding


Tammy Ross, Committee Clerk

Updated #1: Removed HB277

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Wednesday, March 13, 2019
TIME: 10:00 AM
LOCATION: 423 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 51</u>	Official Azalea Festival.	Representative Davis
<u>HB 161</u>	Small Business Development Fund Appropriation.	Representative Floyd
<u>HB 179</u>	Mini-Truck Classification.	Representative Stevens Representative Shepard
<u>HB 258</u>	Expand Eligibility for Utility Account.	Representative Boles Representative McNeill

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:07 PM on Monday, March 11, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Wednesday, March 13, 2019, 10:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 51	Official Azalea Festival.	Representative Davis
HB 161	Small Business Development Fund Appropriation.	Representative Floyd
HB 179	Mini-Truck Classification.	Representative Stevens Representative Shepard
HB 258	Expand Eligibility for Utility Account.	Representative Boles Representative McNeill

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE AND RE-REFERRED

HB 51	Official Azalea Festival.	
	Draft Number:	None
	Serial Referral:	RULES, CALENDAR, AND OPERATIONS OF THE HOUSE
	Recommended Referral:	None
	Long Title Amended:	No
	Floor Manager:	Davis
HB 179	Mini-Truck Classification.	
	Draft Number:	None
	Serial Referral:	RULES, CALENDAR, AND OPERATIONS OF THE HOUSE
	Recommended Referral:	None
	Long Title Amended:	No
	Floor Manager:	Stevens

TOTAL REPORTED: 2



* C M R 9 3 - V - 1 *

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 258

Expand Eligibility for Utility Account.

Draft Number: H258-PCS10173-TM-2

Serial Referral: ENERGY AND PUBLIC UTILITIES

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Boles

TOTAL REPORTED: 1



* C M R 9 6 - V - 1 *

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

1

HOUSE BILL 51

Short Title: Official Azalea Festival.

(Public)

Sponsors: Representative Davis.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Rules, Calendar, and Operations of the House

February 13, 2019

A BILL TO BE ENTITLED

AN ACT ADOPTING THE NORTH CAROLINA AZALEA FESTIVAL AS THE OFFICIAL
AZALEA FESTIVAL IN THE STATE OF NORTH CAROLINA.

Whereas, the North Carolina Azalea Festival is held annually in Wilmington during April and has celebrated the season of spring every year since 1948; and

Whereas, the mission of the North Carolina Azalea Festival is to be nationally recognized as a showcase for the community's rich array of artwork, gardens, history, and culture through recreational, educational, and family-oriented events. The Festival encourages volunteerism and civic participation as it contributes to the region's economy and promotes the unique qualities of Wilmington's river-to-the-sea community; and

Whereas, the North Carolina Azalea Festival has an annual economic impact of over \$50 million to Wilmington and the surrounding region; and

Whereas, every year, the North Carolina Azalea Festival brings in nationally recognized touring artists and guests to enjoy the Southern charm and hospitality of Wilmington and the City's one million azaleas; and

Whereas, the North Carolina Azalea Festival is regularly selected as a Southeast Tourism Society's Top 20 Event in April; and

Whereas, the North Carolina Azalea Festival has won numerous international awards through the International Festivals and Events Association; and

Whereas, the North Carolina Azalea Festival's volunteers won the Governor's Medallion for Volunteer Service in 2017 for their dedication to this annual springtime community event; and

Whereas, each year, the Governor of North Carolina proclaims the Azalea Festival dates in honor of the North Carolina Azalea Festival and commends its observance to all North Carolina citizens; and

Whereas, the North Carolina Azalea Festival should be adopted as the official azalea festival of the State of North Carolina; Now, therefore,
The General Assembly of North Carolina enacts:

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

"§ 145-52. Official azalea festival.

The North Carolina Azalea Festival held in the City of Wilmington is adopted as the official azalea festival of the State of North Carolina."

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





HOUSE BILL 51: Official Azalea Festival.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 13, 2019
Introduced by:	Rep. Davis	Prepared by:	Greg Roney
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 51 would adopt The North Carolina Azalea Festival held in Wilmington as the State azalea festival.*

CURRENT LAW: Chapter 145 of the General Statutes adopts various State festivals including:

- G.S. 145-16. State Watermelon Festivals (The Hertford County Watermelon Festival; The Fair Bluff Watermelon Festival)
- G.S. 145-19. State International Festival (Folkmoor USA)
- G.S. 145-27. State Collard Festival (The Ayden Collard Festival)
- G.S. 145-28. State food festival (The Lexington Barbecue Festival)
- G.S. 145-30. State potato festival (The Albemarle Potato Festival)
- G.S. 145-33. State Shad Festival; Blue Monday Shad Fry (The Grifton Shad Festival; The East Arcadia Blue Monday Shad Fry)
- G.S. 145-34. State herring festival (The Herring Festival held in the Town of Jamesville)
- G.S. 145-37. State Shrimp Festival (The Sneads Ferry Shrimp Festival)
- G.S. 145-39. State spring and fall livermush festivals (The Shelby Livermush Festival; The Marion Livermush Festival)
- G.S. 145-40. State mullet festival (The Swansboro Mullet Festival)
- G.S. 145-47. State peanut festival (The Dublin Peanut Festival)
- G.S. 145-50. North Carolina Outdoor Festival (The North Carolina Outdoor Festival)
- G.S. 145-51. State Woolly Worm Festival (The Woolly Worm Festival)

BILL ANALYSIS: House Bill 51 would adopt The North Carolina Azalea Festival held in Wilmington as the State azalea festival.

EFFECTIVE DATE: House Bill 51 would be effective when it becomes law.

Karen Cochran-Brown
Director



H 5 1 - S M T M - 7 E 1 - 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 2019

H

1

HOUSE BILL 179

Short Title: Mini-Truck Classification.

(Public)

Sponsors: Representatives Stevens and Shepard (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Transportation, if favorable, Commerce, if favorable, Rules, Calendar, and Operations of the House

February 27, 2019

A BILL TO BE ENTITLED

AN ACT TO AMEND THE MOTOR VEHICLE LAWS OF THE STATE TO REGULATE MINI-TRUCKS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-4.01(27) is amended by adding a new sub-subdivision to read:

"g1. Mini-truck. – A motor vehicle designed, used, or maintained primarily for the transportation of property and having four wheels, an engine displacement of 660cc or less, an overall length of 130 inches or less, an overall height of 78 inches or less, and an overall width of 60 inches or less."

SECTION 2. G.S. 20-87(12) reads as rewritten:

"(12) ~~Low-Speed Vehicles. Vehicles and Mini-Trucks.~~ – The fee for a low-speed vehicle or mini-truck is the same as the fee for private ~~passengers~~ passenger vehicles of not more than 15 passengers. However, the fee for any low-speed vehicle or mini-truck that is offered for rent shall be the same as the fee for a U-drive-it automobile."

SECTION 3. G.S. 20-121.1 reads as rewritten:

"§ 20-121.1. Operation of a low-speed vehicle or mini-truck on certain roadways.

The operation of a low-speed vehicle or mini-truck is authorized with the following restrictions:

- (1) A low-speed vehicle may be operated only on streets and highways where the posted speed limit is 35 miles per hour or less. A mini-truck may be operated only on streets and highways where the posted speed limit is 55 miles per hour or less. This does not prohibit a low-speed vehicle or mini-truck from crossing a road or street at an intersection where the road or street being crossed has a posted speed limit of more than 35 miles per hour.
- (2) A low-speed vehicle or mini-truck shall be equipped with headlamps, stop lamps, turn signal lamps, tail lamps, reflex reflectors, parking brakes, rearview mirrors, windshields, windshield wipers, speedometer, seat belts, and a vehicle identification number. Any such required equipment shall be maintained in proper working order.
- (3) A low-speed vehicle or mini-truck shall be registered and insured in accordance with G.S. 20-50 and G.S. 20-309.



- 1 (4) The Department of Transportation may prohibit the operation of low-speed
2 vehicles or mini-trucks on any road or highway if it determines that the
3 prohibition is necessary in the interest of safety.
4 (5) Low-speed vehicles must comply with the safety standards in 49 C.F.R. §
5 571.500.
6 (6) Regardless of age, a mini-truck shall not qualify as an antique vehicle or
7 historic vehicle as described in G.S. 20-79.4(b)."
8 **SECTION 4.** This act is effective when it becomes law.



HOUSE BILL 179: Mini-Truck Classification.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 13, 2019
Introduced by:	Reps. Stevens, Shepard	Prepared by:	Greg Roney Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *House Bill 179 would make various changes to the motor vehicle laws of this State to define and allow for the operation of mini-trucks on roadways with certain restrictions.*

CURRENT LAW: Under current law, mini-trucks are not specifically defined as a category of motor vehicle under Chapter 20.

BILL ANALYSIS: Section 1 of the bill would define a mini-truck as a passenger vehicle, for the purposes of motor vehicle laws, as follows:

- A motor vehicle designed, used, or maintained primarily for the transportation of property; and
 - having four wheels;
 - an engine displacement of 660cc or less;
 - an overall length of 130 inches or less;
 - an overall height of 78 inches or less;
 - and an overall width of 60 inches or less.

Section 2 of the bill would make the registration fee for mini-trucks the same as a private passenger vehicle of not more than 15 passengers (\$36). This section would also require that low-speed vehicles or mini-trucks that are offered for rent would pay the same registration fee of a U-drive it automobile (\$66).

Section 3 of the bill would place restrictions and requirements on the operation of mini-trucks, which would include that:

- Mini-trucks would only be allowed to operate on streets and highways where the posted speed limit is 55 mph or less.
- Mini-trucks are equipped with certain equipment similar to that of a low-speed vehicle.
- Mini-trucks are registered and insured.
- Mini-trucks abide by NCDOT roadway prohibitions in the interest of safety.
- Mini-trucks would not be considered antique or historic vehicles regardless of age.

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

Howard Marsilio with the Legislative Analysis Division substantially contributed to this summary.

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 2019

H

1

HOUSE BILL 258*

Short Title: Expand Eligibility for Utility Account. (Public)

Sponsors: Representatives Boles and McNeill (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Energy and Public Utilities, if favorable, Rules, Calendar,
and Operations of the House

March 5, 2019

A BILL TO BE ENTITLED
AN ACT TO ALLOW RURAL CENSUS TRACTS OF TIER THREE COUNTIES TO BE
ELIGIBLE FOR UTILITY ACCOUNT FUNDS.

The General Assembly of North Carolina enacts:

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

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

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special account to be known as the Industrial Development Fund Utility Account ("Utility Account") to provide funds to assist the local government units of the most economically distressed counties in the State in creating jobs. The Department of Commerce shall adopt rules providing for the administration of the program. Those rules shall include the following provisions, which shall apply to each grant from the account:

(1) The funds shall be used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings. To be eligible for funding, the water, gas, telecommunications, high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity, even if the sewer infrastructure is located in a county other than the county in which the building is located.

(1a) The funds shall be used for projects located in economically distressed counties except that the Secretary of Commerce may use up to one hundred thousand dollars (\$100,000) to provide emergency economic development assistance in any county that is documented to be experiencing a major economic dislocation.

(2) The funds shall be used by the city and county governments for projects that are reasonably anticipated to result in the creation of new jobs. There shall be no maximum funding amount per new job to be created or per project.

(3) There shall be no local match requirement if the project is located in a county that has one of the 25 highest rankings under G.S. 143B-437.08.



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(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 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 project is located.

(7) Priority for the use of funds shall be given to eligible industries.

(a1) Definitions. – The following definitions apply in this section:

...

(4) Economically distressed county. – A county that ~~is defined as a development tier one or two area~~ has one of the 87 highest rankings under G.S. 143B-437.08.

...

(7) Major economic dislocation. – The actual or imminent loss of 500 or more manufacturing jobs in the county or of a number of manufacturing jobs equal to at least ten percent (10%) of the existing manufacturing workforce in the county.

...."

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



HOUSE BILL 258: Expand Eligibility for Utility Account.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Energy and Public Utilities. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 13, 2019
Introduced by:	Reps. Boles, McNeill	Prepared by:	Greg Roney
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 258 would expand the counties eligible for grants from the Utility Account from the 80 most-distressed counties under the tier system to the 87 most-distressed counties.*

[As introduced, this bill was identical to S158, as introduced by Sen. McInnis, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: G.S. 143B-437.08 ranks counties into 3 tiers based on 4 factors: (1) average unemployment rate for the most recent 12 months for which data are available; (2) median household income for the most recent 12 months for which data are available; (3) percentage growth in population for the most recent 36 months for which data are available; and (4) adjusted property tax base per capita for the most recent taxable year.

Counties are assigned to a tier where the 40 most-distressed counties are designated Tier One; the next 40 counties are Tier Two; and the 20 least-distressed counties are Tier Three.

G.S. 143B-437.01 creates the Industrial Development Fund Utility Account (Utility Account) to provide funds to assist the local government units of the 80 most economically distressed counties (i.e., development tier one or two area under G.S. 143B-437.08) in creating jobs. The funds must be used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings. The funds may not be used for any retail, entertainment, or sports projects. The program is governed by additional statutory rules and also by regulations adopted by the Department of Commerce.

In addition to the projects located in the 80 most economically distressed counties, the Secretary of Commerce may use up to \$100,000 to provide emergency economic development assistance in any county that experiences a major economic dislocation (defined as the actual or imminent loss of 500 manufacturing jobs or 10% of the existing manufacturing workforce in the county).

G.S. 143B-437.56 diverts a percentage of a Job Development Investment Grant Program (JDIG) award to the Utility Account as follows: 25% of the award in tier three area, 10% of the award in a tier two area. Special rules apply to certain JDIG awards.

BILL ANALYSIS: House Bill 258 would expand the counties eligible for grants from the Utility Account from the 80 most-distressed counties (i.e., 40 tier-one counties plus 40 tier-two counties) to the 87 most-distressed counties under the tier system.

EFFECTIVE DATE: House Bill 258 would be effective when it becomes law.

Karen Cochrane-Brown
Director



H 2 5 8 - S M T M - 9 E 1 - V - 4

Legislative Analysis
Division
919-733-2578



Attachment # 1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 258*

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

H258-ATM-2 [v.1]

Page 1 of 1

Amends Title [YES]
First Edition

Date March 13, 2019

Representative Stephen R. Ross

- 1 moves to amend the bill on page 1, lines 2-3, by rewriting the lines to read:
2 "AN ACT TO EXPAND ELIGIBILITY FOR UTILITY ACCOUNT FUNDS."
3
4

SIGNED Phillip H. Howard
Amendment Sponsor

SIGNED Stephen R. Ross
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



* H 2 5 8 - A T M - 2 - V - 1 *

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

D

HOUSE BILL 258
PROPOSED COMMITTEE SUBSTITUTE H258-PCS10173-TM-2

Short Title: Expand Eligibility for Utility Account.

(Public)

Sponsors:

Referred to:

March 5, 2019

A BILL TO BE ENTITLED
AN ACT TO EXPAND ELIGIBILITY FOR UTILITY ACCOUNT FUNDS.
The General Assembly of North Carolina enacts:

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

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

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special account to be known as the Industrial Development Fund Utility Account ("Utility Account") to provide funds to assist the local government units of the most economically distressed counties in the State in creating jobs. The Department of Commerce shall adopt rules providing for the administration of the program. Those rules shall include the following provisions, which shall apply to each grant from the account:

- (1) The funds shall be used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings. To be eligible for funding, the water, gas, telecommunications, high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity, even if the sewer infrastructure is located in a county other than the county in which the building is located.
- (1a) The funds shall be used for projects located in economically distressed counties except that the Secretary of Commerce may use up to one hundred thousand dollars (\$100,000) to provide emergency economic development assistance in any county that is documented to be experiencing a major economic dislocation.
- (2) The funds shall be used by the city and county governments for projects that are reasonably anticipated to result in the creation of new jobs. There shall be no maximum funding amount per new job to be created or per project.
- (3) There shall be no local match requirement if the project is located in a county that has one of the 25 highest rankings under G.S. 143B-437.08.
- ...
- (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



1 meet the wage standard for the development tier area or zone in which the
2 project is located. There is no wage standard for a development tier one area.
3 If an urban progress zone or an agrarian growth zone is not in a development
4 tier one area, then the wage standard for that zone is an average weekly wage
5 that is at least equal to ninety percent (90%) of the lesser of the average wage
6 for all insured private employers in the State and the average wage for all
7 insured private employers in the county in which the project is located. The
8 wage standard for a development tier two area or a development tier three area
9 is an average weekly wage that is at least equal to one hundred ten percent
10 (110%) of the lesser of the average wage for all insured private employers in
11 the State and ninety percent (90%) of the average wage for all insured private
12 employers in the county in which the project is located.

13 (7) Priority for the use of funds shall be given to eligible industries.

14 (a1) Definitions. – The following definitions apply in this section:

15 ...

16 (4) Economically distressed county. – A county that ~~is defined as a development~~
17 ~~tier one or two area~~ has one of the 87 highest rankings under
18 G.S. 143B-437.08.

19 ...

20 (7) Major economic dislocation. – The actual or imminent loss of 500 or more
21 manufacturing jobs in the county or of a number of manufacturing jobs equal
22 to at least ten percent (10%) of the existing manufacturing workforce in the
23 county.

24"

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

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Commerce

DATE: 13 March 2019 Room: 423 LOB

House Sgt-At Arms:

1. Name: Jonas Cherry

2. Name: Rey Cooke

3. Name: Dean Marshbourne

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____

VISITOR REGISTRATION SHEET

House Committee on Commerce

March 13, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

LAURA PURYEAR	MWCLLC
<i>John Patino</i>	<i>NCHDA</i>
<i>Tiffany Gladney</i>	<i>NC Rural Center</i>
<i>Gladys Swemmer</i>	<i>Gov. NUS ofc</i>
<i>Fulborn</i>	<i>Bone: Asso.</i>
<i>High John</i>	<i>NCHC</i>
<i>Fate Apodora</i>	<i>Vista</i>
<i>James King Fugate</i>	<i>Vista Strategies</i>
<i>Shuan Vich</i>	<i>Duke E.</i>
<i>Josh Galt</i>	<i>South Aiden</i>
<i>Newman</i>	<i>Jordan Price, et al</i>

VISITOR REGISTRATION SHEET

House Committee on Commerce

March 13, 2019

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Resha Fortson

SEANL

C Philip Byers

UNC BDL

Kay Kyle

MRNA

House Committee on Commerce
Wednesday, March 27, 2019 at 10:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 10:00 AM on March 27, 2019 in Room 423 of the Legislative Office Building. Representatives Ball, Butler, Clemmons, Conrad, Everitt, Horn, Iler, Jarvis, Lofton, Ross, Strickland, and Terry attended.

Representative Stephen M. Ross, Senior Chair, presided and called the meeting to order at 10:06. He introduced the Sergeants at Arms and the House Page in attendance. (Attached)

Representative Ross introduced Anthony M. Copeland, Secretary of North Carolina Department of Commerce.

Presentation by Secretary Copeland entitled, "NC Department of Commerce Overview and the Site Selection Process."

David Rhoades, Communications Director Department of Commerce assisted with the slides.

Rep. Ross opened the floor to discussion and Questions.

Rep. Iler / Mega sites /Tier rating

Rep. Horn / Connectivity of Rural Broadband/Keeping at the forefront


Rep. Strickland / Look at natural gas affects

Rep. Conrad / EDPNC / Specific goals accelerating economy

Rep. Clemmons / Early education / JDIG / Caps vs. No cap

Rep. Ross thanked Secretary Copeland and his staff for the Presentation . (Attachment 1)

With no further discussions or questions, the meeting was adjourned at 10:42.


Representative Stephen M. Ross, Senior Chair
Presiding


Tammy Ross, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Wednesday, March 27, 2019
TIME: 10:00 AM
LOCATION: 423 LOB
COMMENTS: Presentation by Dept. of Commerce.

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:33 PM on Tuesday, March 19, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Wednesday, March 27, 2019, 10:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Presentations

Presentation by Anthony M. Copeland, Secretary, NC Department of Commerce. Presentation titled: NC Department of Commerce Overview and the Site Selection Process

Other Business

No bills will be calendared for this meeting.

Adjournment

Attachment # 1

PREPARE & COMPETE FOR BUSINESS

AN OVERVIEW OF ECONOMIC DEVELOPMENT PROJECTS

House Commerce Committee Presentation
March 27, 2019



NORTH CAROLINA
DEPARTMENT of
COMMERCE

ANTHONY M. COPELAND

NORTH CAROLINA COMMERCE SECRETARY



NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

STATE-LEVEL COMMERCE FUNCTIONS



NORTH CAROLINA
DEPARTMENT of
COMMERCE

RURAL DEVELOPMENT

WORKFORCE DEVELOPMENT

EMPLOYMENT SECURITY

RESEARCH, LABOR MARKET STATS

SCIENCE & TECHNOLOGY

ECONOMIC INCENTIVES

BUSINESS MARKETING

EXISTING INDUSTRY SUPPORT

EXPORT ASSISTANCE

TOURISM ATTRACTION

SMALL BUSINESS COUNSELING

FILM, SPORTS DEVELOPMENT

STATE-LEVEL COMMERCE FUNCTIONS



NORTH CAROLINA
DEPARTMENT of
COMMERCE

EDPNC

RURAL DEVELOPMENT

BUSINESS MARKETING

WORKFORCE DEVELOPMENT

EXISTING INDUSTRY SUPPORT

EMPLOYMENT SECURITY

EXPORT ASSISTANCE

RESEARCH, LABOR MARKET STATS

TOURISM ATTRACTION

SCIENCE & TECHNOLOGY

SMALL BUSINESS COUNSELING

ECONOMIC INCENTIVES

FILM, SPORTS DEVELOPMENT

WE HELP NORTH CAROLINA COMMUNITIES

PREPARE & COMPETE




NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

TOP FACTORS

**FOR COMPANIES
CONSIDERING A BUSINESS
LOCATION**



- 
- A black and white photograph of a construction site. In the foreground, a large crane arm is silhouetted against a bright sky. In the background, there are scaffolding and other construction structures. Two workers in hard hats are visible in the lower right, looking towards the left.
- Talent and Workforce
 - Transportation and Infrastructure
 - Taxes and Incentives

KEY INCENTIVE PROGRAMS



- 
- A black and white photograph of a construction site. In the foreground, a worker in a hard hat and safety vest is silhouetted against the sky. In the background, a large crane is lifting a heavy load, and scaffolding is visible. The image is used as a background for the text on the right side of the slide.
- Job Development Investment Grant (JDIG)
 - One North Carolina Fund

LIFE CYCLE OF A PROJECT

TYPICAL STEPS
IN A COMPANY'S
SITE SEARCH



DEFINE
PROJECT

'DESK'
REVIEW
of LOCATION
OPTIONS

'ENGAGED
& ON-SITE'
REVIEW
of LOCATION
& PROJECT FIT

FINAL
NEGOTIATIONS

AWARD
&
ANNOUNCEMENT



NORTH CAROLINA
DEPARTMENT of
COMMERCE

N.C.
RECEIVES
FIRST
INQUIRY

SITE
VISIT

COMPLETE
ASSESSMENT
OF PROJECT'S
FINANCIAL
VIABILITY

FINAL
INCENTIVES
OFFER

NOTE: FOR ILLUSTRATION ONLY – ACTUAL TIMELINES CAN VARY WIDELY

TOOLS TO HELP
PREPARE
YOUR COMMUNITY



nccommerce.com



NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

PREPARE & COMPETE FOR BUSINESS

AN OVERVIEW OF ECONOMIC DEVELOPMENT PROJECTS

House Commerce Committee Presentation
March 27, 2019



NORTH CAROLINA
DEPARTMENT of
COMMERCE

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Commerce

DATE: March 27, 2019

Room: 423 LOB

House Sgt-At Arms:

1. Name: Jonas Cherry
2. Name: Rey Cooke
3. Name: Dean Marshbourne
4. Name: Malachi McCullough, Jr
5. Name: _____

Senate Sgt-At Arms:

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

**House Pages
Assignments
Wednesday, March 27, 2019
Session: 10:00 AM**

Committee	Room	Time	Staff	Comments	Member
Commerce and Job Development	422	10:00 AM	Blake Ellison		Rep. George G. Cleveland
Judiciary I	544	10:00 AM	Samuel Hart		Rep. Marcia Morey
			Lauren Johnson		Speaker Tim Moore
			Isabel Lewis		Rep. Cynthia Ball
			Everett McAteer		Rep. John Szoka
State and Local Government I	1228/1327	10:00 AM	Imani Hayes		Rep. Garland Pierce
			Jada Long		Rep. Zack Hawkins
			Kai Nilsen		Rep. Verla Insko

VISITOR REGISTRATION SHEET

House Committee on Commerce

March 27, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>[Signature]</i>	<i>NCBA</i>
<i>[Signature]</i>	<i>[Signature]</i>
Tiffany Glochery	NC Rural Center
Phaegan Jackson	Focus Public Affairs
Justin Clayton	The Governor
Mary Wilson	Economic Development Partnership of NC
April Neumann	mwe
Mary Elizabeth Vile	<i>[Signature]</i>
Beth Gargan	DOC
Joe Bost	CRBA
Drew Edwards	CWA

VISITOR REGISTRATION SHEET

House Committee on Commerce

March 27, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

GRANT WELCH

CWA

House Committee on Commerce
Wednesday, April 3, 2019 at 10:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 10:00 AM on April 3, 2019 in Room 423 of the Legislative Office Building. Representatives Adcock, Ball, Clemmons, Conrad, Everitt, Farmer-Butterfield, K. Hall, Horn, Iler, Jarvis, Kidwell, Lofton, Pierce, Ross, Shepard, and Terry attended.

Representative Stephen M. Ross, Senior Chair, presided. Rep. Ross called the meeting to order at 10:04 am. He introduced the Sergeant at Arms and the House Pages in attendance.

The following bills were considered:

HB 193 Greensboro/Small Business Enterprise. (Representatives Clemmons, Faircloth, Hardister, Quick)

Representative Clemmons explained the bill. Rep. Ross opened the floor for questions and discussions on **HB 193**. There being no questions or discussion on the bill, Representative Lofton motioned for: favorable report with a serial referral to Rules Calendar and Operations of the House. The bill passed with a favorable report.

HB 352 Funding for Small Business Loans. (Representatives McElraft, Floyd)

Representative Floyd explained the bill. Rep. Ross opened the floor for questions and discussions on **HB 352**.

Rep. Horn: How is the money used? Funding operations to the small businesses that are in need?

(Amber Bond-Small Business Development Fund answered questions from Members)

Rep. Shepard: Documentation of organization receiving these funds, organizations to provide report.

Rep. Terry: Percent access of any money with respect to CRA- permit operational funding

Rep. Ball: Hurricane Florence-Recovery Loan Program

Rep. Farmer-Butterfield: Reason for name changes. Percent of people receiving grants-Rural vs. Urban

There being no further questions or discussions, Rep. Farmer-Butterfield motioned for favorable report for **HB 352** with a serial referral to Appropriations. The bill passed with favorable report.

Representative Ross passed gavel to Representative Conrad to Chair so he could present **HB 399**.

HB 399 Historic Preservation Act of 2019. (Representatives Ross, Bell, Warren, Adams)
Rep. Conrad presented a PCS before committee for Favorable Com. Sub, Unfavorable Original Bill. PCS motioned passed. Rep. Ross explained the bill.

Rep. Conrad opened the floor to questions and discussions.

Rep. Iler: Town Counsel right to decide or not . Which block decides who gets the credits?

Rep. Terry: Process to receive credits.

Rep. Horn: Should Appropriations hear bill?

There being no further questions and discussions, Rep. Terry motioned for a favorable report on **HB 399** with serial referral to Rules Calendar and Operations of the House. HB399 passed with a favorable report , unfavorable to original bill.

Rep. Conrad passed the gavel back to Rep. Ross to Chair remainder of the committee.

HB 418 Create NC Golf Council. (Representatives Hardister, Boles, Grange, Hunter)

Rep. Hardister explained the bill. Rep. Ross opened the floor for questions and discussions.

Rep. Iler: Other states that are examples?

Rep. Adcock: Supports the bill but wants to amend on the floor.

Rep. Horn: Private Sector concern- Government in golf business.


Rep. Kidwell: Prevents Chambers from working with industry. Other sports entering in.

Rep. Conrad: Coordinate with private partnership. Rather than Commerce.

There being no further questions or discussions, Rep Jarvis motioned for a favorable report with a serial referral to Appropriations. The bill passed with a Favorable Report.

There being no further business , Committee adjourned.

The meeting adjourned at 10:47 AM.



Representative Stephen M. Ross, Senior Chair
Presiding



Tammy Ross, Committee Clerk

Updated #2: H400 Removed

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Wednesday, April 3, 2019

TIME: 10:00 AM

LOCATION: 423 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 193</u>	Greensboro/Small Business Enterprise.	Representative Clemmons Representative Faircloth Representative Hardister Representative Quick
<u>HB 352</u>	Funding for Small Business Loans.	Representative McElraft Representative Floyd
<u>HB 399</u>	Historic Preservation Act of 2019.	Representative Ross Representative Bell Representative Warren Representative Adams
<u>HB 418</u>	Create NC Golf Council.	Representative Hardister Representative Boles Representative Grange Representative Hunter

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:35 PM on Wednesday, June 26, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Wednesday, April 3, 2019, 10:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 193	Greensboro/Small Business Enterprise.	Representative Clemmons Representative Faircloth Representative Hardister Representative Quick
HB 352	Funding for Small Business Loans.	Representative McElraft Representative Floyd
HB 399	Disaster Area Bldg Rehab Tax Credit Bonus.	Representative Ross Representative Bell Representative Warren
HB 418	Create NC Golf Council.	Representative Adams Representative Hardister Representative Boles Representative Grange Representative Hunter

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE AND RE-REFERRED

HB 193	Greensboro/Small Business Enterprise.
	Draft Number: None
	Serial Referral: RULES, CALENDAR, AND OPERATIONS OF THE HOUSE
	Recommended Referral: None
	Long Title Amended: No
	Floor Manager: Clemmons
HB 352	Funding for Small Business Loans.
	Draft Number: None
	Serial Referral: APPROPRIATIONS, AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES
	Recommended Referral: None
	Long Title Amended: No
	Floor Manager: McElraft
HB 418	Create NC Golf Council.
	Draft Number: None
	Serial Referral: APPROPRIATIONS, CAPITAL
	Recommended Referral: None
	Long Title Amended: No
	Floor Manager: Hardister

FAVORABLE COM SUB ; UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 399	Disaster Area Bldg Rehab Tax Credit Bonus.
	Draft Number: H399-PCS30232-TMf-5
	Serial Referral: FINANCE
	Recommended Referral: None
	Long Title Amended: Yes
	Floor Manager: Ross

TOTAL REPORTED: 4



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

1

HOUSE BILL 193*

Short Title: Greensboro/Small Business Enterprise. (Local)

Sponsors: Representatives Clemmons, Faircloth, Hardister, and Quick (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: State and Local Government, if favorable, Commerce, if favorable, Rules, Calendar, and Operations of the House

February 27, 2019

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CHARTER OF THE CITY OF GREENSBORO TO AUTHORIZE THE CITY TO ESTABLISH A SMALL BUSINESS ENTERPRISE PROGRAM TO PROMOTE THE DEVELOPMENT OF SMALL BUSINESSES IN THE CITY AND TO ENHANCE THE OPPORTUNITIES FOR SMALL BUSINESSES TO PARTICIPATE IN CITY CONTRACTS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter VII of the Charter of the City of Greensboro, being Chapter 1137 of the Session Laws of 1959, as amended, is amended by adding a new Subchapter to read as follows:

"SUBCHAPTER D. SMALL BUSINESS ENTERPRISE PROGRAM.

"Sec. 7.45. Small Business Enterprise Program. (a) The City may establish a race- and gender-neutral small business enterprise program to promote the development of small businesses in the Greensboro Metropolitan Statistical Area and to enhance opportunities for small businesses to participate in City contracts. The City may define the term "small business enterprise" as appropriate and consistent with the City's contracting practices. The City may establish bid and proposal specifications that include subcontracting goals and good-faith effort requirements to enhance participation by small business enterprises in City contracts. Notwithstanding the provisions of G.S. 143-129 and G.S. 143-131(b), the City may consider a bidder's efforts to comply with small business enterprise program requirements in its award of City contracts and, if a bidder is determined to have failed to comply with the requirements, the City may, within its discretion, refuse to award a contract to the bidder.

(b) The small business enterprise program authorized by this section is intended to supplement and not replace the requirements of G.S. 143-128.2, 143-131(b), or 143-135.5. Any goals or efforts established to achieve veteran, minority, and women's business participation consistent with the requirements of G.S. 143-128.2, 143-131(b), or 143-135.5 shall take precedence over goals for small business enterprise participation established under the program authorized by this section. A small business enterprise program established pursuant to this section shall be deemed consistent with the public policy of the State of North Carolina to promote and utilize small and underutilized business enterprises as set forth in G.S. 143-128.2, 143-128.3, and 143-135.5."

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





HOUSE BILL 193: Greensboro/Small Business Enterprise.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 28, 2019
Introduced by:	Reps. Clemmons, Faircloth, Hardister, Quick	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 193 would amend the charter of the City of Greensboro to allow the City to establish a small business enterprise program.*

[As introduced, this bill was identical to S166, as introduced by Sens. Garrett, Robinson, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW/BILL ANALYSIS: House Bill 193 would amend the charter of the City of Greensboro to allow the City to establish a race- and gender-neutral small business enterprise program to promote the development of small businesses in the Greensboro Metropolitan Statistical Area.

The City would be authorized to define "small business enterprise" and to establish subcontracting goals and good faith effort requirements as part of the program. The bill would further authorize the City to consider efforts to comply with program requirements in its award of City contracts and to refuse an award of a contract within its discretion if the bidder is determined to have failed to comply with the requirements.

Any goals or requirements under current law established to achieve veteran, minority, or women's business participation would take precedence over goals for small business enterprise participation.

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

Howard Marsilio, counsel to House State and Local Government Committee, substantially contributed to this summary.

Karen Cochrane-Brown
Director



H 1 9 3 - S M T G - 1 7 E 1 - 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.



HOUSE BILL 352: Funding for Small Business Loans.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Appropriations, Agriculture and Natural and Economic Resources. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 3, 2019
Introduced by:	Reps. McElraft, Floyd	Prepared by:	Greg Roney
Analysis of:	First Edition		Staff Attorney

OVERVIEW: House Bill 352 would appropriate \$3 million in recurring funds to the Carolina Small Business Development Fund for small business lending and business services in this State.

BILL ANALYSIS: House Bill 352 would appropriate \$3 million in recurring funds to the Carolina Small Business Development Fund for small business lending and business services in this State.

House Bill 352 would also require the Carolina Small Business Development Fund to report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division the following:

- program activities, objectives, and accomplishments
- itemized expenditures and fund sources
- annual audited financial statement

EFFECTIVE DATE: House Bill 352 would become effective July 1, 2019.

BACKGROUND: The Carolina Small Business Development Fund is a non-profit corporation incorporated in the State which had the following previous legal names: North Carolina Minority Support Center and The Support Center.

Karen Cochrane-Brown
Director



H 3 5 2 - S M T M - 1 8 E 1 - 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 2019**

H

1

HOUSE BILL 352

Short Title: Funding for Small Business Loans. (Public)

Sponsors: Representatives McElraft and Floyd (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Appropriations, Agriculture and Natural and Economic
Resources, if favorable, Appropriations, if favorable, Rules, Calendar, and
Operations of the House

March 14, 2019

A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE FUNDS TO CAROLINA SMALL BUSINESS
DEVELOPMENT FUND TO INCREASE ACCESS TO LENDING AND BUSINESS
SERVICES FOR SMALL BUSINESSES IN THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 143C-5-2, there is appropriated from the
General Fund to Carolina Small Business Development Fund, a nonprofit corporation, the sum
of three million dollars (\$3,000,000) in recurring funds for the 2019-2020 fiscal year to be used
to increase small business lending and business services in this State.

SECTION 2. Carolina Small Business Development Fund shall do the following for
each year that State funds are expended:

- (1) By September 1 of each year, and more frequently as requested, report to the
Joint Legislative Oversight Committee on Agriculture and Natural and
Economic Resources and the Fiscal Research Division on prior State fiscal
year program activities, objectives, and accomplishments and prior State fiscal
year itemized expenditures and fund sources.
- (2) Provide to the Joint Legislative Oversight Committee on Agriculture and
Natural and Economic Resources and the Fiscal Research Division a copy of
the entity's annual audited financial statement within 30 days of issuance of
the statement.

SECTION 3. This act becomes effective July 1, 2019.





HOUSE BILL 399: Historic Preservation Act of 2019.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 3, 2019
Introduced by:	Reps. Ross, Bell, Warren, Adams	Prepared by:	Greg Roney
Analysis of:	PCS to First Edition H399-CSTMf-5		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 399 would delay the sunset of the tax credits for historic rehabilitation for 10 years and increase the tax credit for rehabilitating income-producing historic structures as follows:*

- *Increase the rehabilitation expenditures eligible for the credit at the 15% rate from a maximum of \$10 million to \$15 million*
- *Increase the rehabilitation expenditures eligible for the credit at the 10% rate from expenditures between \$10 million to \$20 million to expenditures between \$15 million and \$25 million*
- *Increase the rehabilitation expenditures eligible for the development tier bonus from a maximum of \$20 million to a maximum of \$25 million*
- *Increase the rehabilitation expenditures eligible for the targeted investment bonus from a maximum of \$20 million to a maximum of \$25 million*
- *Create a new disaster relief bonus equal to 5% of rehabilitation expenses to a maximum of \$25 million*

CURRENT LAW: Section 32.3 of S.L. 2015-241 establishes a historic rehabilitation tax credit as Article 3L, titled Historic Rehabilitation Tax Credits Investment Program. The credit percentages are:

- Credit for rehabilitating income-producing historic structure is the sum of the following but the tax credit cannot exceed \$4,500,000:
 - 15% of expenses from \$0 to \$10 million
 - 10% of expenses from \$10 million to \$20 million
 - 5% of expenses from \$0 to \$20 million if the certified historic structure is located in a development tier 1 or 2 area
 - 5% of expenses from \$0 to \$20 million if the certified historic structure is located on an eligible targeted investment site (i.e., site that was used as a manufacturing facility or for purposes ancillary to manufacturing, as a warehouse for selling agricultural products, or as a public or private utility; is a certified historic structure; and has been at least 65% vacant for a period of at least 2 years)

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House PCS 399

Page 2

- Credit for rehabilitating non-income-producing historic structures is 15% of the expense if the expense exceeds \$10,000 but the tax credit cannot exceed \$22,500.

The tax credit for income-producing property (G.S. 105-129.100) requires the project qualify for the federal historic rehabilitation tax credit under IRC §47. The federal credit only applies to income-producing property, effectively limiting the tax credit to commercial buildings or portions of buildings used for commercial purposes.

The tax credit for non-income-producing property (G.S. 105-129.101) applies where the federal credit is not allowed. The tax credit for non-income-producing property can apply to personal residences assuming the property meets the other requirements.

The tax credit is nonrefundable. The credit may be elected to apply against franchise tax, individual and corporate income taxes, or gross premiums tax. The credit for rehabilitating income-producing historic structures may be allocated by pass-through entities (e.g., partnerships and S corporations) among any of its owners in its discretion as long as an owner's adjusted basis in the pass-through entity is at least 40% of the credit allocated to that owner. Normally, federal and State rules require allocation of tax items by pass-through entities to meet certain tests to prevent owners from taking a disproportionate share of tax benefits.

Article 3L sunsets for rehabilitation expenditures incurred on or after January 1, 2020.

BILL ANALYSIS: The PCS for House Bill 399 would enact the Historic Preservation Act of 2019. The act delays the sunset of the tax credit for rehabilitating income-producing historic structures and the tax credit for non-income-producing historic structures for 10 years (i.e., sunset moved from 1/1/2020 to 1/1/2030).

The act also increases the tax credit for rehabilitating income-producing historic structures by increasing the amount of rehabilitation expenditures eligible for the credit at the 15% rate from a maximum of \$10 million (current law) to a maximum of \$15 million. For expenditures greater than \$15 million, the act increases the rehabilitation expenditures eligible for the credit at the 10% rate to expenditures between \$15 million and \$25 million (current law: allows the credit for expenditures between \$10 million and \$20 million).

The act makes corresponding increases to the rehabilitation expenditures eligible for the development tier bonus and the targeted investment bonus. The bonus are available for rehabilitation expenditures to a maximum of \$25 million.

Finally, the act creates a new disaster relief bonus equal to 5% of rehabilitation expenses to a maximum of \$25 million.

The act does not change the maximum tax credit allowed for rehabilitation expenditures for an income-producing certified historic structure of \$4,500,000 under G.S. 105-129.105(d).

EFFECTIVE DATE: The increases in the tax credit amounts in the PCS for House Bill 399 would be effective for taxable years beginning on or after January 1, 2019. The remainder of the PCS would be effective when law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

D

HOUSE BILL 399
PROPOSED COMMITTEE SUBSTITUTE H399-PCS30232-TMf-5

Short Title: Historic Preservation Act of 2019.

(Public)

Sponsors:

Referred to:

March 21, 2019

A BILL TO BE ENTITLED
AN ACT TO INCREASE THE TAX CREDIT FOR REHABILITATING
INCOME-PRODUCING HISTORIC STRUCTURES, TO ALLOW A TAX CREDIT FOR
THE REHABILITATION OF BUILDINGS IN DISASTER AREAS, AND TO DELAY
THE SUNSET OF THE TAX CREDITS FOR HISTORIC REHABILITATION FOR TEN
YEARS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.105 reads as rewritten:

"Article 3L.

"Historic Rehabilitation Tax Credits Investment Program.

"§ 105-129.105. Credit for rehabilitating income-producing historic structure.

(a) Credit. – A taxpayer who is allowed a federal income tax credit under section 47 of the Code for making qualified rehabilitation expenditures for a certified historic structure located in this State is allowed a credit equal to the sum of the following:

(1) Base amount. – The percentage of qualified rehabilitation expenditures at the levels provided in the table below:

Expenses

Over

Up To

Rate

0

\$10-\$15 million

15.00%

\$10-\$15 million

\$20-\$25 million

10.00%

(2) Development tier bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding ~~twenty~~ twenty-five million dollars ~~(\$20,000,000)–(\$25,000,000)~~ if the certified historic structure is located in a development tier one or two area.

(3) Targeted investment bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding ~~twenty~~ twenty-five million dollars ~~(\$20,000,000)–(\$25,000,000)~~ if the certified historic structure is located on an eligible targeted investment site.

(4) Disaster relief bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenses not exceeding twenty-five million dollars (\$25,000,000) if all of the following requirements are met:

a. The certified historic structure is located in a disaster area.

b. The qualified rehabilitation expenditure is incurred no more than five years after the onset of the natural disaster resulting in the area being declared a disaster area.



* H 3 9 9 - P C S 3 0 2 3 2 - T M F - 5 *

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

...

(2a) Disaster area. – Any county that is the subject of a Type II or Type III gubernatorial disaster declaration, as provided in G.S. 166A-19.21, as a result of a natural disaster.

...."

SECTION 2. G.S. 105-129.110 reads as rewritten:

"§ 105-129.110. Sunset.

This Article expires for qualified rehabilitation expenditures and rehabilitation expenses incurred on or after January 1, ~~2020, 2030.~~ For qualified rehabilitation expenditures and rehabilitation expenses incurred prior to January 1, ~~2020, 2030,~~ this Article expires for property not placed in service by January 1, ~~2028, 2038.~~"

SECTION 3. This act shall be known and cited as the "Historic Preservation Act of 2019."

SECTION 4. Section 1 of this act is effective for taxable years beginning on or after January 1, 2019. The remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

1

HOUSE BILL 418

Short Title: Create NC Golf Council. (Public)

Sponsors: Representatives Hardister, Boles, Grange, and Hunter (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Appropriations, Capital, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

March 25, 2019

A BILL TO BE ENTITLED
AN ACT TO CREATE THE NORTH CAROLINA GOLF COUNCIL TO PROMOTE AND
CULTIVATE THE GAME OF GOLF IN THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Council Established. – There is established in the Department of Commerce the North Carolina Golf Council (Council) to promote and cultivate the game of golf in this State.

SECTION 1.(b) Membership. – The Council shall be composed of seven members as follows:

- (1) Three individuals appointed by the Governor.
- (2) Two individuals appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives.
- (3) Two individuals appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate.

SECTION 1.(c) Purpose of Council; Meetings. – The Council is charged with the promotion and cultivation of the game of golf in this State and with fostering the economic development, tourism, recreation, and community involvement that the growth of the sport can bring. The Council shall advise the Secretary of Commerce with recommendations on fostering economic growth and advancing the growth of recreational, collegiate, and professional golf. The Council shall meet at least quarterly and at other times upon the call of the chair. A quorum of the Council shall be four members.

SECTION 1.(d) Terms; Chair; Vacancies; Qualifications. – Members of the Council shall serve four-year terms. The Governor shall select the chair from among the appointed members. Any vacancy on the Council shall be filled by the appointing authority. The Governor shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16. No current member of the General Assembly or other person holding elected office, or any members of their immediate family, may serve on the Council. Members selected for appointment to the Council shall have a reasonable level of experience or knowledge related to the game of golf.

SECTION 1.(e) Expenses of Members; Staff. – Members of the Council shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5. All clerical and other services required by the Council shall be supplied by the Secretary of Commerce.



1 **SECTION 2.** There is appropriated from the General Fund to the Department of
2 Commerce the sum of twenty-five thousand dollars (\$25,000) in recurring funds for the
3 2019-2020 fiscal year for administrative costs related to the Council's activities.
4 **SECTION 3.** This act is effective when it becomes law.



HOUSE BILL 418: Create NC Golf Council.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Appropriations, Capital. If favorable, re-refer to Appropriations. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 3, 2019
Introduced by:	Reps. Hardister, Boles, Grange, Hunter	Prepared by:	Amy Darden
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *House Bill 418 would create the North Carolina Golf Council to promote and cultivate the game of golf.*

BILL ANALYSIS:

House Bill 418 would do the following:

- Create the North Carolina Golf Council (Council) in the Department of Commerce with the purpose of promoting and cultivating the game of golf in this State.
- Set Council Membership with 4 year terms:
 - Three members appointed by the Governor.
 - Two members appointed by the General Assembly, recommended by the Speaker of the House of Representatives.
 - Two members appointed by the General Assembly, recommended by the President Pro Tempore of the Senate.
- Set meeting requirements – to be held quarterly at a minimum, or at the call of the chair.
- Provide Council members shall receive a per diem and necessary travel and subsistence expenses.
- Appropriate from the General Fund to the Department of Commerce \$25,000 in recurring funds for the 2019-2020 fiscal year for administrative costs.

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

Karen Cochrane-Brown
Director



H 4 1 8 - S M B B - 1 1 E 1 - 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.

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Commerce

DATE: April 03, 2019

Room: 423/424


House Sgt-At Arms:

1. Name: Kim Blackman
2. Name: Jonas Cherry
3. Name: Rey Cooke
4. Name: Dean Marshbourne
5. Name: _____

Senate Sgt-At Arms:

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

**House Pages
Assignments
Wednesday, April 03, 2019
Session: 1:15 PM**



Committee	Room	Time	Staff	Comments	Member
Commerce and Job Development	422	10:00 AM	Sarah Hammond		Rep. Allison A. Dahle
			Tucker Leandro		Rep. Josh Dobson
			Madison Vasjko		Rep. Allison A. Dahle
Judiciary I	544	10:00 AM	Brianna Drye		Rep. Larry Pittman
			Zoe Egan		Rep. John Autry
			Aimee Heroux		Rep. Lisa Barnes

VISITOR REGISTRATION SHEET

House Committee on Commerce

April 03, 2019



Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tommy Sewer	MWC
Jamie McCall	Carolina Small Biz Development Fund
Amber Bond	Carolina Small Business Development Fund
Gregg Thayer	NFIR
Tiffany Gladney	NC Rural Center
Reginald H. Gray	The Longmire Group
	
Amanda Darnon	KTS
The M	CCH
Ed Smulyh	BP
Courtney Crowder	CCC

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

RAMONA BARTOS	NC Dept of Natural & Cultural Resources
Kevin Cherry	NC Dept of Natural & Cultural Resources
Claudia Schneider	Governor's office
April Neumann	MWC
Myrick Howard	Preservation NC
Tony Adams	Adams and Associates
Scott Mooneyham	NC League of Municipalities
Rose Williams	NCLM
Dick Carthon	Law Off of RAL
Chris Valenti	Carolina's Golf Course Superintendents
Beau Mills	NC Metro Mayors

VISITOR REGISTRATION SHEET

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

David Crawford

AIA N/C

Betsy Bailey

CAGC

VISITOR REGISTRATION SHEET

House Committee on Commerce

April 03, 2019

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Uns Mugisha

Intern NCGA - Rep. Farmer-Butterfield

House Committee on Commerce
Thursday, April 25, 2019 at 2:00 PM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 2:00 PM on April 25, 2019 in Room 423 of the Legislative Office Building. Representatives Adams, Adcock, Ball, Clemmons, Conrad, Everitt, K. Hall, Horn, Kidwell, Lofton, Pierce, Strickland, and Terry attended.

Representative Conrad, presided and called the meeting to order at 2:03pm.

Committee Sergeants at Arms present today: Jonas Cherry, William Moore and Bill Riley

The following bills were considered:

HB 300 Extend Funds Deadline for Auctioneers. (Representative Speciale)

Rep. Kidwell began the first explanation of the bill and Rep. Speciale followed up with further explanation. The floor was opened for questions or discussion on the bill.

Rep. Horn asked, "what is done in other states?"
There was no further discussion or questions on **H 300**, Representative Kidwell motioned for a favorable report serial referral to Rules Calendar and Operations of the House. Motion passed with a favorable report for **H 300**,

HB 724 Truth In Caller ID Act. (Representatives Moore, Saine, Shepard, Humphrey)

Rep. Moore presented and explained **H 724**. The chair opened the floor for questions and discussion on the bill.

Representative Saine spoke in favor of the bill.

Representative Humphrey spoke in favor of the bill.

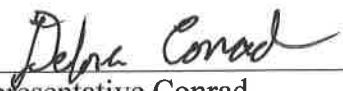
Representative Kidwell asked have you considered texting or other devices.

Representative Horn asked Calls from numbers that are visible.... How will this address this issue?

There were no further questions or discussion on **H 724**. Rep. Horn motioned for a favorable report on **HB 724** with serial referral to Rules Calendar and Operations of the House. Motion passed favorable.

There being no further business, House Commerce Committee adjourned.

The meeting adjourned at 2:20 pm.



Representative Conrad
Presiding



Tammy Ross, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Thursday, April 25, 2019
TIME: 2:00 PM
LOCATION: 423 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 300</u>	Extend Funds Deadline for Auctioneers.	Representative Speciale
<u>HB 724</u>	Truth In Caller ID Act.	Representative Moore Representative Saine Representative Shepard Representative Humphrey

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:51 AM on Wednesday, April 24, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Thursday, April 25, 2019, 2:00 PM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 300	Extend Funds Deadline for Auctioneers.	Representative Speciale
HB 724	Truth In Caller ID Act.	Representative Moore Representative Saine Representative Shepard Representative Humphrey

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE AND RE-REFERRED

HB 300

Extend Funds Deadline for Auctioneers.

Draft Number: None

Serial Referral: JUDICIARY

Recommended Referral: None

Long Title Amended: No

Floor Manager: Speciale

HB 724

Truth In Caller ID Act.

Draft Number: None

**Serial Referral: RULES, CALENDAR, AND
OPERATIONS OF THE HOUSE**

Recommended Referral: None

Long Title Amended: No

Floor Manager: Moore

TOTAL REPORTED: 2



★ C M R 3 2 4 - V - 1 ★



HOUSE BILL 300: Extend Funds Deadline for Auctioneers.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Judiciary. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 24, 2019
Introduced by:	Rep. Speciale	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 300 would extend the time from 30 to 90 days within which an auctioneer must account for or pay over funds received through an auction sale when an item was purchased on extension and requires third-party authentication.*

CURRENT LAW: Under Chapter 85B of the General Statutes, auctioneers are required within a reasonable time, not to exceed 30 days, to account for or to pay over funds belonging to another that came into the auctioneer's possession through an auction sale.

BILL ANALYSIS: House Bill 300 would provide that when an item has been purchased at an auction sale on extension and requires third-party authentication, the reasonable time within which the auctioneer must account for or pay over the funds shall not exceed 90 days.

EFFECTIVE DATE: The act is effective when it becomes law and applies to funds received through an auction sale on or after that date.

Karen Cochrane-Brown
Director



H 3 0 0 - S M T 6 - 4 1 E 1 - 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 2019

H

1

HOUSE BILL 300

Short Title: Extend Funds Deadline for Auctioneers.

(Public)

Sponsors: Representative Speciale.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Judiciary, if favorable, Rules, Calendar, and Operations
of the House

March 11, 2019

A BILL TO BE ENTITLED
AN ACT TO EXTEND THE AMOUNT OF TIME THAT AUCTIONEERS HAVE TO
ACCOUNT FOR OR PAY OVER FUNDS FROM AN AUCTION SALE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 85B-8(a)(3) reads as rewritten:

"(3) Any failure to account for or to pay over within a reasonable ~~time, not to~~
~~exceed 30 days, time~~ funds belonging to another which have come into the
licensee's possession through an auction sale. Under this subdivision, a
"reasonable time" shall not exceed 30 days, unless an item has been purchased
on extension and requires third-party authentication, in which case a
"reasonable time" shall not exceed 90 days."

SECTION 2. This act is effective when it becomes law and applies to funds received
through an auction sale that occurs on or after that date.





HOUSE BILL 724: Truth In Caller ID Act.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 23, 2019
Introduced by:	Reps. Moore, Saine, Shepard, Humphrey	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 724 would prohibit a telephone solicitor from misrepresenting the origin of the call by causing misleading information to be transmitted to users of caller identification technologies.*

CURRENT LAW: Article 4 of Chapter 75 of the General Statutes regulates telephone solicitations. Among other things, Article 4 prohibits a telephone solicitor from knowingly using any method to block a telephone subscriber's caller identification service.

Persons who violate Article 4 are potentially subject to a civil penalty in the amount of \$500 for the first violation, \$1,000 for the second violation, and \$5,000 for any subsequent violation occurring within two years of the first violation, unless they show that the violations were the result of a mistake, in which event the penalty is \$100 for each violation occurring within two years of the first violation.

BILL ANALYSIS: House Bill 724 would amend the current law to prohibit a telephone solicitor from causing misleading information to be transmitted to users of caller identification technologies or blocking or misrepresenting the origin of the solicitation. It would not be a violation of this prohibition for solicitors to use the name and number of the entity on whose behalf the solicitation is being made rather than the solicitor's name and number.

EFFECTIVE DATE: This act becomes effective December 1, 2019 and applies to offenses committed on or after that date.

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 2019

H

1

HOUSE BILL 724

Short Title: Truth In Caller ID Act. (Public)

Sponsors: Representatives Moore, Saine, Shepard, and Humphrey (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Rules, Calendar, and Operations of the House

April 15, 2019

A BILL TO BE ENTITLED
AN ACT TO PROHIBIT THE USE OF MISLEADING TELEPHONE IDENTIFICATION
METHODS FOR TELEPHONE SOLICITATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 75-102 reads as rewritten:

"§ 75-102. Restrictions on telephone solicitations.

...
(i) No telephone solicitor shall knowingly use any method to block or otherwise
circumvent a telephone subscriber's use of a caller identification service, cause misleading
information to be transmitted to users of caller identification technologies, or otherwise block or
misrepresent the origin of the telephone solicitation. No provider of telephone caller
identification services shall be held liable for violations of this subsection committed by other
individuals or entities. It is not a violation of this subsection for a telephone solicitor to utilize
the name and number of the entity the solicitation is being made on behalf of rather than the name
and number of the telephone solicitor.

...."

SECTION 2. This act becomes effective December 1, 2019.



VISITOR REGISTRATION SHEET

House Committee on Commerce

April 25th, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Dawn Vaughan

The News Observer
421 Fayetteville St. Raleigh

Sallie James

Governor's office

Richard Bostic

NC SBA

The W

CGA

Becki Gray

John Locke Foundation

VISITOR REGISTRATION SHEET

House Committee on Commerce

April 25th, 2019

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

[illegible]

House Committee on Commerce
Tuesday, April 30, 2019 at 12:00 PM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Commerce met at 12:00 PM on April 30, 2019 in Room 1228/1327 of the Legislative Building. Representatives Adcock, Ball, Butler, Clemmons, Conrad, Cunningham, Farmer-Butterfield, K. Hall, Horn, Iler, Jarvis, Kidwell, Pierce, Ross, Shepard, Terry, and Warren attended.

Rep. Ross gaveled in @ 12:06 PM.

Representative Stephen M. Ross, Senior Chair, presided.

The following bills were considered:

HB 400 Omnibus Labor Law Changes. (Representative McElraft)

Amendment presented and explained by Bill Patterson, Fiscal Research General Assembly. # H400-ATG-13[v.2] (Attachment 1)

Amendment Sponsor, Rep. McElraft. Amendment voted on and was passed. Rep. McElraft was recognized by the Chair to present **HB 400**.

Questions on the bill:

Rep. Adcock-Maintaining Medical records confidentiality.

Rep. Cunningham-Is there something already in place for confidentiality?

Jennifer Haigwood, NC Department of Labor spoke to the questions.

Kevin Beauregard, NC Department of Labor spoke to the questions.

Rep. Butler- Third party litigation of the bill, Safety guards/accidents and injuries.

Rep. Clemmons-Concerns about businesses/how it affects/other departments that has new examples/Investigations.

PCS with Amendments rolled in, Unfavorable to original bill. Motion Passed.

Jon Moore-Brown, Moore, Lee/ Spoke regarding OSHA reports.

With no further questions or discussions, Rep. K. Hall motioned for a favorable report to new PCS with amendment rolled in, Unfavorable to original bill with serial referral to Judiciary. Motion passed.

HB 871 Fair Contracts. (Representatives Arp, Stevens, Reives, Floyd) PCS-Motion made to adopt PCS by Rep. Adcock. Motion passed. Rep. Arp and Rep. Reives explained the bill.

Questions on the bill:

Rep. Horn- Pronounce WMBE. Any opposition to this bill?

Rep. Iler- Effects contract with Community Colleges? Renewed or amended after a certain time?

Montell Irvin-Engineering Design Firm ACEC member spoke to the bill.

Keith Coltrain, Attorney, CAGC in opposition.

Joelle Jefcoat-AIA spoke for the bill.

Rep. Farmer-Butterfield-Talk to the Steak holders?

With no further questions or discussion on **HB 871** Rep. Horn made motion for a Favorable to PCS, unfavorable to original bill with serial referral to Rules Calendar and Operations of the House. Motioned Passed.

HB 929 Gaming Commission. (Representatives Warren, Hardister, Saine, Hunter) **HB 929** was pulled from consideration by the bill sponsor.

HB 869 Design-Build Clarifications. (Representatives Arp, Jarvis, Hunter) Rep. Jarvis presented PCS on the bill. Rep. Butler made a motion to adopt PCS. Motion adopted.

Questions and discussions on the bill:

Rep. Horn- Anyone opposed to **HB 869**?

No further questions or discussions, Rep. Horn made motion for a favorable report to the PCS, unfavorable to original bill with serial referral to Rules Calendar and Operations of the House. Motion passed.

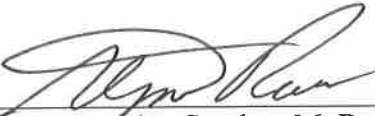
HB 492 Simplify Builder Inventory Exclusion. (Representatives Brody, Howard, B. Turner) Motion made PCS before the Committee by Rep. Clemmons. Motion passed.

Questions and discussion on **HB 492**:

Rep. Adcock-What would PCS cost local governments?

No further questions or discussion on **HB 492**, a motion made by Rep Brody for favorable to PCS, unfavorable to original bill with serial referral to Rules Calendar and Operations of the House. Motion passed.

There being no further business the meeting was adjourned at 12:55 PM.



Representative Stephen M. Ross, Senior Chair
Presiding



Tammy Ross, Committee Clerk

Updated #3: Add HB 492

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Tuesday, April 30, 2019
TIME: 12:00 PM
LOCATION: 1228/1327 LB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 400</u>	Omnibus Labor Law Changes.	Representative McElraft
<u>HB 871</u>	Fair Contracting.	Representative Arp
		Representative Stevens
		Representative Reives
		Representative Floyd
<u>HB 929</u>	Gaming Commission.	Representative Warren
		Representative Hardister
		Representative Saine
		Representative Hunter
<u>HB 869</u>	Design-Build Clarifications.	Representative Arp
		Representative Jarvis
		Representative Hunter
<u>HB 492</u>	Simplify Builder Inventory Exclusion.	Representative Brody
		Representative Howard
		Representative B. Turner

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 3:00 PM on Monday, April 29, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

House Committee on Commerce
Tuesday, April 30, 2019, 12:00 PM
1228/1327 Legislative Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 400	Omnibus Labor Law Changes.	Representative McElraft
HB 871	Fair Contracting.	Representative Arp
		Representative Stevens
		Representative Reives
		Representative Floyd
HB 929	Gaming Commission.	Representative Warren
		Representative Hardister
		Representative Saine
		Representative Hunter
HB 869	Design-Build Clarifications.	Representative Arp
		Representative Jarvis
		Representative Hunter
HB 492	Simplify Builder Inventory Exclusion.	Representative Brody
		Representative Howard
		Representative B. Turner

Presentations

Other Business

Adjournment



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 400**

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

H400-ATG-13 [v.2]

Page 1 of 1

Amends Title [NO]
First Edition

Date 4-30, 2019

Representative McElraft

- 1 moves to amend the bill on page 1, line 5, by replacing "7" with "7A", and
- 2
- 3 on page 3, line 33, by replacing "2.1." with "2.", and
- 4
- 5 on page 4, lines 9, 23, 31, and 36, by replacing "3.1.", "4.1.", "5.1.", and "6.1.", respectively, with
- 6 "3.", "4.", "5.", and "6.".
- 7

SIGNED _____

Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED ✓

FAILED _____

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HOUSE BILL 400: Omnibus Labor Law Changes.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Judiciary. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 1, 2019
Introduced by:	Rep. McElraft	Prepared by:	Bill Patterson
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: House Bill 400 would:

- *Exempt from Public Records Act disclosure records of certain ongoing Department of Labor (DOL) investigations and enforcement proceedings*
- *Exclude trains from the definition of amusement devices regulated by DOL*
- *Authorize DOL's Occupational Safety and Health Division Director to obtain medical records of patients relating to occupational safety and health investigations and enforcement proceedings*
- *Prevent DOL employees responsible for enforcing occupational safety and health requirements from being compelled to appear in third-party legal or administrative proceedings*
- *Limit the admissibility in third-party proceedings of information and reports developed pursuant to occupational safety and health inspections or investigations*

CURRENT LAW AND BILL ANALYSIS:

Currently three articles in Chapter 95 of the General Statutes authorize the Department of Labor (DOL) to conduct investigations and proceedings to enforce State requirements applicable to the construction, operation, and use of boilers and pressure vessels (Article 7A), elevators (Article 14A), amusement devices (Article 14B), and ski lift devices and passenger tramways (Article 15).

Section 1 of House Bill 400 would provide that records of pending DOL investigations and enforcement proceedings conducted under this authority are not subject to inspection and examination under the Public Records Act.

Currently an "amusement device" subject to regulation under Article 14B is defined as "any mechanical or structural device or attraction that carries or conveys or permits persons to walk along, around or over a fixed or restricted route or course or within a defined area including the entrances and exits thereto, for the purpose of giving such persons amusement, pleasure, thrills or excitement." Several devices are specifically exempt from this definition, including all-terrain vehicles, motorcycles, bicycles, mopeds, and devices operated on a natural body of water.

Section 2 would provide that locomotives, trains, a series of railroad cars, or other mechanical devices operating on standard railroad gauge are not "amusement devices" subject to regulation under Article 14B.

Currently the Director of DOL's Occupational Safety and Health Division (OSHD) is broadly authorized to enforce State laws governing occupational safety and health.

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.

House Bill 400

Page 2

Section 3 of the bill would expressly authorize the OSHD Director to obtain medical records maintained by the Department of Health and Human Services, by hospitals in the statewide trauma system, or by emergency management services providers providing services to patients relating to OSHD investigations and enforcement proceedings.

Currently there is no express statutory limitation on compelling appearances by DOL employees responsible for enforcing occupational safety and health laws in litigation or administrative proceedings unrelated to carrying out their enforcement activities.

Section 4 of the bill would provide that DOL employees who are charged with enforcing occupational safety and health laws shall not be compelled to appear at any deposition, hearing, trial, or other proceeding unless required in connection with a hearing held pursuant to the enforcement of State occupational safety and health laws.

Currently information and reports developed pursuant to an ongoing occupational safety and health inspection or investigation are not subject to disclosure under the Public Records Act, except that an employer cited in an ongoing investigation can receive a copy of the inspection report that is the basis for any citation. Any inspection report released to the employer earlier than 10 days before a scheduled enforcement hearing must be redacted so that the identity of any witnesses or complainants is not disclosed. The Commissioner of Labor is authorized to permit the use of names and statements of witnesses and complainants and information obtained during occupational safety and health inspections or investigations by public officials in the performance of their public duties.

Section 5 of the bill would provide that information and reports developed pursuant to an occupational safety and health inspection or investigation are inadmissible in any court or administrative body other than pursuant to the enforcement of State occupational safety and health laws, except where public officials have been authorized to use such information in the performance of their public duties.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

1

HOUSE BILL 400

Short Title: Omnibus Labor Law Changes. (Public)

Sponsors: Representative McElraft.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Judiciary, if favorable, Rules, Calendar, and Operations
of the House

March 21, 2019

A BILL TO BE ENTITLED
AN ACT MAKING VARIOUS CHANGES TO THE LABOR LAWS OF NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1.1. Article 7 of Chapter 95 of the General Statutes is amended by adding
a new section to read:

"§ 95-69.18.1. Investigation reports and records.

(a) The Commissioner may compile, analyze, and publish, in summary or detailed form,
the reports or information obtained under this Article.

(b) Files and other records relating to investigations and enforcement proceedings
pursuant to this Article are not subject to inspection and examination under G.S. 132-6 while the
investigations and proceedings are pending, except that a person cited under the provisions of
this Article is entitled to receive a copy of the official inspection report, which is the basis for
citations received by the person following the issuance of citations."

SECTION 1.2. G.S. 95-110.9 reads as rewritten:

"§ 95-110.9. ~~Reports~~ Investigations; reports required.

(a) The owner of any device or equipment regulated under the provisions of this Article,
or ~~his~~ the owner's authorized agent, shall within 24 hours notify the Commissioner of each and
every occurrence involving such device or equipment when:

(1) The occurrence results in death or injury requiring medical treatment, other
than first aid, by a physician. First aid means the one time treatment or
observation of scratches, cuts not requiring stitches, burns, splinters and
contusions or a diagnostic procedure, including examination and x-rays,
which does not ordinarily require medical treatment even though provided by
a physician or other licensed personnel; or

(2) The occurrence results in damage to the device indicating a substantial defect
in design, mechanics, structure or equipment, affecting the future safe
operation of the device. No reporting is required in the case of normal wear
and tear.

(b) The Commissioner, without delay, after notification and determination that an
occurrence involving injury or damage as specified in subsection (a) has occurred, shall make a
complete and thorough investigation of the occurrence. The report of the investigation shall be
placed on file in the office of the division and shall give in detail all facts and information



1 available. The owner may submit for inclusion in the file results of investigations independent of
2 the department's investigation.

3 (b1) Files and other records relating to investigations and enforcement proceedings
4 pursuant to this Article are not subject to inspection and examination under G.S. 132-6 while the
5 investigations and proceedings are pending, except that a person cited under the provisions of
6 this Article is entitled to receive a copy of the official inspection report, which is the basis for
7 citations received by the person following the issuance of citations.

8 (c) No person, following an occurrence as specified in subsection (a), shall operate,
9 attempt to operate, use or move or attempt to move such device or equipment, or part thereof,
10 without the approval of the Commissioner, unless so as to prevent injury to any person or persons.

11 (d) No person, following an occurrence as specified in subsection (a), shall remove or
12 attempt to remove from the premises any damaged or undamaged part of such device or
13 equipment or repair or attempt to repair any damaged part necessary to a complete and thorough
14 investigation. The department must initiate its investigation within 24 hours of being notified."

15 **SECTION 1.3.** G.S. 95-111.10 reads as rewritten:

16 **"§ 95-111.10. Reports- Investigations; reports required.**

17 (a) The owner of any device regulated under the provisions of this Article, or ~~his~~ the
18 owner's authorized agent, shall within 24 hours, notify the Commissioner of each and every
19 occurrence involving such device when:

20 (1) The occurrence results in death or injury requiring medical treatment, other
21 than first aid, by a physician. First aid means the one time treatment or
22 observation of scratches, cuts not requiring stitches, burns, splinters and
23 contusions or a diagnostic procedure, including examination and x-rays,
24 which does not ordinarily require medical treatment even though provided by
25 a physician or other licensed personnel; or

26 (2) The occurrence results in damage to the device indicating a substantial defect
27 in design, mechanics, structure or equipment, affecting the future safe
28 operation of the device. No reporting is required in the case of normal wear
29 and tear.

30 (b) The Commissioner, without delay, after notification and determination that an
31 occurrence involving injury or damage as specified in subsection (a) has occurred, shall make a
32 complete and thorough investigation of the occurrence. The report of the investigation shall be
33 placed on file in the office of the division and shall give in detail all facts and information
34 available. The owner may submit for inclusion in the file results of investigations independent of
35 the department's investigation.

36 (b1) Files and other records relating to investigations and enforcement proceedings
37 pursuant to this Article are not subject to inspection and examination under G.S. 132-6 while the
38 investigations and proceedings are pending, except that a person cited under the provisions of
39 this Article is entitled to receive a copy of the official inspection report, which is the basis for
40 citations received by the person following the issuance of citations.

41 (c) No person, following an occurrence as specified in subsection (a), shall operate,
42 attempt to operate, use or move or attempt to move such device or part thereof, without the
43 approval of the Commissioner, unless so as to prevent injury to any person or persons.

44 (d) No person, following an occurrence as specified in subsection (a), shall remove or
45 attempt to remove from the premises any damaged or undamaged part of such device or repair
46 or attempt to repair any damaged part necessary to a complete and thorough investigation. The
47 department must initiate its investigation within 24 hours of being notified."

48 **SECTION 1.4.** G.S. 95-125.2 reads as rewritten:

49 **"§ 95-125.2. Reports- Investigations; reports required.**

(a) The owner of any device regulated under the provisions of this Article, or the owner's authorized agent, shall, within 24 hours, notify the Commissioner of each and every occurrence involving the device when either of the following occurs:

- (1) Death or injury requiring medical treatment, other than first aid, by a physician. For the purposes of this section, "first aid" means (i) the one-time treatment or observation of scratches, cuts not requiring stitches, burns, splinters, or contusions or (ii) performing a diagnostic procedure, including examination and X rays, which does not ordinarily require medical treatment even though provided by a physician or other licensed personnel.
- (2) Damage to the device indicating a substantial defect in design, mechanics, structure, or equipment that affects the future safe operation of the device. No reporting is required in the case of normal wear and tear.

(b) The Commissioner, without delay, after notification and determination that an occurrence involving injury or damage as specified in subsection (a) of this section has occurred, shall make a complete and thorough investigation of the occurrence. The report of the investigation shall be placed on file in the office of the division and shall give in detail all facts and information available. The owner may submit for inclusion in the file results of investigations independent of the department's investigation.

(b1) Files and other records relating to investigations and enforcement proceedings pursuant to this Article are not subject to inspection and examination under G.S. 132-6 while the investigations and proceedings are pending, except that a person cited under the provisions of this Article is entitled to receive a copy of the official inspection report, which is the basis for citations received by the person following the issuance of citations.

(c) No person, after an occurrence specified in subsection (a) of this section, shall do either of the following:

- (1) Operate, attempt to operate, use, or move or attempt to move such device or part thereof without the approval of the Commissioner, unless so as to prevent injury to any person or persons.
- (2) Remove or attempt to remove from the premises any damaged or undamaged part of such device or repair or attempt to repair any damaged part necessary to a complete and thorough investigation. The Department must initiate its investigation within 24 hours of being notified."

SECTION 2.1. G.S. 95-111.3(a) reads as rewritten:

"(a) The term "amusement device" shall mean any mechanical or structural device or attraction that carries or conveys or permits persons to walk along, around or over a fixed or restricted route or course or within a defined area including the entrances and exits thereto, for the purpose of giving such persons amusement, pleasure, thrills or excitement. This term shall not include any of the following:

- (1) Devices operated on a river, lake, or any other natural body of water.
- (2) Wavepools.
- (3) Roller skating rinks.
- (4) Ice skating rinks.
- (5) Skateboard ramps or courses.
- (6) Mechanical bulls.
- (7) Buildings or concourses used in laser games.
- (8) All-terrain vehicles.
- (9) Motorcycles.
- (10) Bicycles.
- (11) Mopeds.
- (12) Rock walls that are in a fixed, permanent location.
- (13) Zip-lines.

- 1 (14) Funhouses, haunted houses, and similar walk-through devices that are erected
2 temporarily on a seasonal basis and do not have mechanical components.
3 (15) Playground equipment, including but not limited to soft contained play
4 equipment, swings, seesaws, slides, stationary spring-mounted animal
5 features, jungle gyms, rider-propelled merry-go-rounds, and trampolines.
6 (16) A locomotive, train, series of railroad cars, or other mechanical devices that
7 operate on any United States standard railroad gauge of four feet, eight and
8 one-half inches."

9 **SECTION 3.1.** G.S. 95-133(b) is amended by adding a new subdivision to read:

10 "(b) Subject to the general supervision of the Commissioner and Deputy Commissioner,
11 the Director shall be responsible for the administration and enforcement of all laws, rules and
12 regulations which it is the duty of the Division to administer and enforce. The Director shall have
13 the power, jurisdiction and authority to:

- 14 ...
15 (13) Obtain medical records compiled and maintained by the Department of Health
16 and Human Services, by hospitals participating in the statewide trauma
17 system, or by emergency management services providers in connection with
18 the dispatch, response, treatment, or transport of individual patients relating
19 to investigations and enforcement proceedings under this Article. The medical
20 records obtained by the Department shall be strictly confidential, are not
21 public records within the meaning of G.S. 132-1, and shall not be released or
22 made public."

23 **SECTION 4.1.** Article 16 of Chapter 95 of the General Statutes is amended by
24 adding a new section to read:

25 **"§ 95-153. Third-party litigation.**

26 Employees of the Department who are charged with compliance duties, including the Deputy
27 Commissioner, shall not be compelled to appear at any deposition, hearing, trial, or other legal
28 or administrative proceeding concerning a division inspection or investigation performed by the
29 Department unless the appearance is required for a hearing held pursuant to the enforcement of
30 this Article."

31 **SECTION 5.1.** G.S. 95-136 is amended by adding a new subsection to read:

32 "(e2) Except as provided in subsection (e1) of this section, information and reports
33 developed pursuant to any inspection or investigation performed pursuant to this Article by the
34 Department shall not be admissible in any court or before any administrative body except
35 pursuant to the enforcement of this Article."

36 **SECTION 6.1.** This act is effective when it becomes law.



HOUSE BILL 492: Simplify Builder Inventory Exclusion.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 30, 2019
Introduced by:	Reps. Brody, Howard, B. Turner	Prepared by:	Greg Roney
Analysis of:	PCS to First Edition H492-CSTM-9		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 492 would allow a builder to file a one-time application for the builder inventory property tax exclusion.*

CURRENT LAW: G.S. 105-277.02 exempts the increase in value of certain improvements to real property held for sale by a builder:

- For residential real property, a builder may exclude for 3 years the increase in value due to subdivision, improvements, and buildings that are either a new single family residence or a duplex.
- For commercial property, a builder may exclude for 5 years the increase in value due to subdivision and improvements – excluding buildings.

To qualify as a builder, the property owner must be in the business of buying real property, making improvements to it, and then reselling it. The owner is not required to be licensed as a general contractor.

The builder must continuously hold the property for sale. The exclusion is allowed starting at the time property is improved and should be listed for taxation by the builder. The exclusion ends when the property is sold or 3 years for residential (5 years for commercial) from the time the builder should have listed the property.

The builder must apply for this exclusion annually.

BILL ANALYSIS: The PCS for House Bill 492 would add the builder inventory property tax exclusion under G.S. 105-277.02 to the group of property tax benefits that use a one-time application. The one-time application would replace the current annual application.

EFFECTIVE DATE: The PCS for House Bill 492 would apply to property tax years beginning July 1, 2019. Therefore, the annual applications filed in January, 2019 would apply for future tax years.

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 2019

H

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HOUSE BILL 492
PROPOSED COMMITTEE SUBSTITUTE H492-CSTM-9 [v.1]
04/29/2019 03:20:10 PM

Short Title: Simplify Builder Inventory Exclusion.

(Public)

Sponsors:

Referred to:

March 28, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO SIMPLIFY THE PROPERTY TAX EXCLUSION FOR INCREASES IN VALUE
3 OF PROPERTY HELD BY A BUILDER.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-282.1(a) reads as rewritten:

6 "(a) Application. – Every owner of property claiming exemption or exclusion from
7 property taxes under the provisions of this Subchapter has the burden of establishing that the
8 property is entitled to it. If the property for which the exemption or exclusion is claimed is
9 appraised by the Department of Revenue, the application shall be filed with the Department.
10 Otherwise, the application shall be filed with the assessor of the county in which the property is
11 situated. An application must contain a complete and accurate statement of the facts that entitle
12 the property to the exemption or exclusion and must indicate the municipality, if any, in which
13 the property is located. Each application filed with the Department of Revenue or an assessor
14 shall be submitted on a form approved by the Department. Application forms shall be made
15 available by the assessor and the Department, as appropriate.

16 Except as provided below, an owner claiming an exemption or exclusion from property taxes
17 must file an application for the exemption or exclusion annually during the listing period:

18 ...
19 (2) Single application required. – An owner of one or more of the following
20 properties eligible for a property tax benefit must file an application for the
21 benefit to receive it. Once the application has been approved, the owner does
22 not need to file an application in subsequent years unless new or additional
23 property is acquired or improvements are added or removed, necessitating a
24 change in the valuation of the property, or there is a change in the use of the
25 property or the qualifications or eligibility of the taxpayer necessitating a
26 review of the benefit. [The properties are as follows:]

27 ...
28 c. Special classes of property classified for taxation at a reduced
29 valuation under G.S. 105-277(h), 105-277.02, 105-277.1, 105-277.1C,
30 105-277.10, 105-277.13, 105-277.14, 105-277.15, 105-277.17, or
31 105-278.

32"

33 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on
34 or after July 1, 2019.



* H 4 9 2 - C S T M - 9 *



HOUSE BILL 871: Fair Contracts.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 29, 2019
Introduced by:	Reps. Arp, Stevens, Reives, Floyd	Prepared by:	Erika Churchill
Analysis of:	PCS to First Edition H871-CSST-18		Staff Attorney

OVERVIEW: *The proposed committee substitute for House Bill 871 would establish as void and against public policy certain indemnification agreements relative to engineering, architectural, landscape architectural or surveying services. Effective October 1, 2019.*

CURRENT LAW: Any contract or agreement purporting to indemnify or hold harmless the promisee, the promisee's independent contractors, agents, employees, or indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence of the promisee, its independent contractors, agents, employees, or indemnitees, is against public policy and is void and unenforceable, if the contract or agreement is relative to the design, planning, construction, alteration, repair or maintenance of any of the following:

- Building
- Structure
- Highway
- Road
- Appurtenance or appliance, including moving, demolition and excavating connected therewith,

This prohibition does not prevent or prohibit a contract where a promisor agrees to indemnify or hold harmless any promisee or the promisee's independent contractors, agents, employees or indemnitees against liability for damages resulting from the sole negligence of the promisor, its agents or employees.

This prohibition does not affect an insurance contract, workers' compensation, or any other agreement issued by an insurer.

This prohibition does not apply to any of the following:

1. Promises or agreements under which a public utility as defined in G.S. 62-3(23) including a railroad corporation as an indemnitee.
2. Contracts entered into by the Department of Transportation pursuant to G.S. 136-28.1.

BILL ANALYSIS: The PCS would establish a separate statement regarding the public policy for design and planning contracts. The PCS would establish as void and against public policy any contract agreement for engineering, architectural, landscape architectural or surveying services purporting to require that

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

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House PCS 871

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one party to the agreement indemnify, hold harmless, or defend the other party, its independent contractors, agents, employees, or any other person or entity. Exempt would be contract agreement providing only for indemnification for damages or expenses to the extent resulting from the negligence, recklessness, or intentionally wrongful conduct of the promisor, its employees, agents, or other persons utilized by the promisor in the performance of the contract.

The PCS would also make technical and conforming changes.

EFFECTIVE DATE: October 1, 2019, and applies to contracts entered into, renewed, or amended on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

D

HOUSE BILL 871
PROPOSED COMMITTEE SUBSTITUTE H871-CSST-18 [v.4]
04/29/2019 03:31:25 PM

Short Title: Fair Contracts.

(Public)

Sponsors:

Referred to:

April 22, 2019

A BILL TO BE ENTITLED
AN ACT TO PROTECT THE INTERESTS OF DESIGNERS, PARTICULARLY SMALL
AND WMBE ENTITIES, FROM UNFAIR CONTRACTING AND DUTY TO DEFEND
REQUIREMENTS THAT VIOLATE THE EXISTING PUBLIC POLICY OF NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 22B-1 reads as rewritten:

"§ 22B-1. Construction indemnity agreements invalid.

(a) Any promise or agreement in, or in connection with, a contract or agreement relative to the design, planning, construction, alteration, repair or maintenance of a building, structure, highway, road, appurtenance or appliance, including moving, demolition and excavating connected therewith, purporting to indemnify or hold harmless the promisee, the promisee's independent contractors, agents, employees, or indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence, in whole or in part, of the promisee, its independent contractors, agents, employees, or indemnitees, is against public policy and is void and unenforceable. Nothing contained in this section shall prevent or prohibit a contract, promise or agreement whereby a promisor shall indemnify or hold harmless any promisee or the promisee's independent contractors, agents, employees or indemnitees against liability for damages resulting from the sole negligence of the promisor, its agents or employees.

(b) Any promise or agreement in, in connection with, or collateral to a contract or agreement for engineering, architectural, landscape architectural or surveying services purporting to require that one party to the agreement indemnify, hold harmless, or defend the other party, its independent contractors, agents, employees, or any other person or entity, against liability or claims for damages, losses, or expenses, including attorney's fees, is against public policy and is void and unenforceable, except for a promise or agreement providing only for indemnification for damages or expenses to the extent resulting from the negligence, recklessness, or intentionally wrongful conduct of the promisor, its employees, agents, or other persons utilized by the promisor in the performance of the contract.

(c) This section shall not affect an insurance contract, workers' compensation, or any other agreement issued by an insurer, insurer.

(d) Subsection (a) of this section shall not apply to any of the following:

(1) nor shall this section apply to promises or agreements under which a public utility as defined in G.S. 62-3(23) G.S 62-3(23)a. including a railroad corporation as is an indemnitee.



1 (2) ~~This section shall not apply to contracts~~ Contracts entered into by the
2 Department of Transportation pursuant to G.S. 136-28.1."
3 **SECTION 2.** This act becomes effective October 1, 2019, and applies to contracts
4 entered into, amended, or renewed on or after that date.



HOUSE BILL 869: Design-Build Clarifications.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 29, 2019
Introduced by:	Reps. Arp, Jarvis, Hunter	Prepared by:	Erika Churchill
Analysis of:	PCS to First Edition H869-CSST-24		Staff Attorney

OVERVIEW: *The proposed committee substitute for House Bill 869 would clarify the design-build and design-build bridging statutes as to contents of the requests for qualifications and request for proposals.*

CURRENT LAW: Prior to 2013, State law authorized four contracting methods for large building construction projects: single-prime, separate-prime (also referred to as multi-prime), dual-bidding (bidding both single- and separate-prime simultaneously), and construction management at risk. In 2013, the General Assembly authorized, statewide, the use of the design-build method and the design-build bridging method as a permissible means of construction contracting. The design-build method allows for a construction project that delivers both design, whether architectural or engineering or both, and construction services under one contract with a single point of responsibility. The design-build bridging construction method is a two-step process that differs from design-build in two ways:

- With design-build bridging, the unit contracts separately with an architect or engineer to design 35% of the project, referred to in the statute as the "design criteria." The unit then solicits proposals from design-build firms based on the design criteria package and contracts with a design-builder to complete the design and perform construction. The design criteria package acts as "bridging" documents between initial project concept and the design-build phase.
- With the design-build bridging method, fees and price estimates are solicited in the request for proposals for design-build services and the contract for these services is awarded based on the lowest responsive, responsible bidder standard of award.

A design-builder is currently defined as "an appropriately licensed person, corporation, or entity that, under a single contract, offers to provide or provides design services and general contracting services." G.S. 143-128.1B. Architectural and engineering services must be performed by licensed architects and engineers, and contractor services must be performed by a licensed general contractor. It is possible for one individual to hold both an engineering license and a general contractor license, usually a design-builder is a corporation, firm, or joint venture that employs both licensed design professionals and licensed general contractors, or a construction firm that subcontracts with an architect or engineer. The statutes require the design-builder to certify that each licensed designer and subconsultant who is a member of the design-build team was selected based on "demonstrated competence and qualifications" under the qualifications-based selection process of the Mini-Brooks Act (G.S. 143-64.31).

BILL ANALYSIS:

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.

House PCS 869

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Section 1 would amend the **design-build authorization** statute to clarify that the governmental entity giving notice of the request for qualifications may specify one of the following to be included in the RFQ from the design-builder:

- (1) A list of the licensed contractors, licensed subcontractors, and licensed design professionals whom the design builder proposes to use for the project's design and construction. If this option is specified, the design-builder may self-perform some or all of the work and, without bidding, also enter into negotiated subcontracts to perform some or all of the work with licensed subcontractors. In submitting its list, the design-builder may opt to include one or more unlicensed subcontractors the design-builder proposes to use.
- (2) A list of the licensed contractors and design professionals whom the design builder proposes to use for the project's design and construction and an outline of the strategy the design builder plans to use for open contractor and subcontractor selection. That selection must be based upon the provisions of Article 8 of Chapter 143 of the General Statutes, Public Contracting. If this option is specified, the design-builder may self-perform some or all of the work but may not enter into negotiated contracts with first-tier subcontractors. First-tier subcontractors are those subcontractors who contract directly with the design builder, excluding design professionals.

Section 2 would amend the **design-build bridging authorization** statute to do all of the following:

- Clarify that the governmental entity may not require the design builder to provide the costs of the subcontractor work in the design criteria package. The design builder may be required to disclose the costs of the subcontractor work after the contract has been executed. "Costs of the subcontractor work" is defined as the sum total amount of all first tier subcontract packages bid or proposed to be bid for the project.
- Specify that the design criteria package include both of the following:
 - The list of general conditions prepared by the governmental entity for which the design builder is to provide a fixed fee.
 - The form of the contract to be entered into by the successful design builder to whom the project is awarded.
- Specify that the governmental entity's notice for request for proposals include a requirement the design-builder submit a sealed statement containing the design-builder's fixed fees, excluding the costs of the subcontractor work, which shall list each of the following separately:
 - The price for providing the general conditions of the contract identified in the request for proposal.
 - The proposed fee for general construction services.
 - The fee for design services necessary to complete the project.

Section 3 would make a conforming change to the statute governing the letting of public contracts.

EFFECTIVE DATE: October 1, 2019, and applies to contracts entered into, renewed, or amended on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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D

HOUSE BILL 869
PROPOSED COMMITTEE SUBSTITUTE H869-CSST-24 [v.2]

04/29/2019 11:46:12 AM

Short Title: Design-Build Clarifications.

(Public)

Sponsors:

Referred to:

April 22, 2019

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THE DESIGN BUILD AND DESIGN BUILD BRIDGING
STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-128.1A reads as rewritten:

"§ 143-128.1A. Design-build contracts.

(a) Definitions for purposes of this section:

(1) Design-builder. – As defined in G.S. 143-128.1B.

(1g) Design professional. – As defined in G.S. 143-128.1B.

(1p) First-tier subcontractor. – As defined in G.S. 143-128.1B.

(2) Governmental entity. – As defined in G.S. 143-128.1B.

(3) Licensed contractor. – As defined in G.S. 143-128.1B.

(4) Licensed subcontractor. – A person or entity, not including design professionals or employees of the design-builder, that will be performing work under the design-builder and whose scope of work proposed for the project requires that it be licensed in accordance with Article 2 or Article 4 of Chapter 87 of the General Statutes.

(5) Unlicensed subcontractor. – A person or entity, not including design professionals or employees of the design-builder, that will be performing work under the design-builder and whose scope of work proposed for the project does not require that it be licensed in accordance with Article 2 or Article 4 of Chapter 87 of the General Statutes.

(b) A governmental entity shall establish in writing the criteria used for determining the circumstances under which the design-build method is appropriate for a project, and such criteria shall, at a minimum, address all of the following:

(1) The extent to which the governmental entity can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications for a design-builder.

(2) The time constraints for the delivery of the project.

(3) The ability to ensure that a quality project can be delivered.

(4) The capability of the governmental entity to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.

(5) A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities. The governmental entity shall not limit or otherwise preclude any respondent from submitting a response so long



as the respondent, itself or through its proposed team, is properly licensed and qualified to perform the work defined by the public notice issued under subsection (c) of this section.

- (6) The criteria utilized by the governmental entity, including a comparison of the advantages and disadvantages of using the design-build delivery method for a given project in lieu of the delivery methods identified in subdivisions (1), (2), and (4) of G.S. 143-128(a1).

(c) A governmental entity shall issue a public notice of the request for qualifications that includes, at a minimum, general information on each of the following:

- (1) The project site.
- (2) The project scope.
- (3) The anticipated project budget.
- (4) The project schedule.
- (5) The criteria to be considered for selection and the weighting of the qualifications criteria.
- (6) Notice of any rules, ordinances, or goals established by the governmental entity, including goals for minority- and women-owned business participation and small business participation.
- (7) Other information provided by the owner to potential design-builders in submitting qualifications for the project.
- (8) A statement ~~providing directing~~ that each design-builder ~~shall to~~ submit in its response to the request for qualifications an explanation of its project team ~~selection, which selection.~~ The governmental entity may specify which of the following the statement is to include, or if not specified, the statement shall consist of either of the following:

a. A list of the licensed contractors, licensed subcontractors, and ~~licensed~~ design professionals whom the design-builder proposes to use for the project's design and construction. If this option, the design-builder may self-perform some or all of the work with employees of the design-builder and, without bidding, also enter into negotiated subcontracts to perform some or all of the work with licensed subcontractors, including, but not exclusively with those identified in the list. In submitting its list, the design-builder may, but is not required to, include one or more unlicensed subcontractors the design-builder proposes to use.

b. ~~An~~ A list of the licensed contractors and design professionals whom the design-builder proposes to use for the project's design and construction and an outline of the strategy the design-builder plans to use for open contractor and subcontractor selection based upon the provisions of Article 8 of Chapter 143 of the General Statutes. If this option, the design-builder may also self-perform some or all of the work with employees of the design-builder but shall not enter into negotiated contracts with first-tier subcontractors.

(d) Following evaluation of the qualifications of the design-builders, the three most highly qualified design-builders shall be ranked. If after the solicitation for design-builders not as many as three responses have been received from qualified design-builders, the governmental entity shall again solicit for design-builders. If as a result of such second solicitation not as many as three responses are received, the governmental entity may then begin negotiations with the highest-ranked design-builder under G.S. 143-64.31 even though fewer than three responses were received. If the governmental entity deems it appropriate, the governmental entity may invite some or all responders to interview with the governmental entity.

(e) The design-builder shall be selected in accordance with Article 3D of this Chapter. Each design-builder shall ~~certify~~ certify, in the response to the request for qualifications in subsection (c) of this section, to the governmental entity that each ~~licensed~~ design professional who is a member of the design-build team, including subconsultants, was selected based upon demonstrated competence and qualifications in the manner provided by G.S. 143-64.31.

(f) The design-builder shall provide a performance and payment bond to the governmental entity in accordance with the provisions of Article 3 of Chapter 44A of the General Statutes. The design-builder shall obtain written approval from the governmental entity prior to changing key personnel as listed in sub-subdivision (c)(8)a. of this section after the contract has been awarded."

SECTION 2. G.S. 143-128.1B reads as rewritten:

"§ 143-128.1B. Design-build bridging contracts.

(a) Definitions for purposes of this section:

(1a) Costs of the subcontractor work. – The sum total amount of all first-tier subcontract packages bid or proposed to be bid under subsection (f) of this section.

(1) Design-build bridging. – A design and construction delivery process whereby a governmental entity contracts for design criteria services under a separate agreement from the construction phase services of the design-builder.

(2) Design-builder. – An appropriately licensed person, corporation, or entity that, under a single contract, offers to provide or provides design services and general contracting services where services within the scope of the practice of professional engineering or architecture are performed respectively by a licensed engineer or licensed architect and where services within the scope of the practice of general contracting are performed by a licensed general contractor.

(3) Design criteria. – The requirements for a public project expressed in drawings and specifications sufficient to allow the design-builder to make a responsive bid proposal.

(4) Design professional. – Any professional licensed under Chapters 83A, 89A, or 89C of the General Statutes.

(5) First-tier subcontractor. – A subcontractor who contracts directly with the design-builder, excluding design professionals.

(5g) General conditions. – A specific list compiled by the government entity that identifies the tools, resources, and equipment not directly related to the actual construction activities, but that are required to complete the project and for which the design-builder is to be compensated. As examples, this term shall include: on-site construction office and storage trailers; electrical and other utility services during construction; on-site construction superintendent, construction supervisors and clerical staff; trash collection; security; and other temporary measures. This term shall not include any of the following:

a. Construction work to be bid pursuant to subsection (f) of this section.

b. Design services of a design professional.

c. The cost of subcontractor work.

(6) Governmental entity. – Every officer, board, department, commission, or commissions charged with responsibility of preparation of specifications or awarding or entering into contracts for the erection, construction, alteration, or repair of any buildings for the State or for any county, municipality, or other public body.

(7) Licensed contractor. – A person or entity whose scope of work proposed for the project requires that it be licensed in accordance with the provisions of Article 1 of Chapter 87 of the General Statutes.

(b) A governmental entity shall establish in writing the criteria used for determining the circumstances under which engaging a design criteria design professional is appropriate for a project, and such criteria shall, at a minimum, address all of the following:

- (1) The extent to which the governmental entity can adequately and thoroughly define the project requirements prior to the issuance of the request for proposals for a design-builder.
- (2) The time constraints for the delivery of the project.
- (3) The ability to ensure that a quality project can be delivered.
- (4) The capability of the governmental entity to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery.
- (5) A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities. The governmental entity shall not limit or otherwise preclude any respondent from submitting a response so long as the respondent, itself or through its proposed team, is properly licensed and qualified to perform the work defined by the public notice issued under subsection (d) of this section.
- (6) The criteria utilized by the governmental entity, including a comparison of the advantages and disadvantages of using the design-build delivery method for a given project in lieu of the delivery methods identified in subdivisions (1), (2), and (4) of G.S. 143-128(a1).

(b1) The governmental entity, as a criteria in subsection (b) of this section, shall not require the design-builder to provide the costs of the subcontractor work in the design criteria package. The design-builder may be required to disclose such cost after the contract has been executed.

(c) On or before entering into a contract for design-build services under this section, the governmental entity shall select or designate a staff design professional, or a design professional who is independent of the design-builder, to act as its design criteria design professional as its representative for the procurement process and for the duration of the design and construction. If the design professional is not a full-time employee of the governmental entity, the governmental entity shall select the design professional on the basis of demonstrated competence and qualifications as provided by G.S. 143-64.31. The design criteria design professional shall develop design criteria in consultation with the governmental entity. The design criteria design professional shall not be eligible to submit a response to the request for proposals nor provide design input to a design-build response to the request for proposals. The design criteria design professional shall prepare a design criteria package equal to thirty-five percent (35%) of the completed design documentation for the entire construction project. The design criteria package shall not include the costs of the subcontractor work, and shall include all of the following:

- (1) Programmatic needs, interior space requirements, intended space utilization, and other capacity requirements.
- (2) Information on the physical characteristics of the site, such as a topographic survey.
- (3) Material quality standards or performance criteria.
- (4) Special material requirements.
- (5) Provisions for utilities.
- (6) Parking requirements.
- (7) The type, size, and location of adjacent structures.

- 1 (8) Preliminary or conceptual drawings and specifications sufficient in detail to
2 allow the design-builder to make a proposal which is responsive to the request
3 for proposals.
- 4 (9) Notice of any ordinances, rules, or goals adopted by the governmental entity.
- 5 (10) The list of general conditions prepared by the governmental entity for which
6 the design-builder is to provide a fixed fee in accordance with sub-subdivision
7 (10)a. of subsection (d) of this section.
- 8 (11) The form of the contract to be entered into by the successful design-builder to
9 whom the project is awarded pursuant to subsection (e) of this section. The
10 form of the contract may, upon discretion of the governmental entity, allow
11 for multiple phases, termination for convenience and rights arising therefrom,
12 and the subsequent setting of guaranteed maximum prices.
- 13 (d) A governmental entity shall issue a public notice of the request for proposals that
14 includes, at a minimum, general information on each of the following:
- 15 (1) The project site.
- 16 (2) The project scope.
- 17 (3) The anticipated project budget.
- 18 (4) The project schedule.
- 19 (5) The criteria to be considered for selection and the weighting of the selection
20 criteria.
- 21 (6) Notice of any rules, ordinances, or goals established by the governmental
22 entity, including goals for minority- and women-owned business participation
23 and small business entities.
- 24 (7) The thirty-five percent (35%) design criteria package prepared by the design
25 criteria design professional.
- 26 (8) Other information provided by the owner to design-builders in submitting
27 responses to the request for proposals for the project.
- 28 (9) A statement providing that each design-builder shall submit in its request for
29 proposal response an explanation of its project team selection, which shall
30 consist of a list of the licensed contractor and ~~licensed~~ design professionals
31 whom the design-builder proposes to use for the project's design and
32 construction.
- 33 (10) A statement providing that each design-builder shall submit in ~~its request for~~
34 ~~proposal~~ a separate sealed envelope with all envelope, contemporaneously
35 with the response to the request for proposals, the design-builder's fixed fees,
36 excluding the costs of the subcontractor work, for designing and constructing
37 the project in accordance with requirements set forth the government entity's
38 criteria and the terms and conditions set forth in the form of the contract under
39 sub-subdivision (11) of subsection (c) of this section for each of the
40 following: following, listed separately by item:
- 41 a. ~~The design-builder's price for providing the general conditions of the~~
42 ~~contract identified in the request for proposal.~~
- 43 b. ~~The design-builder's proposed fee for general construction~~
44 ~~services-services not otherwise provided for in this subdivision.~~
- 45 c. ~~The design-builder's fee for design services-services necessary to~~
46 ~~complete the project.~~
- 47 (e) Following evaluation of the qualifications of the design-builders, the governmental
48 entity shall rank the design-builders who have provided responses, grouping the top three without
49 ordinal ranking. If after the solicitation for design-builders not as many as three responses have
50 been received from qualified design-builders, the governmental entity shall again solicit for
51 design-builders. If as a result of such second solicitation not as many as three responses are

1 received, the governmental entity may then make its selection. From the grouping of the top three
2 design-builders, the governmental entity shall select the design-builder who is the lowest
3 responsive, responsible bidder based on the cumulative amount of fees provided in accordance
4 with subdivision (d)(10) of this section and taking into consideration quality, performance, and
5 the time specified in the proposals for the performance of the contract. Each design-builder shall
6 certify to the governmental entity that each ~~licensed~~ design professional who is a member of the
7 design-build team, including subconsultants, was selected based upon demonstrated competence
8 and qualifications in the manner provided by G.S. 143-64.31.

9 (f) The design-builder shall accept bids based upon the provisions of this Article from
10 first-tier subcontractors for all construction work under this section.

11 (g) The design-builder shall provide a performance and payment bond to the
12 governmental entity in accordance with the provisions of Article 3 of Chapter 44A of the General
13 Statutes. The design-builder shall obtain written approval from the governmental entity prior to
14 changing key personnel, as listed under subdivision (d)(9) of this section, after the contract has
15 been awarded."

16 **SECTION 3.** G.S. 143-129(e)(11) reads as rewritten:

17 "(11) Contracts by a public entity with any of the following:

18 a. A construction manager at risk executed pursuant to G.S. 143-128.1.

19 b. A design-builder executed pursuant to G.S. 143-128.1A.

20 c. A design-builder executed pursuant to G.S. 143-128.1B.

21 d. A private developer executed pursuant to G.S. 143-128.1C."

22 **SECTION 4.** This act becomes effective October 1, 2019, and applies to contracts
23 entered into, amended, or renewed on or after that date.

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 400	Omnibus Labor Law Changes. Draft Number: H400-PCS40438-TG-25 Serial Referral: JUDICIARY Recommended Referral: None Long Title Amended: No Floor Manager: McElraft
HB 492	Simplify Builder Inventory Exclusion. Draft Number: H492-PCS10606-TM-9 Serial Referral: RULES, CALENDAR, AND OPERATIONS OF THE HOUSE Recommended Referral: None Long Title Amended: No Floor Manager: Brody
HB 871	Fair Contracting. Draft Number: H871-PCS40439-ST-18 Serial Referral: RULES, CALENDAR, AND OPERATIONS OF THE HOUSE Recommended Referral: None Long Title Amended: Yes Floor Manager: Arp

TOTAL REPORTED: 3



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 869

Design-Build Clarifications.

Draft Number: H869-PCS10613-ST-24

Serial Referral: RULES, CALENDAR, AND
OPERATIONS OF THE HOUSE

Recommended Referral: None

Long Title Amended: No

Floor Manager: Arp

TOTAL REPORTED: 1



★ C M R 3 6 6 - V - 1 ★

Committee Sergeants at Arms

NAME OF COMMITTEE H C on Commerce

DATE: 4/30/2019 Room: 1228/1327

House Sgt-At Arms:

1. Name: Rex Foster

2. Name: Ken Gilbert

3. Name: Russell Salisbury

4. Name: David Leighton

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____

VISITOR REGISTRATION SHEET

H C on Commerce

4/30/2019

Name of Committee

Date

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FIRM OR AGENCY AND ADDRESS

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Martin Moser	BARNHILL Contracting Co. RALEIGH, NC
Ruth Coltrin	on behalf of CAGC
Theresa Lister	CAL
Abby Hammond	NCAJ
Jon Moore	NCAJ
CLYMER CREESE	AIA NC
Mike Dunn	re state app. cis
Leo John	senior of state
Eddie MacAdams	Davis-Martin-Powell High Point NC
Mike Slusher	Davis-Martin-Powell, High Point NC

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Name of Committee

4/30/2019

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Charles Wilson	CACT Wilson
Dave Simpson	CAAC
Wes Louder	ACEC
Fred Burdett	ACECNC
Hampton Billips	KTS
BROCK STORNGREN	WITHERS RAVENEL/ACECNC 115 Makenzie Drive, Cary 27511
Stephen Safran	Safran Law Offices
NICK TENNYSON	EL RABINOWITZ ENGINEERING
JEFF DOUGLAS	HDR

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Name of Committee

4/30/2019
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Flint Benson	SEANC
Resha Fortson	SEANC
Adam Prodenae	NCAcc
April Neumann	MWC
Pauli Jewell	FL
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PRESTON HOWARD	NCMA
DONALD GREEN	AIA NC
Canaan White	MVA
Bill MANDAL	VHB ENGINEERS NC, P.C.

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Name of Committee

4/30/2019

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LIZ PHIPPS	KCI
JOHN WEAVER	SEME
ROB KRAC	CH2
T. Smith	NC DOT
Justin Delaney	NC DOT
Jim Smith	ACEC/NC
Jennifer Haigwood	NC DOL
Henry Jones	John Doe, etc.
GARY L. HUBER	AMERICAN INSTITUTE OF ARCHITECTS
JIM WILLIAMS	" " " "

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Name of Committee

4/30/2019

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DEREK CLYBURN	ECS
Paul Meehan	HDR, Raleigh NC
Davis C. Diggs, PE	Kleinfelder, Inc Charlotte, NC
Sallie James	Governor's office
Dodie Rorfer	Nelson Mullins
B young	OSA
Stephanie Costello	Apple Inc
Sarah Patterson	WM
Rrian merwald	SBE
Katie Hall	DOA

VISITOR REGISTRATION SHEET

H C on Commerce

Name of Committee

4/30/2019

Date

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Kara Weishaar	SA
Carter Grimes	NC DOL
Scott Mabry	NC DOL
KEVIN BEHRENDT	NC DOL
Jill Cramer	NC DOL
Jennifer Haigwood	NC DOL
David Farrell	NP
David Crawford	AIA NC
JOELLE JEFFCOAT	AIA NC
DAVID SIMPSON	SIMPSON ENGINEERS & ASSOCIATES

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H C on Commerce

Name of Committee

4/30/2019

Date

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Kimly-Horn

Monte Irvin

Ramsey Kemp Assoc.

Grace Wallace

AIA NC

DAVID TOBIN

AIA CHARLOTTE

VISITOR REGISTRATION SHEET

NC House on Commerce 4-30-19

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

JOHN BOQUIN

ZARATA & AIA, NC

DAVID MURRAY

MBP + AIA, NC

House Committee on Commerce
Wednesday, May 22, 2019 at 10:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 10:00 AM on May 22, 2019 in Room 423 of the Legislative Office Building. Representatives Adcock, Ball, Butler, Clemmons, Conrad, Cunningham, Everitt, Farmer-Butterfield, D. Hall, K. Hall, Horn, Howard, Kidwell, Pierce, Ross, Strickland, Terry, and Warren attended.

Representative Stephen M. Ross, Senior Chair, presided.

The following bills were considered:

HB 929 Gaming Commission. (Representatives Warren, Hardister, Saine, Hunter)

Rep. Warren put forth an amendment. #H929-ABB-9[v.2] (Attachment 1) Rep. Horn made a motion to accept the amendment. The amendment was adopted.

Rep. Warren presented **HB 929** to committee. Rep. Ross opened the floor for questions and discussion on the bill.

Speakers:

Rep. B. Jones—Fantasy Sports already regulated?

Rep. Butler—Fantasy Sports ongoing---enormous revenue. Address education regarding gambling.

Rep. Horn---Expanding Gambling in NC? Issues of gambling addictions. Address taxation.

Rep. Kidwell---Consolidation of Government issues—Taxation issues---Education—Study Expenses on deductions

John Rustin, President NC Family Policy Council---Daily Fantasy Sports is gambling. Based on chance vs. Skills –Would legalize Daily Fantasy Sports

Rep. Ball---Responded to Fantasy Sports considered gambling.

Rep. Adcock---Audits? Subject to bill passing?


Rep. Cunningham---Elected official or candidate cannot serve on the Commission for what period of time?

Having no further questions or discussions on the bill, Rep. Warren made a motion for a Favorable to new PCS with Amendments rolled in, unfavorable to original bill.

Motion Passed. **HB 929** serial referred to Committee on Judiciary.

Having no further business, Rep. Ross moved to adjourn the meeting.

The meeting adjourned at 10:21 am.



Representative Stephen M. Ross, Senior Chair
Presiding

Tammy Ross, Committee Clerk

Updated #1: Date Change

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Wednesday, May 22, 2019

TIME: 10:00 AM

LOCATION: 423 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE
<u>HB 929</u>	Gaming Commission.

SPONSOR
Representative Warren
Representative Hardister
Representative Saine
Representative Hunter

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:16 PM on Monday, May 20, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

House Committee on Commerce
Wednesday, May 22, 2019, 10:00 AM
423 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE
HB 929	Gaming Commission.

SPONSOR
Representative Warren
Representative Hardister
Representative Saine
Representative Hunter

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE COM SUB , UNFAVORABLE ORIGINAL BILL AND RE-REFERRED

HB 929

Gaming Commission.

Draft Number: H929-PCS10648-BB-17

Serial Referral: JUDICIARY

Recommended Referral: None

Long Title Amended: No

Floor Manager: Warren

TOTAL REPORTED: 1



* C M R 4 7 5 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 929

H929-ABB-9 [v.2]

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

Page 1 of 1

Amends Title [NO]
First Edition

Date May 22, 2019

Representative Warren

1 moves to amend the bill on page 2, line 6 by replacing "18C" with "18E";
2
3 and on page 6, line 39 by inserting the word "not" between "value" and "exceeding";
4
5 and on page 6, line 43 by replacing "5." with "25.";
6
7 and on page 11, line 19 by replacing "May 1, 2017," with "May 1, 2019,";
8
9 and on page 11, line 30 by replacing "May 1, 2017," with "May 1, 2019,";
10
11 and on page 11, lines 35 by replacing "May 1, 2017," with "May 1, 2019,".
12
13

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

TABLED





HOUSE BILL 929: Gaming Commission.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Judiciary. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 30, 2019
Introduced by:	Reps. Warren, Hardister, Saine, Hunter	Prepared by:	Amy Darden
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *House Bill 929 would establish the North Carolina Gaming Commission and authorize the regulation of fantasy sports leagues by:*

- *Requiring registration of fantasy contest operations with the North Carolina Gaming Commission ("Commission");*
- *Requiring registration renewal every five years after issuance or renewal;*
- *Imposing fees for registration and subsequent renewals;*
- *Providing the Commission with authority to deny, revoke, or suspend registrations for certain violations;*
- *Requiring audits and reports to be submitted to the Commission; and*
- *Authorizing Alcohol Law Enforcement (ALE) agents to enforce registration requirements.*

CURRENT LAW: Currently, various General Statutes regulate bingo, raffles, boxing, and the North Carolina State Lottery. Except as permitted under laws regulating bingo, raffles, and the State Lottery, G.S. 14-292 makes it a Class 2 misdemeanor for any person or organization to operate any game of chance or for any person to play at or bet on any game of chance at which any money, property, or other thing of value is bet.

BILL ANALYSIS:

Section 1 would do the following:

- Recodify the statutes governing Bingo and Raffles, the Regulation of Boxing, and the North Carolina State Lottery into a new Chapter 18E entitled "Gaming."
- Authorize the Revisor of Statutes to change all old statute references and make additional organization, clarifying, and technical changes.

Section 2 would create a new Chapter 18E, Gaming, in the General Statutes. The new Chapter would do the following:

- Create a 9 member Gaming Commission (Commission), located within the Department of Commerce, to establish and oversee the operation of gaming in the State, and comprising:

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.

House Bill 929

Page 2

- 5 members appointed by the Governor, 2 appointed by the President Pro Tempore of the Senate, and 2 appointed by the Speaker of the House of Representatives.
 - Members would serve terms four-year terms, the initial terms of the Governor's appointees would be staggered, and appointees would be prohibited from serving more than 2 successive terms and must meet at least quarterly.
 - Set out qualifications for the Commission members.
- Require Commission records must be open and available to the public.
- Set out powers and duties of the Commission which would include:
 - Regulating and overseeing gambling.
 - Prescribing the nature of gaming advertising, which must meet specific requirements.
 - Charging licensees and contractors fees for criminal record checks.
 - Specifying the number and value of prizes for winning tickets or share in lottery games.
- Require the Commission to send quarterly and annual reports on their operations to the Governor, State Treasurer, and to the General Assembly.
- Require the State Auditor to conduct annual audits of all accounts and transactions of the Commission.
- Require a biennial comprehensive study and evaluation of all aspects of security in the operation of the Commission by an independent security firm, with a portion of the report being presented to the Commission, Governor, and General Assembly.
- Require a biennial audit of the lottery by an independent auditing firm, with results submitted to the Commission, Governor, and General Assembly.
- Allow the Commission to apply to superior court for an injunction to restrain any person from violating the Gaming Chapter.
- Allow the Commission to investigate, if it has reasonable cause to believe a violation of the Gaming Chapter has occurred.
- Allow the Commission or ALE to inspect an establishment of a licensee during normal business hours.
- Require the Commission to select a Director to operate and administer its functions and serve as Secretary of the Commission.
- Sets out the Director's power and duties, including setting salaries of Commission employees, entering into contracts upon Commission approval, and providing monthly financial reports to the Commission.
- Set out 6 requirements for the Director and Commission employees, including that they not have any financial interest in any licensee or contractor and prohibiting them from representing any licensee or contractor before the Commission for 1 year following termination of employment with the Commission.
- Prohibit any Commissioner, the Director, any employee of the Commission, or any member of the immediate family residing in the same household from accepting any type of gift or service from any person regulated by the Gaming Chapter, excluding food and beverages having an aggregate value exceeding \$100 in any calendar year.

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- Set out and define terms used in the Chapter.
- Regulate fantasy contests in the State by:
 - Requiring operators of fantasy contests to register with the Commission.
 - Setting out application requirements.
 - Requiring an initial registration fee equal to 10% of the operator's gross fantasy contest revenues from the previous calendar year; to be no less than \$2,500 or more than \$10,000.
 - Making registrations valid for 5 years, with a renewal fee equal to the lesser of \$5,000 or 10% of the operator's net revenue from the previous calendar year.
 - Allowing operators applying for registration, who have been in continuous operation in the State for at least 180 days as of the effective date of this bill, to offer fantasy contests until 60 days after applications for registration are published by the Commission and allowing operators who have applied for registration during that 60 day period to continue operating while the registration is pending.
 - Allowing operators applying for registration or renewal of a registration to operate during the application.
 - Requiring the Commission to issue a registration within 60 days of receipt of the application.
- Allow the Commission to deny, revoke, or suspend a registration based upon 5 specified actions, including defaulting on a payment of any obligation or debt due to the State.
- Allow the suspension or revocation of an operator's registration where after a hearing with 30 days' notice where a violation has been found by a preponderance of the evidence and allow civil penalties.
- Allow the suspension of a registration for not more than 7 business days if the Commission determines a violation has occurred and emergency action is required to protect public health, safety, and welfare.
- Set out operator reporting and audit requirements.
- Provide provisions governing a change in ownership or acquisition of interest in an operator.
- Make reports, data, or documents, containing information about the character or financial responsibility of the operation or its principal stockholders, submitted to the Commission under the audit requirements and records submitted as part of a registration application or renewal confidential.
- Specify that fantasy contests under Article 26 – Regulation of Fantasy Sports, do not constitute gambling, lotteries, gaming, or any activity or enterprise prohibited by law.

Sections 3(a) – 3(h) would do the following:

- Provide that nothing in the Article limits the ability of an operator to control or conduct its contests or to provide a uniform gameplay platform for players in multiple jurisdictions.
- Repeal statutes establishing the North Carolina State Lottery Commission and setting out its requirements. Repeal statutes concerning the selection of the State Lottery Director and setting out auditing requirements.

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Section 4 would amend 18B-500(b) to make alcohol law enforcement agents responsible for enforcing gaming laws.

Sections 5(a) - 5(b) would require the North Carolina Gaming Commission to study the feasibility of authorizing sports betting, steeplechases, and video lottery terminals to operate in the State and report those findings to the 2020 Regular Session of the General Assembly on or before January 31, 2020.

Section 6 would specify that each commission, board, or other function of State government transferred to the Commission is a continuation of the former entity for purposes of succession to all rights, powers, duties, and obligations of the former.

Section 7 would provide that no action or proceeding pending on May 1, 2017, brought by or against the North Carolina Lottery Commission, the SBI, the ALE, or the Boxing Advisory Commission is affected by any provision of this act, but may be prosecuted or defended in the name of the North Carolina Gaming Commission. Any business or contract transferred by this act to the Commission, which is pending on May 1, 2017, may be conducted and completed by the Commission in the same manner and under the same terms and conditions.

Section 8 would provide that consolidation provide for under this act will not affect any ongoing investigation or audit and prosecutions for offenses or violations committed on or before May 1, 2017, are not abated or affected by this act.

Section 9 would provide that any rules, forms, policies, procedures, and guidance adopted by the North Carolina Lottery Commission, the SBI, ALE, or the Boxing Advisory Commission shall remain in effect until amended or repealed by the Commission.

Section 10 would transfer authority, power, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocation, or other funds of the North Carolina Lottery Commission, of the SBI, of the ALE, and of the Boxing Advisory Commission to the North Carolina Gaming Commission, as created by this act.

Sections 11 – 13 would transfer the appropriations and resources of the North Carolina Lottery Commission, the SBI, the ALE, and the Boxing Advisory Commission to the North Carolina Gaming Commission.

Section 14 would require the North Carolina Gaming Commission to report to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Lottery Oversight Committee on or before April 1, 2020, and again on or before March 1, 2021, as to recommendations for statutory changes necessary to further implement the consolidation.

EFFECTIVE DATE: This act would become effective January 1, 2020.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

H

1

HOUSE BILL 929

Short Title: Gaming Commission. (Public)

Sponsors: Representatives Warren, Hardister, Saine, and Hunter (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Judiciary, if favorable, Finance, if favorable, Rules,
Calendar, and Operations of the House

April 22, 2019

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE NORTH CAROLINA GAMING COMMISSION AND TO
AUTHORIZE THE REGULATION OF FANTASY SPORTS LEAGUES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Recodification; Name Change; Technical and Conforming
Changes. – The Revisor of Statutes shall recodify Part 2 of Article 37 of Chapter 14 of the General
Statutes, Bingo and Raffles, and Article 68 of Chapter 143 of the General Statutes, Regulation of
Boxing, and Chapter 18C of the General Statutes, North Carolina State Lottery, into a new
Chapter 18E of the General Statutes to be entitled "Gaming," as enacted by Section 2 of this act.
The Revisor may also recodify into the new Chapter 18E of the General Statutes other existing
statutory laws relating to gaming that are located elsewhere in the General Statutes as the Revisor
deems appropriate. The new Chapter 18E of the General Statutes shall have the following
structure:

SUBCHAPTER I. GENERAL PROVISIONS.

Article 1. Gaming Commission.

Article 2. Commission Employees.

SUBCHAPTER II. LOTTERY.

Article 5. General Provisions and Definitions.

Article 6. Operation of Lottery.

Article 7. Lottery Game Retailers.

Article 8. Lottery Contractors.

Article 9. North Carolina State Lottery Fund.

Article 10. Miscellaneous.

SUBCHAPTER III. BINGO AND RAFFLES.

Article 15. Bingo.

Article 16. Raffles.

SUBCHAPTER IV. REGULATION OF BOXING.

Article 20. General Provisions and Definitions.

Article 21. Boxing Advisory Commission.

Article 22. Regulation of Boxing.

SUBCHAPTER V. FANTASY SPORTS.

Article 25. General Provisions and Definitions.

Article 26. Regulation of Fantasy Sports.



1 **SECTION 1.(b)** When recodifying pursuant to this section, the Revisor is authorized
2 to change all references to the North Carolina State Lottery Commission, State Bureau of
3 Investigation, and Alcohol Law Enforcement Branch of the Department of Public Safety, as
4 appropriate, to instead be references to the North Carolina Gaming Commission. The Revisor
5 may separate subsections of existing statutory sections into new sections and, when necessary to
6 organize relevant law into its proper place in Chapter 18C of the General Statutes, as amended
7 by this act, may rearrange sentences that currently appear within subsections. The Revisor may
8 modify statutory citations throughout the General Statutes, as appropriate, and may modify any
9 references to statutory divisions, such as "Chapter," "Subchapter," "Article," "Part," "section,"
10 and "subsection," adjust the order of lists of multiple statutes to maintain statutory order, correct
11 terms and conform names and titles changed by this act, eliminate duplicative references to the
12 Lottery Commission, State Bureau of Investigation, or Alcohol Law Enforcement Branch of the
13 Department of Public Safety that result from the changes authorized by this section, and make
14 conforming changes to catch lines and references to catch lines. The Revisor may also adjust
15 subject and verb agreement and the placement of conjunctions. The Revisor shall consult with
16 the North Carolina State Lottery Commission, State Bureau of Investigation, and Alcohol Law
17 Enforcement Branch of the Department of Public Safety on this recodification.

18 **SECTION 2.** The General Statutes are amended by adding a new Chapter to read:

19 **"Chapter 18E.**

20 **"Gaming.**

21 **"Article 1.**

22 **"Gaming Commission.**

23 **"§ 18E-100. Gaming Commission established.**

24 There is created the North Carolina Gaming Commission to establish and oversee the
25 operation of gaming in this State. The Commission shall be located in the Department of
26 Commerce for budgetary purposes only; otherwise, the Commission shall be an independent,
27 self-supporting, and revenue-raising agency of the State. The Commission shall reimburse other
28 governmental entities that provide services to the Commission.

29 **"§ 18E-101. Reserved.**

30 **"§ 18E-102. Definitions.**

31 As used in this Chapter, unless the context requires otherwise:

32 (1) "Commission" means the North Carolina Gaming Commission.

33 (2) "Commissioner" means a member of the Commission.

34 (3) "Director" means the person selected by the Commission to be the chief
35 administrator of the North Carolina Gaming Commission.

36 (4) "Person" means any natural person or corporation, limited liability company,
37 trust, association, partnership, joint venture, subsidiary, or other business
38 entity.

39 **"§ 18E-103 through 18E-111. Reserved.**

40 **"§ 18E-112. Commission membership; appointment; selection of chair; vacancies;**
41 **removal; meetings; compensation.**

42 (a) The Commission shall consist of nine members, five of whom shall be appointed by
43 the Governor, two of whom shall be appointed by the General Assembly upon the
44 recommendation of the President Pro Tempore of the Senate, and two of whom shall be appointed
45 by the General Assembly upon the recommendation of the Speaker of the House of
46 Representatives. Commissioners may be removed by the appointing authority for cause.

47 (b) The Governor shall select the chair of the Commission from among its membership,
48 who shall serve at the pleasure of the Governor.

49 (c) Of the initial appointees of the Governor, two members shall serve a term of one year,
50 two members shall serve a term of two years, and one member shall serve a term of three years.

1 All succeeding appointments shall be for terms of four years. Members shall not serve for more
2 than two successive terms.

3 (d) Vacancies shall be filled by the appointing authority for the unexpired portion of the
4 term in which that vacancy occurs.

5 (e) The Commission shall meet at least quarterly upon the call of the chair. A majority of
6 the total membership of the Commission shall constitute a quorum.

7 (f) Members of the Commission shall receive per diem, subsistence, and travel as
8 provided in G.S. 138-5 and G.S. 138-6.

9 **"§ 18A-113. Qualifications of Commissioners.**

10 (a) Of the members of the Commission, at least one member shall have a minimum of
11 five years' experience in law enforcement. Notwithstanding subsection (e) of this section, a
12 member serving in this slot may be an elected law enforcement official.

13 (b) Of the members of the Commission, at least one member shall be a certified public
14 accountant.

15 (c) Of the members of the Commission, at least one member shall have retail sales
16 experience as an owner or manager.

17 (d) In making appointments to the Commission, the composition of the State with regard
18 to geographic representation and gender, ethnic, racial, and age composition shall be considered.

19 (e) A member of the Commission may not hold an elective office or be a candidate for
20 an elective office. If any Commissioner takes any of the following actions, that Commissioner
21 vacates office as a member of the Commission and the vacancy shall be filled as provided by
22 G.S. 18E-112:

23 (1) Files a notice of candidacy under G.S. 163A-972 through G.S. 163A-978 or a
24 petition under G.S. 163A-980.

25 (2) Is nominated to fill a vacancy among party nominees under G.S. 163A-987 or
26 G.S. 163A-988.

27 (3) Files a petition as an unaffiliated candidate under G.S. 163A-1005.

28 (4) Files a declaration of intent as a write-in candidate under G.S. 163A-1006.

29 (5) Is nominated by party convention under G.S. 163A-953.

30 **"§ 18E-114. Reserved.**

31 **"§ 18E-115. Meetings; records.**

32 (a) Meetings of the Commission shall be subject to Article 33C of Chapter 143 of the
33 General Statutes. A majority of the total membership of the Commission shall constitute a
34 quorum. No action may be taken except by a majority vote at a meeting at which a quorum is
35 present.

36 (b) Records. – Except as provided in this Chapter, records of the Commission shall be
37 open and available to the public in accordance with Chapter 132 of the General Statutes.
38 Personnel records of the Commission are subject to Article 7 of Chapter 126 of the General
39 Statutes.

40 **"§ 18E-116. Reserved.**

41 **"§ 18E-117. Powers and duties of the Commission.**

42 (a) The Commission shall have the following powers and duties:

43 (1) To regulate and oversee gaming, as authorized by the General Assembly.

44 (2) To prescribe the nature of gaming advertising which shall comply with the
45 following:

46 a. All advertising shall include resources for responsible gaming
47 information.

48 b. No advertising may intentionally target specific groups or economic
49 classes.

- 1 c. No advertising may be misleading, deceptive, or present any lottery
2 game as a means of relieving any person's financial or personal
3 difficulties.
- 4 d. No advertising may have the primary purpose of inducing persons to
5 participate in any gaming.
- 6 (3) To conduct a background investigation, including a criminal history record
7 check, of applicants for the Director of the Commission, which may include a
8 search of the State and National Repositories of Criminal Histories based on
9 the fingerprints of applicants.
- 10 (4) To charge a fee, not to exceed the cost of the criminal record check, of the
11 licensees and contractors.
- 12 (5) To specify the authority, compensation, and role of the Director, and to specify
13 the authority, selection, and role of the other employees of the Commission,
14 in accordance with Article 3 of this Chapter.
- 15 (6) To approve and authorize the Director to enter into agreements with other
16 states to operate and promote multistate gaming operations consistent with the
17 purposes set forth in this Chapter.
- 18 (7) To specify the number and value of prizes for winning tickets or shares in
19 lottery games, including cash prizes, merchandise prizes, prizes consisting of
20 deferred payments or annuities, and prizes of tickets or shares in the same
21 lottery game or other lottery games.
- 22 (8) To adopt rules necessary to carry out the provisions of this Chapter in
23 accordance with Chapter 150B of the General Statutes.
- 24 (9) Any other powers necessary for the Commission to carry out its
25 responsibilities under this Chapter.
- 26 (b) Article 15 of Chapter 143B of the General Statutes shall not apply to the Commission.
- 27 **"§ 18E-118. Reserved.**
- 28 **"§ 18E-119. Reports.**
- 29 The Commission shall send quarterly and annual reports on the operations of the Commission
30 to the Governor, State Treasurer, and to the General Assembly. The reports shall include
31 complete statements of revenues, prize disbursements, expenses, net revenues, and all other
32 financial transactions involving funds collected or disbursed under this Chapter, including the
33 occurrence of any audit.
- 34 **"§ 18E-120. Reserved.**
- 35 **"§ 18E-121. Audits.**
- 36 (a) The State Auditor shall conduct annual audits of all accounts and transactions of the
37 Commission and any other special postaudits the State Auditor considers to be necessary.
- 38 (b) Biennially, at the beginning of the calendar year, the Commission shall engage an
39 independent firm experienced in security procedures, including computer security and systems
40 security, to conduct a comprehensive study and evaluation of all aspects of security in the
41 operation of the Commission. At a minimum, such a security assessment should include a review
42 of network vulnerability, application vulnerability, application code review, wireless security,
43 security policy and processes, security/privacy program management, technology infrastructure
44 and security controls, security organization and governance, and operational effectiveness.
- 45 (c) The portion of the security audit report containing the overall evaluation of the
46 Commission and of lottery games in terms of each aspect of security shall be presented to the
47 Commission, to the Governor, and to the General Assembly.
- 48 (d) The portion of the security audit report containing specific recommendations shall be
49 confidential, shall be presented only to the Director and to the Commission, and shall be exempt
50 from Chapter 132 of the General Statutes. The Commission may hear the report of such an audit,

1 discuss, and take action on any recommendations to address that audit under
2 G.S. 143-318.11(a)(1).

3 (e) Biennially, at the end of the fiscal year, in addition to the audits required by this
4 section, the Commission shall engage an independent auditing firm that has experience in
5 evaluating the operation of lotteries to perform an audit of the lottery as operated under
6 Subchapter II of this Chapter. The results shall be presented to the Commission, to the Governor,
7 and to the General Assembly.

8 (f) In addition to the other audits required by this section, the Commission may engage
9 an independent auditing firm that has experience in evaluating the operation of various gaming
10 activities to perform an audit of various games under this Chapter.

11 **"§ 18E-122 through 124. Reserved.**

12 **"§ 18E-125. Enforcement.**

13 (a) The Commission may apply to the superior court for an injunction to restrain any
14 person from violating the provisions of this Chapter or its rules. Actions under this section may
15 be brought in Wake County or the county where the licensee maintains its principal place of
16 business or the county where the alleged acts occurred.

17 (b) Whenever the Commission has reasonable cause to believe that a violation of any of
18 the provisions of this Chapter may have occurred, the Commission may, upon its own motion or
19 upon complaint of any person, investigate to determine whether a violation has occurred.

20 (c) At any time during normal business hours, the Commission or the Department of
21 Public Safety, Alcohol Law Enforcement Branch, may inspect an establishment of a licensee.
22 The inspection may include the examination of records, equipment, and proceeds related to the
23 operation.

24 "Article 2.

25 "North Carolina Gaming Commission Employees.

26 **"§ 18E-201. Selection of the Director; powers and duties.**

27 (a) The Commission shall select a Director to operate and administer the functions of the
28 Commission and to serve as the Secretary of the Commission. Except as to the provisions of
29 Article 6 and Article 7 of Chapter 126 of the General Statutes, the Director shall be exempt from
30 the North Carolina Human Resources Act.

31 (b) The Director shall have the following powers and duties, under the supervision of the
32 Commission:

- 33 (1) To provide for the reporting of payment of prizes to State and federal tax
34 authorities and for the withholding of State and federal income taxes from
35 lottery game prizes as provided in State and federal law.
- 36 (2) To conduct a background investigation, including a criminal history record
37 check, of applicants for employment with the Commission, licensees, and
38 contractors, which may include a search of the State and National Repositories
39 of Criminal Histories based on the fingerprints of applicants.
- 40 (3) To set the salaries of all Commission employees, subject to the approval of
41 the Commission. Except for the provisions of Article 6 and Article 7 of
42 Chapter 126 of the General Statutes, all employees of the Commission shall
43 be exempt from the North Carolina Human Resources Act.
- 44 (4) To enter into contracts upon approval by the Commission.
- 45 (5) To provide for the security and accuracy in the operation and administration
46 of the Commission, including examining the background of all prospective
47 employees, licensees, and contractors.
- 48 (6) To coordinate and collaborate with the appropriate law enforcement
49 authorities regarding investigations of violations of the laws relating to the
50 functions of the Commission and make reports to the Commission regarding
51 those investigations.

- (7) To confer with the Commission on the operation and administration of the lottery under Subchapter II of this Chapter and make available for inspection by the Commission all books, records, files, documents, and other information of the lottery.
- (8) To enter into agreements with other states to operate and promote multistate lotteries consistent with the purposes set forth in Subchapter II of this Chapter and upon the approval of the Commission.
- (9) To study the functions of the Commission, and gaming, and to collect demographic and other information concerning those matters and make recommendations to improve operations and administration to the Commission, to the Governor, and to the General Assembly.
- (10) To provide monthly financial reports to the Commission.

"§ 18E-202. Reserved.

"§ 18E-203. Employees of the Commission.

All of the following apply to the Director and all other employees of the Commission:

- (1) No employee of the Commission may have a financial interest in any licensee or contractor, other than an interest as part of a mutual fund.
- (2) No employee of the Commission with decision-making authority shall participate in any decision involving the licensee or contractor with whom the employee has a financial interest.
- (3) No employee of the Commission who leaves the employment of the Commission may represent any licensee or contractor before the Commission for a period of one year following termination of employment with the Commission.
- (4) No employee of the Commission who leaves the employment of the Commission may represent any lottery contractor, potential contractor, or retailer, as defined in Subchapter II of this Chapter, before the Commission for a period of one year following termination of employment with the Commission.
- (5) A background investigation shall be conducted on each applicant for employment with the Commission.
- (6) The Commission shall bond all employees with access to Commission funds or revenue or security.

"§ 18E-204. Reserved.

"§ 18E-205. Gifts.

(a) No Commissioner, the Director, any employee of the Commission, or a member of the immediate family residing in the same household as any of these individuals may accept any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food and beverages having an aggregate value exceeding one hundred dollars (\$100.00) in any calendar year from any person regulated by this Chapter.

(b) This section shall be supplemental to Subchapter II of Chapter 163A of the General Statutes.

"Article 5.

"General Provisions and Definitions.

"§ 18E-501. Definitions.

In this Part, unless the context otherwise requires, the following definitions shall apply:

- (1) Entry fee. – Cash or cash equivalent that is required to be paid by a participant to an operator in order to participate in a fantasy contest.
- (2) Fantasy contest. – An online fantasy or simulated game or contest in which an entry fee is charged and all of the following conditions apply:

- a. The value of all prizes and awards offered to winning participants is established and made known to the participants in advance of a contest that is open to the general public.
- b. All winning outcomes reflect the relative knowledge and skill of the participants and shall be determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events.
- c. No winning outcome is based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event.
- (3) Location percentage. – The percentage for the operator, rounded to the nearest tenth of a percent (0.1%), of the total amount of entry fees collected from players located in this State, divided by the total entry fees collected by the operator from all players.
- (4) Net revenue. – The amount equal to the total of all entry fees that an operator collects from all players, less the total of all sums paid out as winnings to all players, multiplied by the location percentage. The term includes the value of any promotional tickets and credits.
- (5) Operator. – A person or entity that offers fantasy contests to members of the public. The term does not include an Internet service provider or a provider of mobile data services merely as a result of that entity's transporting general traffic that may include a fantasy contest.
- (6) Player. – A person who participates in a fantasy contest offered by an operator.
- (7) Principal stockholder. – Any person who individually, or in concert with the person's spouse and immediate family members, (i) beneficially owns or controls, directly or indirectly, at least fifteen percent (15%) of the equity ownership of an operator or (ii) has the power to vote or cause the vote of at least fifteen percent (15%) of an operator.

"Article 26.

"Regulation of Fantasy Sports.

"§ 18E-600 through 602. Reserved.

"§ 18E-603. Application for registration; expiration and renewal.

(a) No fantasy contest shall be offered in this State unless the operator has been registered with the Commission.

(b) An applicant for registration shall be registered by the Commission if the applicant meets all of the following requirements:

- (1) Submission of an application, on a form to be prescribed by the Commission, that contains all of the following information:
- a. The name and principal address of the applicant.
- b. The address of any offices of the applicant in this State and its registered agent within this State. If the applicant does not maintain an office in this State, the name and address of the person having custody of its financial records.
- c. The location and date the applicant was legally established and the form of its organization.
- d. The names and addresses of the officers, directors, trustees, and principal salaried executive staff officer.
- e. The name and address of each principal stockholder of the applicant, if any.

f. Any information the Commission deems necessary to ensure compliance with the provisions of this Article.

(2) Submission of evidence satisfactory to the Commission that the operator has established commercially reasonable procedures for fantasy contests that are intended to do the following:

a. Prevent the operator and its employees and their immediate family members living in the same household from competing in any public fantasy contest offered by the operator in which a cash prize is offered.

b. Prevent the sharing of information by fantasy contest players that has the potential to affect a fantasy contest that is obtained as a result of or by virtue of a person's employment and that is not publicly available.

c. Verify that a player is at least 18 years of age.

d. Ensure that players participating in a fantasy contest are restricted from entering any fantasy contest where the outcome is determined, in whole or part, on the accumulated statistical results of a team of individuals in which such players are participants.

e. Allow individuals, upon request, to restrict themselves from entering a fantasy contest and take reasonable steps to prevent those individuals from entering the operator's fantasy contests.

f. Disclose the maximum number of entries a single fantasy contest player may submit to each fantasy contest and take reasonable steps to prevent any player from submitting more than the maximum allowable number.

g. Segregate player funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, irrevocable letter of credit, bond, credit card and payment processor accounts and receivables, or a combination thereof, in an amount sufficient to pay all prizes and awards offered to winning participants.

h. Prevent fantasy contests based on the performances of participants in collegiate, high school, or youth athletic competitions.

(3) Submission of an initial registration fee equal to ten percent (10%) of the operator's gross fantasy contest revenues from the previous calendar year; provided, however, that the fee shall not be less than two thousand five hundred dollars (\$2,500) or more than ten thousand dollars (\$10,000).

(4) Submission of any fees necessary to cover the cost of the criminal record check of the applicant.

(c) Registrations issued pursuant to this Article shall expire five years after issuance or renewal. The Commission shall renew the registration of an operator that submits a completed application in accordance with subsection (b) of this section and a renewal fee equal to the lesser of five thousand dollars (\$5,000) or ten percent (10%) of the operator's net revenue from the previous calendar year.

(d) An operator applying for registration who has been in continuous operation in this State for at least 180 days as of the effective date of this act may continue to offer fantasy contests to persons located in the State until 60 days after applications for registration are published by the Commission. Operators who have applied for registration during that 60-day period may continue to operate while the registration is pending. Operators who have not registered shall cease operations within this State by the expiration of the 60-day period.

(e) An operator applying for registration or renewal of a registration may operate during the application period unless the Commission has reasonable cause to believe that the operator is or may be in violation of the provisions of this Article and the Commission requires the operator to suspend all fantasy contests until registration or renewal of registration is issued or denied.

(f) The Commission shall issue a registration within 60 days of receipt of the application for registration. If the registration is not issued, the Commission shall provide the operator with the justification for not issuing such registration with specificity.

"§ 18E-604. Reserved.

"§ 18E-605. Denial, revocation, or suspension of registration; hearings; civil penalties.

(a) The Commission may deny, revoke, or suspend a registration upon determination that an operator, or any officer, partner, principal stockholder, or director of the operator, has done any of the following:

- (1) Knowingly made a false statement of material fact or has deliberately failed to disclose any information requested.
- (2) Committed an illegal, corrupt, or fraudulent act, practice, or conduct in connection with any fantasy contest in any jurisdiction, or has been convicted of a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust within 10 years prior to the date of application for registration.
- (3) Knowingly failed to comply with the provisions of this Chapter or of any requirements of the Commission.
- (4) Defaulted in the payment of any obligation or debt due to the State.
- (5) Fails to be qualified to do business in this State or is not subject to the jurisdiction of the courts of this State.

(b) After a hearing with 30 days' notice, the Commission may suspend or revoke an operator's registration where a violation of this Article has been found by a preponderance of the evidence. In addition, the Commission may assess a civil penalty not in excess of one thousand dollars (\$1,000) for any violation of this Article demonstrated by a preponderance of the evidence; provided, however, that the penalty shall not exceed ten thousand dollars (\$10,000) for a continuing violation. The clear proceeds of any civil penalty assessed under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. After a hearing, the Commission may revoke a registration if it finds that facts not known by it at the time it considered the application indicate that such registration should not have been issued. For the purposes of this section, a single act or omission by an operator that affects one or more players shall be treated as a single violation.

(c) If the Commission determines that a violation of this Article has occurred and emergency action is required to protect the public health, safety, and welfare, the Commission may suspend any registration for a period of not more than seven business days pending a hearing and final determination. The Commission shall notify the operator of the date, time, and place of the hearing at least five business days prior to the hearing.

(d) If the Commission denies, suspends, or revokes a registration, or assesses a civil penalty in accordance with this Article, the Commission shall issue written notice to the operator. An operator aggrieved by the Commission's action may seek review in accordance with Chapter 150B of the General Statutes.

"§ 18E-606. Reserved.

"§ 18E-607. Reporting and audit requirements.

A registered operator shall do all of the following:

- (1) File an annual report with the Commission indicating compliance with this Article.
- (2) Conduct an independent financial audit and submit to the Commission a copy of the independent financial audit report no less frequently than every two years. The audit shall be consistent with the standards established by the American Institute of Certified Public Accountants and may be part of a national audit conducted by a certified public accountant.

(3) Notify and update the Commission of any material change to the information provided in the application for registration under G.S. 18E-603.

(4) Notify the Commission if the operator ceases to offer fantasy contests in this State.

"§ 18E-608. Reserved.

"§ 18E-609. Change of ownership or acquisition of interest in operator.

If any person acquires a controlling interest of a registered operator, that person shall register with the Commission in accordance with this act. The operator may continue to operate during the registration period unless the Commission has reasonable cause to believe that person is or may be in violation of the provisions of this Article. The Commission may require the operator to suspend the operation of any fantasy contest until registration is issued or denied.

"§ 18E-610. Reserved.

"§ 18E-611. Confidential information.

Reports, data, or documents submitted to the Commission pursuant to the audit requirements of this Article and records submitted to the Commission as part of an application for registration or renewal that contain information about the character or financial responsibility of the operator or its principal stockholders are confidential and shall not be considered public records within the meaning of Chapter 132 of the General Statutes.

"§ 18E-612. Reserved.

"§ 18E-613. Fantasy contests not considered gambling.

Fantasy contests conducted pursuant to this Article do not constitute gambling, lotteries, gaming, or any activity or enterprise subject to or prohibited by Chapter 14, 16, or 19 of the General Statutes, or any other provision of law. The award of prize money for any fantasy contest shall not be deemed to be part of any gaming contract prohibited pursuant to Chapter 16 of the General Statutes.

"§ 18E-614. Reserved.

"§ 18E-615. Operator control of contests.

Nothing in this Article shall be construed to limit the ability of an operator to control or conduct its contests or to provide a uniform gameplay platform for players in multiple jurisdictions."

SECTION 3.(a) G.S. 18C-110 is repealed.

SECTION 3.(b) G.S. 18C-111 is repealed.

SECTION 3.(c) G.S. 18C-112 is repealed.

SECTION 3.(d) G.S. 18C-113(a), (b), and (c) are repealed.

SECTION 3.(e) G.S. 18C-115(a) is repealed.

SECTION 3.(f) G.S. 18C-114 is repealed.

SECTION 3.(g) G.S. 18C-120 is repealed.

SECTION 3.(h) G.S. 18C-122 is repealed.

SECTION 4. G.S. 18B-500(b) reads as rewritten:

"(b) **Subject Matter Jurisdiction.** – After taking the oath prescribed for a peace officer, an alcohol law-enforcement agent shall have authority to arrest and take other investigatory and enforcement actions for any criminal offense. The primary responsibility of an agent shall be enforcement of the ~~ABC-ABC~~, gaming, and lottery laws."

SECTION 5.(a) The North Carolina Gaming Commission shall study the feasibility of authorizing sports betting, steeplechases, and video lottery terminals for operation in this State. As part of its study, the North Carolina Gaming Commission shall address all of the following:

(1) Examine any restrictions on such activities in this State.

(2) Examine the effects of authorizing such activities on existing tribal games in this State, if any.

(3) Investigate the positive and negative impacts of authorizing such activities in this State, including whether any additional resources may be needed for assistance to those with gambling addictions.

(4) Examination of potential revenues and expenditures for the State, if such activities are authorized.

(5) Recommendations of types of regulation of such activities, including any to protect players.

(6) Any other matters the North Carolina Gaming Commission deems relevant.

SECTION 5.(b) The North Carolina Gaming Commission shall report its findings, together with any proposed legislation, to the 2020 Regular Session of the 2019 Session of the General Assembly on or before January 31, 2020.

SECTION 6. Except as otherwise specifically provided in this act, each enumerated commission, board, or other function of State government transferred to the North Carolina Gaming Commission, as created in this act, is a continuation of the former entity for purposes of succession to all the rights, powers, duties, and obligations of the former. Where the former entities are referred to by law, contract, or other document in their former name, the North Carolina Gaming Commission, as created in this act, is charged with exercising the functions of the former named entity.

SECTION 7. No action or proceeding pending on May 1, 2017, brought by or against the North Carolina Lottery Commission, the State Bureau of Investigation, the Alcohol Law Enforcement Branch of the Department of Public Safety, or the Boxing Advisory Commission shall be affected by any provision of this act, but the same may be prosecuted or defended in the name of the North Carolina Gaming Commission, as created in this act. In these actions and proceedings, the North Carolina Gaming Commission or its Executive Director, as appropriate, shall be substituted as a party upon proper application to the courts or other administrative or quasi-judicial bodies.

Any business or other matter undertaken or commanded by any State program or office or contract transferred by this act to the North Carolina Gaming Commission pertaining to or connected with the functions, powers, obligations, and duties set forth herein, which is pending on May 1, 2017, may be conducted and completed by the North Carolina Gaming Commission in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the original program, office, or commissioners or directors thereof.

SECTION 8. The consolidation provided for under this act shall not affect any ongoing investigation or audit. Prosecutions for offenses or violations committed before May 1, 2017, 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 9. Rules, forms, policies, procedures, and guidance adopted by the North Carolina Lottery Commission, the State Bureau of Investigation, the Alcohol Law Enforcement Branch of the Department of Public Safety, or the Boxing Advisory Commission shall remain in effect until amended or repealed by the North Carolina Gaming Commission.

SECTION 10. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the North Carolina Lottery Commission are transferred to the North Carolina Gaming Commission, as created in this act. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the bingo and raffle functions of the State Bureau of Investigation are transferred to the North Carolina Gaming Commission, as created in this act. The authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of the boxing regulatory functions of the Alcohol Law Enforcement Branch of the Department of Public Safety and the Boxing Advisory

1 Commission are transferred to the North Carolina Gaming Commission, as created in this act.
2 The Director of the Budget shall resolve any disputes arising out of this transfer.

3 **SECTION 11.** The appropriations and resources of the North Carolina Lottery
4 Commission, including any office space, are transferred to the North Carolina Gaming
5 Commission, and the transfer shall have all the elements of a Type I transfer under G.S. 143A-6.

6 **SECTION 12.** The appropriations and resources of the bingo and raffle functions of
7 the State Bureau of Investigation are transferred to the North Carolina Gaming Commission, and
8 the transfer shall have all the elements of a Type I transfer under G.S. 143A-6.

9 **SECTION 13.** The appropriations and resources of the boxing regulatory functions
10 of the Alcohol Law Enforcement Branch of the Department of Public Safety and the Boxing
11 Advisory Commission are transferred to the North Carolina Gaming Commission, and the
12 transfers shall have all the elements of a Type I transfer under G.S. 143A-6.

13 **SECTION 14.** The North Carolina Gaming Commission shall report to the Joint
14 Legislative Commission on Governmental Operations and the Joint Legislative Lottery
15 Oversight Committee on or before April 1, 2020, and again on or before March 1, 2021, as to
16 recommendations for statutory changes necessary to further implement this consolidation.

17 **SECTION 15.** This act becomes effective January 1, 2020.

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Commerce

DATE: May 22, 2019 Room: 423/424 LOB

House Sgt-At Arms:

1. Name: Kim Blackman
2. Name: Jonas Cherry
3. Name: Rey Cooke
4. Name: Dean Marshbourne
5. Name: _____

Senate Sgt-At Arms:

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

**House Pages
Assignments
Wednesday, May 22, 2019
Session: 2:00 PM**

Committee	Room	Time	Staff	Comments	Member
Commerce and Job Development	422	10:00 AM	Kelvin Edwards, Jr.		Rep. Michael H. Wray
			Madeline Little		Speaker Tim Moore
			John McDowell		Rep. Dean Arp
			Jacob Zampino		Rep. Sydney Batch
Public Utilities	643	2:30 PM	Schuyler Fuller		Rep. Kelly Alexander
			Leah Hayes		Rep. Kyle Hall
			Sarah Klas		Speaker Tim Moore
			Elizabeth Selves		Rep. Rena Turner
Rules, Calendar, and Operations of the House	1228/1327	3:30 PM	Chadwick Carpenter		Rep. Amos Quick III
			Talia Ginsberg		Speaker Tim Moore
			Harrison Gobble		Rep. Larry Potts
			Luke West		Rep. John Sauls

VISITOR REGISTRATION SHEET

House Committee of Commerce

5/22/19


Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

	BCI
Colley Margum	NCFPC
Jee Royall	NC Family
John Rustin	NC Family
Chris Emanuel	EMANUEL GROUP
John Metcalf	Plus Group
Gaige Elms	Cynthia Ball
Cly Vick	Fetzerlee
Hayden Daughess	NCEL
Lori Ann Harris	LATA
Sarah Bales	Burke's Assoc.

VISITOR REGISTRATION SHEET

House Committee on Commerce

May 22, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Juan Pleitez	Rep. Jon Hardister
REV. MARK CREECH	CAL
Felix Jantz-Earle	Rep. William Brissan
Dimitrios Deloach	NCLM
Hampton Billips	KTS
Sean Ostrom	Orrick, Horsington & Sutcliffe
Sarah Koch	Draft & Kings
Chris McDermott	KTS
Brad Young	USA
Will Borden	N&O
Leo John	Secy of State

VISITOR REGISTRATION SHEET

House Committee on Commerce

May 22, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruan Mewald

SB I

Gate Apodaca

Vista

Joe Best

CRBA

Ashly Munn

MVA

Brandon Panamero

Intern

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Lex Jones

DOL

Chris Haydon

Intern

Lindsey Dowling

TSS

Charles Spangler

SA

House Committee on Commerce
Wednesday, June 26, 2019 at 9:30 AM
Room 1228/1327 of the Legislative Building

MINUTES

The House Committee on Commerce met at 9:33 AM on June 26, 2019 in Room 1228/1327 of the Legislative Building. Representatives Adams, Ball, K. Hall, Horn, Iler, Jarvis, Ross, Strickland, and Terry attended.

Representative Stephen M. Ross, Senior Chair, presided, called the meeting to order and introduced the House Pages and Sergeant at Arms present today to assist in the committee. Names attached along with visitors sign in sheets.

The following bills were considered:

SB 231 Study Military Economic Zones. (Senators D. Davis, Brown, Perry) Senator D. Davis explained the bill. Rep. Jarvis offered an amendment. #S231-ABB-21[v.1] (Attachment 1) Rep. Ross called for a vote on the amendment. The amendment passed. Rep. Ross opened the floor for questions or discussion on the bill. Hearing no questions, Representative Iler motioned for a favorable report to new PCS with Amendments rolled in, unfavorable to original bill. Motioned passed with serial referral to House Rules and Operations.

SB 391 Expand Youth Internship Opportunities. (Senators Ballard, Gunn, Newton) Senator Ballard explained the bill. Floor was opened for questions.


Rep. Horn spoke in favor of the bill giving his support.

Rep. Ball spoke in favor of the bill offering her support.

With no further questions from committee or public, Rep. Horn motioned for a favorable report for **SB 391**. Motion passed with a favorable report. Serial referral to House Rules and Operation.

There being no further business from the Committee, Rep. Ross adjourned the meeting.

The meeting adjourned at 9:42 am.



Representative Stephen M. Ross, Senior Chair
Presiding



Tammy Ross, Committee Clerk

Updated #1: TIME AND ROOM CHANGE

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Wednesday, June 26, 2019
TIME: 9:30 AM
LOCATION: 1228/1327 LB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>SB 231</u>	Study Military Economic Zones.	Senator D. Davis Senator Brown Senator Perry
<u>SB 391</u>	Expand Youth Internship Opportunities.	Senator Ballard Senator Gunn Senator Newton

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 5:33 PM on Wednesday, June 26, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Wednesday, June 26, 2019, 9:30 AM
1228/1327 Legislative Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 231	Study Military Economic Zones.	Senator D. Davis Senator Brown Senator Perry
SB 391	Expand Youth Internship Opportunities.	Senator Ballard Senator Gunn Senator Newton

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB AND RE-REFERRED

SB 231 (CS#1)

Study Military Economic Zones.

Draft Number: S231-PCS35307-BB-24

**Serial Referral: RULES, CALENDAR, AND
OPERATIONS OF THE HOUSE**

Recommended Referral: None

Long Title Amended: Yes

Floor Manager: Bell

TOTAL REPORTED: 1



* C M R 6 5 0 - V - 1 *

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE AND RE-REFERRED

SB	391	(HCS#1)	Expand Youth Internship Opportunities.
		Draft Number:	None
		Serial Referral:	RULES, CALENDAR, AND OPERATIONS OF THE HOUSE
		Recommended Referral:	None
		Long Title Amended:	No
		Floor Manager:	K. Hall

TOTAL REPORTED: 1



* C M R 6 4 7 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 231

S231-ABB-21 [v.1]

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

Page 1 of 1

Amends Title [YES]
Second Edition

Date 6-26, 2019

Representative Stephen Ross

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

2
3 "AN ACT TO DIRECT THE DEPARTMENT OF COMMERCE TO STUDY THE CREATION
4 OF";

5
6 and on page 2, lines 5-7, by rewriting the lines to read:

7
8 "SECTION 1. The Department of Commerce shall study the creation of military
9 economic zones around communities that host the military installations in this State. In
10 conducting the study, the Department of Commerce may consult with the Department of Military
11 and Veterans Affairs. The study shall consider at least all";

12
13 And on page 2, line 32, by rewriting the line to read:

14 "SECTION 2. The Department of Commerce shall report the".

SIGNED [Signature]
Amendment Sponsor

SIGNED [Signature]
Committee Chair if Senate Committee Amendment

ADOPTED / FAILED _____ TABLED _____





SENATE BILL 231: Study Military Economic Zones.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 26, 2019
Introduced by:	Sens. D. Davis, Brown, Perry	Prepared by:	Amy Darden
Analysis of:	Second Edition		Committee Counsel

OVERVIEW: Senate Bill 231 would require the Department of Military and Veterans Affairs, in collaboration with the Department of Commerce, to conduct a study on the creation of military economic zones around communities that host North Carolina's military installations and Department of Veterans Affairs Hospitals that are located more than 150 miles from a military installation.

A report with findings and recommendations would be due to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on or before January 1, 2020.

BILL ANALYSIS: Senate Bill 231 would require the Department of Military and Veterans Affairs, in collaboration with the Department of Commerce, to conduct a study on the creation of military economic zones around communities that host North Carolina's military installations. A report with findings and recommendations would be due to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on or before January 1, 2020. The study must consider the following issues:

- Whether creating economic zones in and around (i) communities that host and support NC military installations, and (ii) Department of Veterans Affairs Hospitals that are more than 150 miles from a military installation is feasible;
- Methods of incorporating existing economic development programs into prospective military economic zones;
- Opportunities to leverage the unique and valuable characteristics of the regions and communities that support the military installations;
- Creation of synergy between the various Department of Commerce entities that specialize in economic development and the North Carolina Military Affairs Commission;
- Criteria used for previous BRAC processes and the extent to which economic development initiatives can bolster efficiency and effectiveness of the military installations in advance of future BRAC recommendations.
- Best practices in other states for economic development for communities hosting military installations.

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

BACKGROUND: Since 1988, more than 350 military installations have been closed or realigned under the federal Base Realignment and Closure (BRAC) process. The most recent BRAC process was in 2005. In that process, in North Carolina, Pope Air Force Base was realigned with Fort Bragg.

Karen Cochrane-Brown
Director



Legislative Analysis
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919-733-2578

Senate Bill 231

Page 2

The selection criteria used in the 2005 BRAC process was as follows:

Military Value (Given Priority Consideration)

1. The current and future mission capabilities and the impact on operational readiness of the Department of Defense's total force, including the impact on joint warfighting, training, and readiness.
2. The availability and condition of land, facilities and associated airspace (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations.
3. The ability to accommodate contingency, mobilization, and future total force requirements at both existing and potential receiving locations to support operations and training.
4. The cost of operations and the manpower implications.

Other Considerations

5. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure or realignment, for the savings to exceed the costs.
6. The economic impact on existing communities in the vicinity of military installations.
7. The ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel.
8. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

Kristen Harris, Staff Attorney, substantially contributed to this summary.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

S

2

**SENATE BILL 231
Commerce and Insurance Committee Substitute Adopted 3/27/19**

Short Title: Study Military Economic Zones.

(Public)

Sponsors:

Referred to:

March 13, 2019

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
AND THE DEPARTMENT OF COMMERCE TO STUDY THE CREATION OF
ECONOMIC ZONES AROUND COMMUNITIES THAT HOST MILITARY
INSTALLATIONS AND DEPARTMENT OF VETERANS AFFAIRS HOSPITALS THAT
ARE LOCATED MORE THAN 150 MILES FROM MILITARY INSTALLATIONS IN
THIS STATE.

Whereas, North Carolina has a proud tradition of mutually beneficial cooperation
with the military; and

Whereas, North Carolina has the fourth-largest population of military personnel of
any state; and

Whereas, the military accounts for over a half million jobs, \$66 billion in gross State
product, and represents 10% of the overall economy of this State; and

Whereas, North Carolina is home to many military installations; and

Whereas, some of those installations may be vulnerable to closure as part of the
federal Base Realignment and Closure initiative; and

Whereas, a failure to adequately strengthen and protect the military in this State would
make military installations in the State vulnerable to closure under the federal Base Realignment
and Closure initiative; and

Whereas, a strong economy benefits both the military installations in this State and
the communities that surround and support those installations; and

Whereas, the people of this State recognize the interdependence of the military and
the communities that surround and support its operations; and

Whereas, it is in the best interest of the State to support the economic growth of the
communities that surround and support our military installations; and

Whereas, the economic growth and success of one community in this State benefits
us all; and

Whereas, this State has developed strategies to foster economic growth in targeted
areas by categorizing those areas within distinct zones; and

Whereas, the use of economic prosperity zones has strengthened and bolstered the
communities of our State to the benefit of all of its citizens; and

Whereas, this State must use its resources to determine similar ways to strengthen and
bolster the economic growth of the communities that surround and support our military
installations; and



Whereas, strong supporting communities are invaluable to the military institutions in our State and benefit the military as a whole and its continuing operations throughout the nation; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The Department of Military and Veterans Affairs, in collaboration with the Department of Commerce, shall study the creation of military economic zones around communities that host the military installations in this State. The study shall consider at least all of the following:

- (1) The feasibility of creating economic zones in and around both of the following:
 - a. Communities that host and support the military installations in this State.
 - b. Department of Veterans Affairs Hospitals that are located more than 150 miles from military installations in this State.
- (2) Methods of incorporating existing economic development programs, including Collaboration for Prosperity Zones, into prospective military economic zones.
- (3) Opportunities to leverage the unique and valuable characteristics of the regions and communities that support our military installations.
- (4) Ways to create synergies among the duties and missions of the various Department of Commerce entities that specialize in economic development, such as the Rural Infrastructure Authority, Rural Economic Development Division, and the NC Main Street and Rural Planning Center, as well as the North Carolina Military Affairs Commission.
- (5) The criteria used for previous recommendations for closures of military installations by the Base Realignment and Closure (BRAC) Commission and the extent to which economic development initiatives can bolster the efficiency and effectiveness of the military installations in this State in advance of future BRAC recommendations.
- (6) Best practices from other states for economic development for communities hosting military installations.

SECTION 2. The Department of Military and Veterans Affairs shall report the findings of the study and any legislative recommendations to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on or before January 1, 2020.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

S

3

SENATE BILL 391
Education/Higher Education Committee Substitute Adopted 4/10/19
House Committee Substitute Favorable 6/18/19

Short Title: Expand Youth Internship Opportunities.

(Public)

Sponsors:

Referred to:

March 28, 2019

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A LIMITED EXCEPTION TO THE PROHIBITION ON YOUTH PARTICIPATING IN SUPERVISED, PRACTICE EXPERIENCES WITH EMPLOYERS IN OCCUPATIONS FOUND DETRIMENTAL BY THE COMMISSIONER OF LABOR UNDER CERTAIN CIRCUMSTANCES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 95-25.5 is amended by adding a new subsection to read:

"(k1) Youth, who are at least 16 years of age but less than 18 years of age, who participate in a supervised, practice experience in an occupation with an employer are exempt from the prohibition from occupations found and declared to be detrimental to the health and well-being of youth by the Commissioner of Labor pursuant to subsection (b) of this section, if the Commissioner of Labor finds all of the following conditions are met:

- (1) The youth is enrolled in a public school or a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of Chapter 115C of the General Statutes that is partnering with the employer to offer the supervised, practice experience for the occupation.
- (2) The employer submits to the Commissioner of Labor the written agreement between the employer and the public or nonpublic school where the youth is enrolled that governs the operation of the supervised, practice experience for the occupation. The written agreement shall include at least the following:
 - a. The work is incidental to the youth's supervised, practice experience for the occupation.
 - b. The work is intermittent and for short periods of time.
 - c. The work is performed under direct and close supervision of a qualified and experienced person.
 - d. The employer shall give safety instructions and training to the youth before performing the work.
 - e. The employer has prepared a schedule of organized and progressive work processes to be performed by the youth.

The terms of the written agreement required by subdivision (2) of this subsection shall be consistent with the guidance provided in Child Labor Bulletin 101, *Child Labor Provisions for Nonagricultural Occupations under the Fair Labor Standards Act*, published by the United States Department of Labor, Wage and Hour Division, effective November 2016, and any subsequent revisions published for that document."



1 **SECTION 2.** This act is effective when it becomes law and applies to participation
2 of youth in practical experience programs on or after that date.



SENATE BILL 391: Expand Youth Internship Opportunities.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 26, 2019
Introduced by:	Sens. Ballard, Gunn, Newton	Prepared by:	Greg Roney
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *Senate Bill 391 would provide a limited exception to the prohibition on youth participating in occupations found detrimental by the Commissioner of Labor when the youth is participating in a supervised, practice experience.*

CURRENT LAW: G.S. 95-25.5 governs the employment of people under the age of 18 (youths). G.S. 95.5(b) states that no youth can be employed in an occupation which the US Department of Labor has declared to be hazardous and without exemption under the Fair Labor Standards Act (FLSA). The FLSA allows for limited exceptions to the prohibition on youth labor in hazardous occupations, such as when the youth is part of an apprenticeship or student-learner program.

Additionally, under G.S. 95.5(b), no youth can be employed in an occupation which the North Carolina Commissioner of Labor has found and declared to be detrimental to the health and well-being of youths.

The Commissioner of Labor has declared the following occupations to be detrimental to youths:

- Welding, brazing, and torch cutting.
- Any process where quartz or any other form of silicon dioxide or asbestos silicate is present in powdered form.
- Any work involving exposure to lead or any of its compounds in any form.
- Any work involving exposure to benzene or any benzene compound that is volatile or can penetrate the skin.
- Occupations in canneries, seafood, and poultry processing that involve cutting or slicing machines, or freezing or packaging activities.
- Any work which involves the risk of falling a distance of 10 feet or more, including ladders and scaffolds.
- Any work as an electrician or an electrician's helper.
- Any work in confined spaces.
- Occupations requiring the use of respirators.

BILL ANALYSIS: Senate Bill 391 would create an exception to the prohibition on youth participating in occupations found detrimental by the Commissioner of Labor (occupations) for youth aged 16 to 18 who are participating in a supervised, practice experience. To be eligible for this exception, all of the following conditions would have to be found to be met by the Commissioner of Labor:

- (1) The youth is enrolled in a public or nonpublic school that is partnering with an employer to offer the supervised, practice experience for the occupation, and
- (2) The employer has submitted the written agreement that governs the supervised, practice experience to the Commissioner of Labor and the written agreement contains at least the following:

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 391

Page 2

- The work is incidental to the youth's supervised, practice experience for the occupation.
- The work is intermittent and for short periods of time.
- The work is performed under direct and close supervision of a qualified and experienced person.
- The employer must give safety instructions and training to the youth before performing the work.
- The employer has prepared a schedule of organized and progressive work processes to be performed by the youth.

The terms of the written agreement would be consistent with the guidance provided in Child Labor Bulletin 101, published by the US Department of Labor, Wage and Hour Division.

EFFECTIVE DATE: This act would be effective when it becomes law and would apply to participation of youth in practical experience programs on or after that date.

BACKGROUND: Guidance on the employment of youths through an apprenticeship or student-learner program can be found in Child Labor Bulletin 101, published by the US Department of Labor, Wage and Hour Division. That document can be found at the following link:

<https://www.dol.gov/whd/regs/compliance/childlabor101.pdf>

Samantha Yarborough and Kara McCraw, both with the Legislative Analysis Division, substantially contributed to this summary.

VISITOR REGISTRATION SHEET

H C on Commerce

Name of Committee

6/26/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Evan Hurrell

$N \subset \text{Dol}$

Irill Cramer

NC Dep Lab

Carta Grintes

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

Leo John

Secy of State

VISITOR REGISTRATION SHEET

H C on Commerce

Name of Committee

6/26/2019

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

[illegible]

Committee Sergeants at Arms

NAME OF COMMITTEE H C on Commerce

DATE: 6/26/2019 Room: 1228/1327

House Sgt-At Arms:

1. Name: Rex Foster
2. Name: Ken Gilbert
- ☐ Name: Russell Salisbury
4. Name: David Leighton
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
- ☐ Name: _____

**House Pages
Assignments
Wednesday, June 26, 2019
Session: 1:45 PM**

Committee	Room	Time	Staff	Comments	Member
Commerce and Job Development	1228/1327	9:30 AM	Benjamin Bryner		Rep. Chuck McGrady
			Caroline Bull		Rep. Darren G. Jackson
			Alice Connor		Rep. John Autry
			Jake Patterson		Rep. Chuck McGrady
Judiciary I	544	10:00 AM	Madison Goodwin		Rep. Joe John
			Laura LeGlue		Rep. Allen McNeill
			Rylie Ponder		Rep. Mark Brody
			Margaret Scott		Rep. Donna McDowell
			Eleanor Castoral		White
					Speaker Tim Moore
State and Local Government I	1228/1327	10:00 AM	Benjamin Bryner		Rep. Chuck McGrady
			Jackson Carter		Rep. Terence Everitt
			Peyton Miranda		Rep. John Szoka
			Jake Patterson		Rep. Chuck McGrady

House Committee on Commerce
Tuesday, July 9, 2019 at 9:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Commerce met at 9:02 AM on July 9, 2019 in Room 423 of the Legislative Office Building. Representatives Adams, Ball, Butler, Clemmons, Conrad, Everitt, D. Hall, Horn, Howard, Iler, Kidwell, Lofton, Pierce, Ross, and Warren attended.

Representative Stephen M. Ross, Senior Chair, presided.

The following bills were considered:

Rep. Ross recognized the Sgt. at Arms and House Pages in the Committee room today. See list attached.

SB 154 Allow Sports/Horse Race Wagering Tribal Lands. Rep. Corbin explained the bill along with Rep. Corbin. Rep. Ross opened the floor to questions or discussion on SB 154 to committee members and then to guests. See speakers below:

Rep. Iler: Any State revenue for NC? What percentage?

John Metcalf, Eastern Band of Cherokee Indians answered Rep. Iler's question.

Rep. Butler: How Cherokee feel about Gaming Sports. Expansion on gambling in NC.


John Rustin, NC Policy Group: Concern for making consequences for gambling.

Rep. Horn: Limited only to casinos on Cherokee land?

With no further discussion or questions Rep. Warren motioned for a favorable report to SB 154 the motioned passed with serial referral to Rules Calendar and Operations of the House.

Seeing no further business Rep. Ross adjourned the meeting.

The meeting adjourned at 9:18 AM.


Representative Stephen M. Ross, Senior Chair


Tammy Ross, Committee Clerk

Presiding

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2019-2020 SESSION**

You are hereby notified that the **House Committee on Commerce** will meet as follows:

DAY & DATE: Tuesday, July 9, 2019
TIME: 11:00 AM
LOCATION: 423 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>SB 154</u>	Allow Sports/Horse Race Wagering Tribal Lands.	Senator J. Davis

Respectfully,
Representative Stephen M. Ross, Senior Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:48 AM on Monday, July 08, 2019.

____ Principal Clerk
____ Reading Clerk – House Chamber

Tammy Ross (Committee Assistant)

**House Committee on Commerce
Tuesday, July 9, 2019, 11:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 154	Allow Sports/Horse Race Wagering Tribal Lands.	Senator J. Davis

Presentations

Other Business

Adjournment

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**COMMERCE COMMITTEE REPORT
Representative Stephen M. Ross, Senior Chair**

FAVORABLE AND RE-REFERRED

SB 154 (CS#1)

Allow Sports/Horse Race Wagering Tribal Lands.

Draft Number: None

**Serial Referral: RULES, CALENDAR, AND
OPERATIONS OF THE HOUSE**

Recommended Referral: None

Long Title Amended: No

Floor Manager: Corbin

TOTAL REPORTED: 1



* C M R 7 1 5 - V - 1 *



SENATE BILL 154: Allow Sports/Horse Race Wagering Tribal Lands.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	July 9, 2019
Introduced by:	Sen. J. Davis	Prepared by:	Amy Darden*
Analysis of:	Second Edition		Committee Counsel

OVERVIEW: *Senate Bill 154 would allow sports and horse race wagering on tribal lands.*

CURRENT LAW: Currently, under G.S. 14-292.2, only the following types of games may be lawfully conducted on Indian lands that are held in trust by the United States government for and on behalf of federally recognized Indian tribes in North Carolina:

- Gaming machines.
- Live table games.
- Raffles, as identified in G.S. 14-309.15(b).
- Video games, as defined in G.S. 14-306 and G.S. 14-306.1A.

BILL ANALYSIS: Senate Bill 154 would add sports and horse race wagering to the list of "Class III" games which may be lawfully conducted on Indian lands. The bill would also define sports and horse race wagering as follows:

- Sports wagering. – The placing of wages on the outcome of professional and collegiate sports contests.
- Horse race wagering. – Fixed odds or parimutuel wagering on thoroughbred, harness or other racing of horses, including simulcasting and off track betting.

For purposes of both wagers, the wager is deemed to occur where it is initiated and received, all of which must occur on Indian lands within the State lawfully permitted to conduct Class III gaming activities.

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

** Staff Attorney Jeremy Ray substantially contributed to this summary.*

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.

Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Commerce

DATE: Tuesday, July 9th 2019 Room: 423/424

House Sgt-At Arms:

1. Name: Jonas Cherry

2. Name: Rey Cooke

3. Name: Warren Hawkins

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____

**House Pages
Assignments
Tuesday, July 09, 2019
Session: 11:00 AM**

Committee	Room	Time	Staff	Comments	Member
Commerce and Job Development	422	9:00 AM	Bryan Daniels		Rep. Allison A. Dahle
			Fiona Newberry		Rep. C. Ray Russell
			Anthony Tocci		Rep. Destin Hall
			Kasanna Veth		Rep. Pricey Harrison
Health	643	9:00 AM	Jackson Buttler		Rep. Joe John
			Allaura Osborne		Rep. Sydney Batch
			Mary Policastro		Rep. Tim Moore
			John Rouse		Rep. John R. Bell, IV

VISITOR REGISTRATION SHEET

House Committee on Commerce

Tuesday July 09, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Chandler Sauls	SA
John Rustin	NC Family
Sen. Bob	AD
Claudia Neumann	governor's office
April Neumann	MWC
Chrissy Haydel	enters
Lindsey Dowling	TSS

VISITOR REGISTRATION SHEET

House Committee on Commerce

Tuesday July 09, 2019

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Richard Proctor	NC SBA
Chris EMANUEL	CG. EMANUEL CLOUT
Chris Wall	PG
Joan Mays	PG
Hampton Billips	KTS
Sean Ostrow	Orick
Isabel Vila-Francia	NCRIA
Harold Brubaker	Brubaker & Associates Inc
Elizabeth Robinson	NORMA



North Carolina General Assembly

Committee Name

2019-20 Session

**Chair
Rep. Ross**

**Co-Chair
Rep. Conrad**

**Committee Clerk
Tammy Ross, LA**

The Committee did not meet during the 2020 short session.

Signed Committee Chairman

A handwritten signature in black ink, appearing to read "Stephen Ross", is written over a horizontal line.

