STATE OF NORTH CAROLINA

SESSION LAWS AND RESOLUTIONS

PASSED BY THE

2013 GENERAL ASSEMBLY

AT ITS

REGULAR SESSION 2014

BEGINNING ON

WEDNESDAY, THE FOURTEENTH DAY OF MAY, A.D. 2014

HELD IN THE CITY OF RALEIGH

ISSUED BY
SECRETARY OF STATE ELAINE F. MARSHALL

PUBLISHED BY AUTHORITY
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presiding Officers of the 2013 General Assembly ........................................................... v</td>
</tr>
<tr>
<td>Executive Branch ............................................................................................................. v</td>
</tr>
<tr>
<td>Officers and Members of the Senate ............................................................................... vi</td>
</tr>
<tr>
<td>Officers and Members of the House ............................................................................... vii</td>
</tr>
<tr>
<td>Legislative Services Commission ................................................................................... ix</td>
</tr>
<tr>
<td>Legislative Services Staff Directors.............................................................................. ix</td>
</tr>
<tr>
<td>Constitution of North Carolina ....................................................................................... xi</td>
</tr>
<tr>
<td>Session Laws of the 2014 Regular Session ..................................................................... 1</td>
</tr>
<tr>
<td>Vetoes ........................................................................................................................... 878</td>
</tr>
<tr>
<td>Resolutions of the 2014 Regular Session ..................................................................... 880</td>
</tr>
<tr>
<td>Executive Orders .......................................................................................................... 888</td>
</tr>
<tr>
<td>Certification .................................................................................................................. 981</td>
</tr>
<tr>
<td>Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets ............................................................. 983</td>
</tr>
<tr>
<td>Numerical Index ......................................................................................................... 1182</td>
</tr>
<tr>
<td>2014 Regular Session Index</td>
</tr>
<tr>
<td>Session Laws ............................................................................................................. 1185</td>
</tr>
<tr>
<td>Resolutions .............................................................................................................. 1303</td>
</tr>
</tbody>
</table>
STATE OF NORTH CAROLINA

PRESIDING OFFICERS OF THE
2013 GENERAL ASSEMBLY

DANIEL J. FOREST (R) ......................President of the Senate .................................... Wake
THOM TILLIS (R) ..............................Speaker of the House .......................... Mecklenburg

EXECUTIVE BRANCH

(Offices established by the Constitution, filled by election, and comprising the Council of State)

PAT McCORRY (R) ...........................Governor ............................................. Mecklenburg
DANIEL J. FOREST (R) ......................Lieutenant Governor ....................................... Wake
ELAINE F. MARSHALL (D) ................Secretary of State .......................................... Harnett
BETH A. WOOD (D) ..........................Auditor ............................................................ Wake
JANET COWELL (D) ..........................Treasurer ......................................................... Wake
JUNE S. ATKINSON (D) .....................Superintendent of Public Instruction .............. Wake
ROY A. COOPER, III (D) ...................Attorney General............................................... Nash
STEVEN W. TROXLER (R) .................Commissioner of Agriculture ..................... Guilford
CHERIE K. BERRY (R) .......................Commissioner of Labor .............................. Catawba
WAYNE GOODWIN (D) .....................Commissioner of Insurance ......................... Richmond

The political affiliation of each legislator and member of the Council of State listed on this and the following pages is designated Democrat by the abbreviation "D" and designated Republican by the abbreviation "R".

G.S. 147-16.1 authorizes publication of Executive Orders of the Governor in the Session Laws of North Carolina. Executive Orders from Governor McCrory are carried in this volume.
## SENATORS

<table>
<thead>
<tr>
<th>District</th>
<th>Name</th>
<th>Party</th>
<th>County</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BILL COOK</td>
<td>R</td>
<td>Beaufort</td>
<td>Chocowinity</td>
</tr>
<tr>
<td>2</td>
<td>NORMAN W. SANDERSON</td>
<td>R</td>
<td>Pamlico</td>
<td>Arapahoe</td>
</tr>
<tr>
<td>3</td>
<td>S. CLARK JENKINS</td>
<td>D</td>
<td>Edgecombe</td>
<td>Tarboro</td>
</tr>
<tr>
<td>4</td>
<td>ANGELA R. BRYANT</td>
<td>D</td>
<td>Nash</td>
<td>Rocky Mount</td>
</tr>
<tr>
<td>5</td>
<td>DON DAVIS</td>
<td>D</td>
<td>Greene</td>
<td>Snow Hill</td>
</tr>
<tr>
<td>6</td>
<td>HARRY BROWN</td>
<td>R</td>
<td>Onslow</td>
<td>Jacksonville</td>
</tr>
<tr>
<td>7</td>
<td>LOUIS M. PATE, JR.</td>
<td>R</td>
<td>Wayne</td>
<td>Mount Olive</td>
</tr>
<tr>
<td>8</td>
<td>WILLIAM P. RABON</td>
<td>R</td>
<td>Brunswick</td>
<td>Southport</td>
</tr>
<tr>
<td>9</td>
<td>THOMAS C. GOOLSBY</td>
<td>R</td>
<td>New Hanover</td>
<td>Wilmington</td>
</tr>
<tr>
<td>10</td>
<td>BRENT JACKSON, JR.</td>
<td>R</td>
<td>Sampson</td>
<td>Autryville</td>
</tr>
<tr>
<td>11</td>
<td>E.S. NEWTON</td>
<td>R</td>
<td>Wilson</td>
<td>Wilson</td>
</tr>
<tr>
<td>12</td>
<td>RONALD J. RABIN</td>
<td>R</td>
<td>Harnett</td>
<td>Spring Lake</td>
</tr>
<tr>
<td>13</td>
<td>MICHAEL P. WALTERS</td>
<td>D</td>
<td>Robeson</td>
<td>Fairmont</td>
</tr>
<tr>
<td>14</td>
<td>DANIEL T. BLUE, JR.</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>15</td>
<td>NEAL HUNT</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>16</td>
<td>JOSHUA H. STEIN</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>17</td>
<td>TAMARA BARRINGER</td>
<td>R</td>
<td>Wake</td>
<td>Cary</td>
</tr>
<tr>
<td>18</td>
<td>CHAD BAREFOOT</td>
<td>R</td>
<td>Wake</td>
<td>Wake Forest</td>
</tr>
<tr>
<td>19</td>
<td>WESLEY A. MEREDITH</td>
<td>R</td>
<td>Cumberland</td>
<td>Fayetteville</td>
</tr>
<tr>
<td>20</td>
<td>FLOYD B. MCKISSICK, JR.</td>
<td>D</td>
<td>Durham</td>
<td>Durham</td>
</tr>
<tr>
<td>21</td>
<td>ROBERT B. CLARK III</td>
<td>D</td>
<td>Hoke</td>
<td>Raeford</td>
</tr>
<tr>
<td>22</td>
<td>MIKE WOODARD</td>
<td>D</td>
<td>Durham</td>
<td>Durham</td>
</tr>
<tr>
<td>23</td>
<td>VALERIE P. FOUSHEE</td>
<td>D</td>
<td>Orange</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>24</td>
<td>RICK GUNN</td>
<td>R</td>
<td>Alamance</td>
<td>Burlington</td>
</tr>
<tr>
<td>25</td>
<td>GENE MCLAURIN</td>
<td>D</td>
<td>Richmond</td>
<td>Rockingham</td>
</tr>
<tr>
<td>26</td>
<td>PHILIP E. BERGER</td>
<td>R</td>
<td>Rockingham</td>
<td>Eden</td>
</tr>
<tr>
<td>27</td>
<td>TRUDY WADE</td>
<td>R</td>
<td>Guilford</td>
<td>Greensboro</td>
</tr>
<tr>
<td>28</td>
<td>GLADYS A. ROBINSON</td>
<td>D</td>
<td>Guilford</td>
<td>Pleasant Garden</td>
</tr>
<tr>
<td>29</td>
<td>JERRY W. TILLMAN</td>
<td>R</td>
<td>Randolph</td>
<td>Archdale</td>
</tr>
<tr>
<td>30</td>
<td>SHIRLEY B. RANDLEMAN</td>
<td>R</td>
<td>Wilkes</td>
<td>Wilkesboro</td>
</tr>
<tr>
<td>31</td>
<td>JOYCE KRAWIEC</td>
<td>R</td>
<td>Forsyth</td>
<td>Kernersville</td>
</tr>
<tr>
<td>32</td>
<td>EARLINE W. PARMON</td>
<td>D</td>
<td>Forsyth</td>
<td>Winston-Salem</td>
</tr>
<tr>
<td>33</td>
<td>STAN BINGHAM</td>
<td>R</td>
<td>Davidson</td>
<td>Denton</td>
</tr>
<tr>
<td>34</td>
<td>ANDREW C. BROCK</td>
<td>R</td>
<td>Davie</td>
<td>Mocksville</td>
</tr>
<tr>
<td>35</td>
<td>TOMMY TUCKER</td>
<td>R</td>
<td>Union</td>
<td>Waxhaw</td>
</tr>
<tr>
<td>36</td>
<td>FLETCHER L. HARTSELL, JR.</td>
<td>R</td>
<td>Cabarrus</td>
<td>Concord</td>
</tr>
<tr>
<td>37</td>
<td>DANIEL G. CLODFELTER</td>
<td>D</td>
<td>Mecklenburg</td>
<td>Charlotte</td>
</tr>
<tr>
<td>38</td>
<td>JEFF JACKSON</td>
<td>D</td>
<td>Mecklenburg</td>
<td>Charlotte</td>
</tr>
<tr>
<td>39</td>
<td>JOEL D. M. FORD</td>
<td>D</td>
<td>Mecklenburg</td>
<td>Charlotte</td>
</tr>
<tr>
<td>40</td>
<td>ROBERT A. RUCHO</td>
<td>D</td>
<td>Mecklenburg</td>
<td>Matthews</td>
</tr>
<tr>
<td>41</td>
<td>MALCOLM GRAHAM</td>
<td>D</td>
<td>Mecklenburg</td>
<td>Charlotte</td>
</tr>
<tr>
<td>42</td>
<td>JEFF TARTE</td>
<td>R</td>
<td>Mecklenburg</td>
<td>Cornelius</td>
</tr>
<tr>
<td>43</td>
<td>AUSTIN M. ALLRAN</td>
<td>R</td>
<td>Catawba</td>
<td>Hickory</td>
</tr>
<tr>
<td>44</td>
<td>KATHY HARRINGTON</td>
<td>R</td>
<td>Gaston</td>
<td>Gastonia</td>
</tr>
<tr>
<td>45</td>
<td>DAVID L. CURTIS</td>
<td>R</td>
<td>Lincoln</td>
<td>Denver</td>
</tr>
<tr>
<td>46</td>
<td>DANIEL F. SOUCEK</td>
<td>R</td>
<td>Watauga</td>
<td>Boone</td>
</tr>
<tr>
<td>47</td>
<td>WARREN DANIEL</td>
<td>R</td>
<td>Burke</td>
<td>Morganton</td>
</tr>
<tr>
<td>48</td>
<td>RALPH E. HISE, JR.</td>
<td>R</td>
<td>Mitchell</td>
<td>Spruce Pine</td>
</tr>
<tr>
<td>49</td>
<td>TOM APODACA</td>
<td>R</td>
<td>Henderson</td>
<td>Hendersonville</td>
</tr>
<tr>
<td>50</td>
<td>JIM DAVIS</td>
<td>R</td>
<td>Macon</td>
<td>Franklin</td>
</tr>
</tbody>
</table>

* + Resigned August 4, 2014
* ** Resigned April 8, 2014
* *** Resigned March 6, 2014
* **** Deceased March 6, 2014
### HOUSE OFFICERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>THOM TILLIS</td>
<td>Speaker</td>
<td>Cornelius, Mecklenburg County</td>
</tr>
<tr>
<td>PAUL STAM</td>
<td>Speaker Pro Tempory</td>
<td>Apex, Wake County</td>
</tr>
<tr>
<td>DENISE G. WEEKS</td>
<td>Principal Clerk</td>
<td>Raleigh, Wake County</td>
</tr>
<tr>
<td>CLYDE COOK, JR.</td>
<td>Sergeant-at-Arms</td>
<td>Garner, Wake County</td>
</tr>
</tbody>
</table>

### REPRESENTATIVES

<table>
<thead>
<tr>
<th>District</th>
<th>Name</th>
<th>Party</th>
<th>County</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BOB STEINBURG</td>
<td>R</td>
<td>Chowan</td>
<td>Edenton</td>
</tr>
<tr>
<td>2</td>
<td>W. A. (WINKE) WILKINS</td>
<td>D</td>
<td>Person</td>
<td>Roxboro</td>
</tr>
<tr>
<td>3</td>
<td>MICHAEL SPECIALE</td>
<td>R</td>
<td>Craven</td>
<td>New Bern</td>
</tr>
<tr>
<td>4</td>
<td>JIMMY DIXON</td>
<td>R</td>
<td>Duplin</td>
<td>Mount Olive</td>
</tr>
<tr>
<td>5</td>
<td>ANNIE W. MOLLEY</td>
<td>R</td>
<td>Hertford</td>
<td>Ahoskie</td>
</tr>
<tr>
<td>6</td>
<td>PAUL TINE</td>
<td>D</td>
<td>Dare</td>
<td>Kitty Hawk</td>
</tr>
<tr>
<td>7</td>
<td>BOBBIE RICHARDSON</td>
<td>D</td>
<td>Franklin</td>
<td>Louisburg</td>
</tr>
<tr>
<td>8</td>
<td>SUSAN MARTIN</td>
<td>R</td>
<td>Wilson</td>
<td>Wilson</td>
</tr>
<tr>
<td>9</td>
<td>MARK BRODY</td>
<td>R</td>
<td>Union</td>
<td>Monroe</td>
</tr>
<tr>
<td>10</td>
<td>JOHN BELL IV</td>
<td>R</td>
<td>Wayne</td>
<td>Goldsboro</td>
</tr>
<tr>
<td>11</td>
<td>DUANE HALL</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>12</td>
<td>GEORGE GRAHAM</td>
<td>D</td>
<td>Johnston</td>
<td>Smithfield</td>
</tr>
<tr>
<td>13</td>
<td>PAT MCELRAF</td>
<td>R</td>
<td>Carteret</td>
<td>Emerald Isle</td>
</tr>
<tr>
<td>14</td>
<td>GYORNE BOYES, JR.</td>
<td>D</td>
<td>Onslow</td>
<td>Jacksonville</td>
</tr>
<tr>
<td>15</td>
<td>PHILLIP R. SHEPARD</td>
<td>R</td>
<td>Onslow</td>
<td>Jacksonville</td>
</tr>
<tr>
<td>16</td>
<td>CHRIS MILLIS</td>
<td>R</td>
<td>Pender</td>
<td>Hampstead</td>
</tr>
<tr>
<td>17</td>
<td>FRANK ILER</td>
<td>R</td>
<td>Brunswick</td>
<td>Oak Island</td>
</tr>
<tr>
<td>18</td>
<td>SUSI H. HAMILTON</td>
<td>D</td>
<td>New Hanover</td>
<td>Wilmington</td>
</tr>
<tr>
<td>19</td>
<td>TED DAVIS, JR.</td>
<td>R</td>
<td>New Hanover</td>
<td>Wilmington</td>
</tr>
<tr>
<td>20</td>
<td>RICK CATLIN</td>
<td>D</td>
<td>New Hanover</td>
<td>Wilmington</td>
</tr>
<tr>
<td>21</td>
<td>LARRY M. BELL</td>
<td>D</td>
<td>Sampson</td>
<td>Clinton</td>
</tr>
<tr>
<td>22</td>
<td>WILLIAM D. BRISON</td>
<td>D</td>
<td>Bladen</td>
<td>Dublin</td>
</tr>
<tr>
<td>23</td>
<td>JOE P. TOLSON</td>
<td>D</td>
<td>Edgecombe</td>
<td>Pinetops</td>
</tr>
<tr>
<td>24</td>
<td>JEAN FARMER-BUTTERFIELD</td>
<td>D</td>
<td>Wilson</td>
<td>Wilson</td>
</tr>
<tr>
<td>25</td>
<td>JEFF COLLINS</td>
<td>D</td>
<td>Nash</td>
<td>Rocky Mount</td>
</tr>
<tr>
<td>26</td>
<td>N. LEO DAUGHRITY</td>
<td>R</td>
<td>Johnston</td>
<td>Smithfield</td>
</tr>
<tr>
<td>27</td>
<td>MICHAEL H. WRAY</td>
<td>D</td>
<td>Northampton</td>
<td>Gaston</td>
</tr>
<tr>
<td>28</td>
<td>JAMES H. LANGLE, JR.</td>
<td>R</td>
<td>Johnston</td>
<td>Angier</td>
</tr>
<tr>
<td>29</td>
<td>JAMES D. HALL</td>
<td>D</td>
<td>Durham</td>
<td>Durham</td>
</tr>
<tr>
<td>30</td>
<td>PAUL PCIeBKE</td>
<td>D</td>
<td>Durham</td>
<td>Durham</td>
</tr>
<tr>
<td>31</td>
<td>HENRY M. MICHAUX, JR.</td>
<td>D</td>
<td>Durham</td>
<td>Durham</td>
</tr>
<tr>
<td>32</td>
<td>NATHAN BASKERVILLE</td>
<td>D</td>
<td>Vance</td>
<td>Henderson</td>
</tr>
<tr>
<td>33</td>
<td>ROSA L. RHINE</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>34</td>
<td>GRIER MARTIN</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>35</td>
<td>CHRIS MALONE</td>
<td>R</td>
<td>Wake</td>
<td>Wake Forest</td>
</tr>
<tr>
<td>36</td>
<td>NELSON DOLLAR</td>
<td>R</td>
<td>Wake</td>
<td>Cary</td>
</tr>
<tr>
<td>37</td>
<td>PAUL STAM</td>
<td>R</td>
<td>Wake</td>
<td>Apex</td>
</tr>
<tr>
<td>38</td>
<td>YONNE LEWIS HOLLIE</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>39</td>
<td>DARREN G. JACKSON</td>
<td>D</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>40</td>
<td>MARILYN AVILA</td>
<td>R</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>41</td>
<td>TOM MURRY</td>
<td>R</td>
<td>Wake</td>
<td>Morrisville</td>
</tr>
<tr>
<td>42</td>
<td>MARVIN W. LUCAS</td>
<td>D</td>
<td>Cumberland</td>
<td>Spring Lake</td>
</tr>
<tr>
<td>43</td>
<td>EMERSON FLOYD, JR.</td>
<td>D</td>
<td>Cumberland</td>
<td>Fayetteville</td>
</tr>
<tr>
<td>44</td>
<td>RICK GLAZIER</td>
<td>D</td>
<td>Cumberland</td>
<td>Fayetteville</td>
</tr>
<tr>
<td>45</td>
<td>JOHN SZOKA</td>
<td>R</td>
<td>Cumberland</td>
<td>Fayetteville</td>
</tr>
<tr>
<td>46</td>
<td>KEN WADDELL</td>
<td>D</td>
<td>Columbus</td>
<td>Chadbourn</td>
</tr>
<tr>
<td>47</td>
<td>CHARLES GRAHAM</td>
<td>D</td>
<td>Robeson</td>
<td>Lumberton</td>
</tr>
<tr>
<td>48</td>
<td>ORLAND E. PIERCE</td>
<td>D</td>
<td>Scotland</td>
<td>Wagram</td>
</tr>
<tr>
<td>49</td>
<td>JIM FULLGHUM, M.D.</td>
<td>R</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>50</td>
<td>BRIG GEN (R) GARY PENDLETON</td>
<td>R</td>
<td>Wake</td>
<td>Raleigh</td>
</tr>
<tr>
<td>51</td>
<td>GRAIG R. MEYER</td>
<td>D</td>
<td>Orange</td>
<td>Chapel Hill</td>
</tr>
<tr>
<td>52</td>
<td>MIKE C. STONE</td>
<td>R</td>
<td>Lee</td>
<td>Sanford</td>
</tr>
<tr>
<td>53</td>
<td>JAMES L. MOORE</td>
<td>R</td>
<td>Southern Pines</td>
<td>Dunn</td>
</tr>
<tr>
<td>54</td>
<td>DAVID R. LEWIS</td>
<td>R</td>
<td>Harnett</td>
<td>Dunn</td>
</tr>
<tr>
<td>55</td>
<td>DEB MCMANUS</td>
<td>D</td>
<td>Chatham</td>
<td>Siler City</td>
</tr>
<tr>
<td>56</td>
<td>ROBERT T. REIVES, II</td>
<td>D</td>
<td>Lee</td>
<td>Sanford</td>
</tr>
<tr>
<td>57</td>
<td>PRICEY HARRISON</td>
<td>D</td>
<td>Orange</td>
<td>Raleigh</td>
</tr>
</tbody>
</table>

vii
LEGISLATIVE SERVICES COMMISSION

REPRESENTATIVE TIMOTHY KEITH MOORE, CHAIR

SENATE PRESIDENT PRO TEMPORE PHILIP E. BERGER, EX OFFICIO

SEN. THOMAS M. APODACA        REP. JUSTIN P. BURR
SEN. HARRY BROWN               REP. NELSON DOLLAR
SEN. ROBERT ANTHONY RUCHO      REP. LARRY HALL
SEN. MICHAEL P. WALTERS        REP. LINDA P. JOHNSON

LEGISLATIVE SERVICES STAFF DIRECTORS

GEORGE R. HALL, JR. ......................... Legislative Services Officer
KORY J. GOLDSMITH ......................... Director of the Bill Drafting Division
MARK TROGDON .............................. Director of the Fiscal Research Division
DENNIS W. MCCARTY ......................... Director of the Information Systems Division
JOHN W. TURCOTTE ......................... Director of the Program Evaluation Division
O. WALKER REAGAN ......................... Director of the Research Division
PREAMBLE

We, the people of the State of North Carolina, grateful to Almighty God, the Sovereign Ruler of Nations, for the preservation of the American Union and the existence of our civil, political and religious liberties, and acknowledging our dependence upon Him for the continuance of those blessings to us and our posterity, do, for the more certain security thereof and for the better government of this State, ordain and establish this Constitution.

ARTICLE I
DECLARATION OF RIGHTS

That the great, general, and essential principles of liberty and free government may be recognized and established, and that the relations of this State to the Union and government of the United States and those of the people of this State to the rest of the American people may be defined and affirmed, we do declare that:

Section 1. The equality and rights of persons.
We hold it to be self-evident that all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness.

Sec. 2. Sovereignty of the people.
All political power is vested in and derived from the people; all government of right originates from the people, is founded upon their will only, and is instituted solely for the good of the whole.

Sec. 3. Internal government of the State.
The people of this State have the inherent, sole, and exclusive right of regulating the internal government and police thereof, and of altering or abolishing their Constitution and form of government whenever it may be necessary to their safety and happiness; but every such right shall be exercised in pursuance of law and consistently with the Constitution of the United States.

Sec. 4. Secession prohibited.
This State shall ever remain a member of the American Union; the people thereof are part of the American nation; there is no right on the part of this State to secede; and all attempts, from whatever source or upon whatever pretext, to dissolve this Union or to sever this Nation, shall be resisted with the whole power of the State.

Sec. 5. Allegiance to the United States.
Every citizen of this State owes paramount allegiance to the Constitution and government of the United States, and no law or ordinance of the State in contravention or subversion thereof can have any binding force.

Sec. 6. Separation of powers.
The legislative, executive, and supreme judicial powers of the State government shall be forever separate and distinct from each other.

Sec. 7. Suspending laws.
All power of suspending laws or the execution of laws by any authority, without the consent of the representatives of the people, is injurious to their rights and shall not be exercised.
Sec. 8. Representation and taxation.
   The people of this State shall not be taxed or made subject to the payment of any impost or
duty without the consent of themselves or their representatives in the General Assembly, freely
given.

Sec. 9. Frequent elections.
   For redress of grievances and for amending and strengthening the laws, elections shall be
often held.

Sec. 10. Free elections.
   All elections shall be free.

Sec. 11. Property qualifications.
   As political rights and privileges are not dependent upon or modified by property, no
property qualification shall affect the right to vote or hold office.

Sec. 12. Right of assembly and petition.
   The people have a right to assemble together to consult for their common good, to instruct
their representatives, and to apply to the General Assembly for redress of grievances; but secret
political societies are dangerous to the liberties of a free people and shall not be tolerated.

Sec. 13. Religious liberty.
   All persons have a natural and inalienable right to worship Almighty God according to the
dictates of their own consciences, and no human authority shall, in any case whatever, control
or interfere with the rights of conscience.

   Freedom of speech and of the press are two of the great bulwarks of liberty and therefore
shall never be restrained, but every person shall be held responsible for their abuse.

Sec. 15. Education.
   The people have a right to the privilege of education, and it is the duty of the State to guard
and maintain that right.

Sec. 16. Ex post facto laws.
   Retrospective laws, punishing acts committed before the existence of such laws and by
them only declared criminal, are oppressive, unjust, and incompatible with liberty, and
therefore no ex post facto law shall be enacted. No law taxing retrospectively sales, purchases,
or other acts previously done shall be enacted.

Sec. 17. Slavery and involuntary servitude.
   Slavery is forever prohibited. Involuntary servitude, except as a punishment for crime
whereof the parties have been adjudged guilty, is forever prohibited.

Sec. 18. Court shall be open.
   All courts shall be open; every person for an injury done him in his lands, goods, person, or
reputation shall have remedy by due course of law; and right and justice shall be administered
without favor, denial, or delay.

Sec. 19. Law of the land; equal protection of the laws.
   No person shall be taken, imprisoned, or disseized of his freehold, liberties, or privileges, or
outlawed, or exiled, or in any manner deprived of his life, liberty, or property, but by the law of
the land. No person shall be denied the equal protection of the laws; nor shall any person be subjected to discrimination by the State because of race, color, religion, or national origin.

Sec. 20. General warrants.
General warrants, whereby any officer or other person may be commanded to search suspected places without evidence of the act committed, or to seize any person or persons not named, whose offense is not particularly described and supported by evidence, are dangerous to liberty and shall not be granted.

Sec. 21. Inquiry into restraints on liberty.
Every person restrained of his liberty is entitled to a remedy to inquire into the lawfulness thereof, and to remove the restraint if unlawful, and that remedy shall not be denied or delayed. The privilege of the writ of habeas corpus shall not be suspended.

Sec. 22. Modes of prosecution.
Except in misdemeanor cases initiated in the District Court Division, no person shall be put to answer any criminal charge but by indictment, presentment, or impeachment. But any person, when represented by counsel, may, under such regulations as the General Assembly shall prescribe, waive indictment in noncapital cases.

Sec. 23. Rights of accused.
In all criminal prosecutions, every person charged with crime has the right to be informed of the accusation and to confront the accusers and witnesses with other testimony, and to have counsel for defense, and not be compelled to give self-incriminating evidence, or to pay costs, jail fees, or necessary witness fees of the defense, unless found guilty.

Sec. 24. Right of jury trial in criminal cases.
No person shall be convicted of any crime but by the unanimous verdict of a jury in open court. The General Assembly may, however, provide for other means of trial for misdemeanors, with the right of appeal for trial de novo.

Sec. 25. Right of jury trial in civil cases.
In all controversies at law respecting property, the ancient mode of trial by jury is one of the best securities of the rights of the people, and shall remain sacred and inviolable.

No person shall be excluded from jury service on account of sex, race, color, religion, or national origin.

Sec. 27. Bail, fines, and punishments.
Excessive bail shall not be required, nor excessive fines imposed, nor cruel or unusual punishments inflicted.

Sec. 28. Imprisonment for debt.
There shall be no imprisonment for debt in this State, except in cases of fraud.

Sec. 29. Treason against the State.
Treason against the State shall consist only of levying war against it or adhering to its enemies by giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court. No conviction of treason or attainder shall work corruption of blood or forfeiture.
Sec. 30. Militia and the right to bear arms.
A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed; and, as standing armies in time of peace are dangerous to liberty, they shall not be maintained, and the military shall be kept under strict subordination to, and governed by, the civil power. Nothing herein shall justify the practice of carrying concealed weapons, or prevent the General Assembly from enacting penal statutes against that practice.

Sec. 31. Quartering of soldiers.
No soldier shall in time of peace be quartered in any house without the consent of the owner, nor in time of war but in a manner prescribed by law.

Sec. 32. Exclusive emoluments.
No person or set of persons is entitled to exclusive or separate emoluments or privileges from the community but in consideration of public services.

Sec. 33. Hereditary emoluments and honors.
No hereditary emoluments, privileges, or honors shall be granted or conferred in this State.

Sec. 34. Perpetuities and monopolies.
Perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed.

Sec. 35. Recurrence to fundamental principles.
A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.

Sec. 36. Other rights of the people.
The enumeration of rights in this Article shall not be construed to impair or deny others retained by the people.

Sec. 37. Rights of victims of crime.
(1) Basic rights. Victims of crime, as prescribed by law, shall be entitled to the following basic rights:
(a) The right as prescribed by law to be informed of and to be present at court proceedings of the accused.
(b) The right to be heard at sentencing of the accused in a manner prescribed by law, and at other times as prescribed by law or deemed appropriate by the court.
(c) The right as prescribed by law to receive restitution.
(d) The right as prescribed by law to give information about the crime, how the criminal justice system works, the rights of victims, and the availability of services for victims.
(e) The right as prescribed by law to receive information about the conviction or final disposition and sentence of the accused.
(f) The right as prescribed by law to receive notification of escape, release, proposed parole or pardon of the accused, or notice of a reprieve or commutation of the accused's sentence.
(g) The right as prescribed by law to present their views and concerns to the Governor or agency considering any action that could result in the release of the accused, prior to such action becoming effective.
(h) The right as prescribed by law to confer with the prosecution.
(2) No money damages; other enforcement. Nothing in this section shall be construed as creating a claim for money damages against the State, a county, a municipality, or any of the agencies, instrumentalities, or employees thereof. The General Assembly may provide for other remedies to ensure adequate enforcement of this section.

(3) No ground for relief in criminal case. The failure or inability of any person to provide a right or service provided under this section may not be used by a defendant in a criminal case, an inmate, or any other accused as a ground for relief in any trial, appeal, postconviction litigation, habeas corpus, civil action, or any similar criminal or civil proceeding.

ARTICLE II
LEGISLATIVE

Section 1. Legislative power.

The legislative power of the State shall be vested in the General Assembly, which shall consist of a Senate and a House of Representatives.

Sec. 2. Number of Senators.

The Senate shall be composed of 50 Senators, biennially chosen by ballot.

Sec. 3. Senate districts; apportionment of Senators.

The Senators shall be elected from districts. The General Assembly, at the first regular session convening after the return of every decennial census of population taken by order of Congress, shall revise the senate districts and the apportionment of Senators among those districts, subject to the following requirements:

(1) Each Senator shall represent, as nearly as may be, an equal number of inhabitants, the number of inhabitants that each Senator represents being determined for this purpose by dividing the population of the district that he represents by the number of Senators apportioned to that district;
(2) Each senate district shall at all times consist of contiguous territory;
(3) No county shall be divided in the formation of a senate district;
(4) When established, the senate districts and the apportionment of Senators shall remain unaltered until the return of another decennial census of population taken by order of Congress.

Sec. 4. Number of Representatives.

The House of Representatives shall be composed of 120 Representatives, biennially chosen by ballot.

Sec. 5. Representative districts; apportionment of Representatives.

The Representatives shall be elected from districts. The General Assembly, at the first regular session convening after the return of every decennial census of population taken by order of Congress, shall revise the representative districts and the apportionment of Representatives among those districts, subject to the following requirements:

(1) Each Representative shall represent, as nearly as may be, an equal number of inhabitants, the number of inhabitants that each Representative represents being determined for this purpose by dividing the population of the district that he represents by the number of Representatives apportioned to that district;
(2) Each representative district shall at all times consist of contiguous territory;
(3) No county shall be divided in the formation of a representative district;
(4) When established, the representative districts and the apportionment of Representatives shall remain unaltered until the return of another decennial census of population taken by order of Congress.

Sec. 6. Qualifications for Senator.
Each Senator, at the time of his election, shall be not less than 25 years of age, shall be a qualified voter of the State, and shall have resided in the State as a citizen for two years and in the district for which he is chosen for one year immediately preceding his election.

Sec. 7. Qualifications for Representative.
Each Representative, at the time of his election, shall be a qualified voter of the State, and shall have resided in the district for which he is chosen for one year immediately preceding his election.

Sec. 8. Elections.
The election for members of the General Assembly shall be held for the respective districts in 1972 and every two years thereafter, at the places and on the day prescribed by law.

Sec. 9. Term of office.
The term of office of Senators and Representatives shall commence on the first day of January next after their election.

Sec. 10. Vacancies.
Every vacancy occurring in the membership of the General Assembly by reason of death, resignation, or other cause shall be filled in the manner prescribed by law.

Sec. 11. Sessions.
(1) Regular Sessions. The General Assembly shall meet in regular session in 1973 and every two years thereafter on the day prescribed by law. Neither house shall proceed upon public business unless a majority of all of its members are actually present.
(2) Extra sessions on legislative call. The President of the Senate and the Speaker of the House of Representatives shall convene the General Assembly in extra session by their joint proclamation upon receipt by the President of the Senate of written requests therefor signed by three-fifths of all the members of the Senate and upon receipt by the Speaker of the House of Representatives of written requests therefor signed by three-fifths of all the members of the House of Representatives.

Sec. 12. Oath of members.
Each member of the General Assembly, before taking his seat, shall take an oath or affirmation that he will support the Constitution and laws of the United States and the Constitution of the State of North Carolina, and will faithfully discharge his duty as a member of the Senate or House of Representatives.

Sec. 13. President of the Senate.
The Lieutenant Governor shall be President of the Senate and shall preside over the Senate, but shall have no vote unless the Senate is equally divided.

Sec. 14. Other officers of the Senate.
(1) President Pro Tempore - succession to presidency. The Senate shall elect from its membership a President Pro Tempore, who shall become President of the Senate upon the failure of the Lieutenant Governor-elect to qualify, or upon succession by the Lieutenant Governor to the office of Governor, or upon the death, resignation, or removal from office of
the President of the Senate, and who shall serve until the expiration of his term of office as Senator.

(2) President Pro Tempore - temporary succession. During the physical or mental incapacity of the President of the Senate to perform the duties of his office, or during the absence of the President of the Senate, the President Pro Tempore shall preside over the Senate.

(3) Other officers. The Senate shall elect its other officers.

Sec. 15. Officers of the House of Representatives.
The House of Representatives shall elect its Speaker and other officers.

Sec. 16. Compensation and allowances.
The members and officers of the General Assembly shall receive for their services the compensation and allowances prescribed by law. An increase in the compensation or allowances of members shall become effective at the beginning of the next regular session of the General Assembly following the session at which it was enacted.

Sec. 17. Journals.
Each house shall keep a journal of its proceedings, which shall be printed and made public immediately after the adjournment of the General Assembly.

Sec. 18. Protests.
Any member of either house may dissent from and protest against any act or resolve which he may think injurious to the public or to any individual, and have the reasons of his dissent entered on the journal.

Sec. 19. Record votes.
Upon motion made in either house and seconded by one fifth of the members present, the yeas and nays upon any question shall be taken and entered upon the journal.

Sec. 20. Powers of the General Assembly.
Each house shall be judge of the qualifications and elections of its own members, shall sit upon its own adjournment from day to day, and shall prepare bills to be enacted into laws. The two houses may jointly adjourn to any future day or other place. Either house may, of its own motion, adjourn for a period not in excess of three days.

Sec. 21. Style of the acts.
The style of the acts shall be: "The General Assembly of North Carolina enacts:"

Sec. 22. Action on bills.
(1) Bills subject to veto by Governor; override of veto. Except as provided by subsections (2) through (6) of this section, all bills shall be read three times in each house and shall be signed by the presiding officer of each house before being presented to the Governor. If the Governor approves, the Governor shall sign it and it shall become a law; but if not, the Governor shall return it with objections, together with a veto message stating the reasons for such objections, to that house in which it shall have originated, which shall enter the objections and veto message at large on its journal, and proceed to reconsider it. If after such reconsideration three-fifths of the members of that house present and voting shall agree to pass the bill, it shall be sent, together with the objections and veto message, to the other house, by which it shall likewise be reconsidered; and if approved by three-fifths of the members of that house present and voting, it shall become a law notwithstanding the objections of the Governor. In all such cases the votes of both houses shall be determined by yeas and nays, and the names of the members voting shall be entered on the journal of each house respectively.
(2) Amendments to Constitution of North Carolina. Every bill proposing a new or revised Constitution or an amendment or amendments to this Constitution or calling a convention of the people of this State, and containing no other matter, shall be submitted to the qualified voters of this State after it shall have been read three times in each house and signed by the presiding officers of both houses.

(3) Amendments to Constitution of the United States. Every bill approving an amendment to the Constitution of the United States, or applying for a convention to propose amendments to the Constitution of the United States, and containing no other matter, shall be read three times in each house before it becomes law, and shall be signed by the presiding officers of both houses.

(4) Joint resolutions. Every joint resolution shall be read three times in each house before it becomes effective and shall be signed by the presiding officers of both houses.

(5) Other exceptions. Every bill:

(a) In which the General Assembly makes an appointment or appointments to public office and which contains no other matter;

(b) Revising the senate districts and the apportionment of Senators among those districts and containing no other matter;

(c) Revising the representative districts and the apportionment of Representatives among those districts and containing no other matter; or

(d) Revising the districts for the election of members of the House of Representatives of the Congress of the United States and the apportionment of Representatives among those districts and containing no other matter,

shall be read three times in each house before it becomes law and shall be signed by the presiding officers of both houses.

(6) Local bills. Every bill that applies in fewer than 15 counties shall be read three times in each house before it becomes law and shall be signed by the presiding officers of both houses. The exemption from veto by the Governor provided in this subsection does not apply if the bill, at the time it is signed by the presiding officers:

(a) Would extend the application of a law signed by the presiding officers during that two year term of the General Assembly so that the law would apply in more than half the counties in the State, or

(b) Would enact a law identical in effect to another law or laws signed by the presiding officers during that two year term of the General Assembly that the result of those laws taken together would be a law applying in more than half the counties in the State.

Notwithstanding any other language in this subsection, the exemption from veto provided by this subsection does not apply to any bill to enact a general law classified by population or other criteria, or to any bill that contains an appropriation from the State treasury.

(7) Time for action by Governor; reconvening of session. If any bill shall not be returned by the Governor within 10 days after it shall have been presented to him, the same shall be a law in like manner as if he had signed it, unless the General Assembly shall have adjourned:

(a) For more than 30 days jointly as provided under Section 20 of Article II of this Constitution; or

(b) Sine die

in which case it shall become a law unless, within 30 days after such adjournment, it is returned by the Governor with objections and veto message to that house in which it shall have originated. When the General Assembly has adjourned sine die or for more than 30 days jointly as provided under Section 20 of Article II of this Constitution, the Governor shall reconvene that session as provided by Section 5(11) of Article III of this Constitution for reconsideration of the bill, and if the Governor does not reconvene the session, the bill shall become law on the fortieth day after such adjournment. Notwithstanding the previous sentence, if the Governor prior to reconvening the session receives written requests dated no earlier than 30 days after
such adjournment, signed by a majority of the members of each house that a reconvened session to reconsider vetoed legislation is unnecessary, the Governor shall not reconvene the session for that purpose and any legislation vetoed in accordance with this section after adjournment shall not become law.

(8) Return of bills after adjournment. For purposes of return of bills not approved by the Governor, each house shall designate an officer to receive returned bills during its adjournment.

Sec. 23. Revenue bills.

No law shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State, or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal.

Sec. 24. Limitations on local, private, and special legislation.

(1) Prohibited subjects. The General Assembly shall not enact any local, private, or special act or resolution:

(a) Relating to health, sanitation, and the abatement of nuisances;
(b) Changing the names of cities, towns, and townships;
(c) Authorizing the laying out, opening, altering, maintaining, or discontinuing of highways, streets, or alleys;
(d) Relating to ferries or bridges;
(e) Relating to non-navigable streams;
(f) Relating to cemeteries;
(g) Relating to the pay of jurors;
(h) Erecting new townships, or changing township lines, or establishing or changing the lines of school districts;
(i) Remitting fines, penalties, and forfeitures, or refunding moneys legally paid into the public treasury;
(j) Regulating labor, trade, mining, or manufacturing;
(k) Extending the time for the levy or collection of taxes or otherwise relieving any collector of taxes from the due performance of his official duties or his sureties from liability;
(l) Giving effect to informal wills and deeds;
(m) Granting a divorce or securing alimony in any individual case;
(n) Altering the name of any person, or legitimating any person not born in lawful wedlock, or restoring to the rights of citizenship any person convicted of a felony.

(2) Repeals. Nor shall the General Assembly enact any such local, private, or special act by the partial repeal of a general law; but the General Assembly may at any time repeal local, private, or special laws enacted by it.

(3) Prohibited acts void. Any local, private, or special act or resolution enacted in violation of the provisions of this Section shall be void.

(4) General laws. The General Assembly may enact general laws regulating the matters set out in this Section.
ARTICLE III
EXECUTIVE

Section 1. Executive power.
The executive power of the State shall be vested in the Governor.

Sec. 2. Governor and Lieutenant Governor: election, term, and qualifications.
(1) Election and term. The Governor and Lieutenant Governor shall be elected by the qualified voters of the State in 1972 and every four years thereafter, at the same time and places as members of the General Assembly are elected. Their term of office shall be four years and shall commence on the first day of January next after their election and continue until their successors are elected and qualified.
(2) Qualifications. No person shall be eligible for election to the office of Governor or Lieutenant Governor unless, at the time of his election, he shall have attained the age of 30 years and shall have been a citizen of the United States for five years and a resident of this State for two years immediately preceding his election. No person elected to the office of Governor or Lieutenant Governor shall be eligible for election to more than two consecutive terms of the same office.

Sec. 3. Succession to office of Governor.
(1) Succession as Governor. The Lieutenant Governor-elect shall become Governor upon the failure of the Governor-elect to qualify. The Lieutenant Governor shall become Governor upon the death, resignation, or removal from office of the Governor. The further order of succession to the office of Governor shall be prescribed by law. A successor shall serve for the remainder of the term of the Governor whom he succeeds and until a new Governor is elected and qualified.
(2) Succession as Acting Governor. During the absence of the Governor from the State, or during the physical or mental incapacity of the Governor to perform the duties of his office, the Lieutenant Governor shall be Acting Governor. The further order of succession as Acting Governor shall be prescribed by law.
(3) Physical incapacity. The Governor may, by a written statement filed with the Attorney General, declare that he is physically incapable of performing the duties of his office, and may thereafter in the same manner declare that he is physically capable of performing the duties of his office.
(4) Mental incapacity. The mental incapacity of the Governor to perform the duties of his office shall be determined only by joint resolution adopted by a vote of two-thirds of all the members of each house of the General Assembly. Thereafter, the mental capacity of the Governor to perform the duties of his office shall be determined only by joint resolution adopted by a vote of a majority of all the members of each house of the General Assembly. In all cases, the General Assembly shall give the Governor such notice as it may deem proper and shall allow him an opportunity to be heard before a joint session of the General Assembly before it takes final action. When the General Assembly is not in session, the Council of State, a majority of its members concurring, may convene it in extra session for the purpose of proceeding under this paragraph.
(5) Impeachment. Removal of the Governor from office for any other cause shall be by impeachment.

Sec. 4. Oath of office for Governor.
The Governor, before entering upon the duties of his office, shall, before any Justice of the Supreme Court, take an oath or affirmation that he will support the Constitution and laws of the United States and of the State of North Carolina, and that he will faithfully perform the duties pertaining to the office of governor.
Sec. 5. Duties of Governor.
(1) Residence. The Governor shall reside at the seat of government of this State.
(2) Information to General Assembly. The Governor shall from time to time give the General Assembly information of the affairs of the State and recommend to their consideration such measures as he shall deem expedient.
(3) Budget. The Governor shall prepare and recommend to the General Assembly a comprehensive budget of the anticipated revenue and proposed expenditures of the State for the ensuing fiscal period. The budget as enacted by the General Assembly shall be administered by the Governor.

The total expenditures of the State for the fiscal period covered by the budget shall not exceed the total of receipts during that fiscal period and the surplus remaining in the State Treasury at the beginning of the period. To insure that the State does not incur a deficit for any fiscal period, the Governor shall continually survey the collection of the revenue and shall effect the necessary economies in State expenditures, after first making adequate provision for the prompt payment of the principal of and interest on bonds and notes of the State according to their terms, whenever he determines that receipts during the fiscal period, when added to any surplus remaining in the State Treasury at the beginning of the period, will not be sufficient to meet budgeted expenditures. This section shall not be construed to impair the power of the State to issue its bonds and notes within the limitations imposed in Article V of this Constitution, nor to impair the obligation of bonds and notes of the State now outstanding or issued hereafter.

(4) Execution of laws. The Governor shall take care that the laws be faithfully executed.
(5) Commander in Chief. The Governor shall be Commander in Chief of the military forces of the State except when they shall be called into the service of the United States.
(6) Clemency. The Governor may grant reprieves, commutations, and pardons, after conviction, for all offenses (except in cases of impeachment), upon such conditions as he may think proper, subject to regulations prescribed by law relative to the manner of applying for pardons. The terms reprieves, commutations, and pardons shall not include paroles.
(7) Extra sessions. The Governor may, on extraordinary occasions, by and with the advice of the Council of State, convene the General Assembly in extra session by his proclamation, stating therein the purpose or purposes for which they are thus convened.
(8) Appointments. The Governor shall nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for.
(9) Information. The Governor may at any time require information in writing from the head of any administrative department or agency upon any subject relating to the duties of his office.
(10) Administrative reorganization. The General Assembly shall prescribe the functions, powers, and duties of the administrative departments and agencies of the State and may alter them from time to time, but the Governor may make such changes in the allocation of offices and agencies and in the allocation of those functions, powers, and duties as he considers necessary for efficient administration. If those changes affect existing law, they shall be set forth in executive orders, which shall be submitted to the General Assembly not later than the sixtieth calendar day of its session, and shall become effective and shall have the force of law upon adjournment sine die of the session, unless specifically disapproved by resolution of either house of the General Assembly or specifically modified by joint resolution of both houses of the General Assembly.
(11) Reconvened sessions. The Governor shall, when required by Section 22 of Article II of this Constitution, reconvene a session of the General Assembly. At such reconvened session, the General Assembly may only consider such bills as were returned by the Governor to that reconvened session for reconsideration. Such reconvened session shall begin on a date set by the Governor, but no later than 40 days after the General Assembly adjourned.
(a) For more than 30 days jointly as provided under Section 20 of Article II of this Constitution; or
(b) Sine die. If the date of reconvening the session occurs after the expiration of the terms of office of the members of the General Assembly, then the members serving for the reconvened session shall be the members for the succeeding term.

Sec. 6. Duties of the Lieutenant Governor.

The Lieutenant Governor shall be President of the Senate, but shall have no vote unless the Senate is equally divided. He shall perform such additional duties as the General Assembly or the Governor may assign to him. He shall receive the compensation and allowances prescribed by law.

Sec. 7. Other elective officers.

(1) Officers. A Secretary of State, an Auditor, a Treasurer, a Superintendent of Public Instruction, an Attorney General, a Commissioner of Agriculture, a Commissioner of Labor, and a Commissioner of Insurance shall be elected by the qualified voters of the State in 1972 and every four years thereafter, at the same time and places as members of the General Assembly are elected. Their term of office shall be four years and shall commence on the first day of January next after their election and continue until their successors are elected and qualified.

(2) Duties. Their respective duties shall be prescribed by law.

(3) Vacancies. If the office of any of these officers is vacated by death, resignation, or otherwise, it shall be the duty of the Governor to appoint another to serve until his successor is elected and qualified. Every such vacancy shall be filled by election at the first election for members of the General Assembly that occurs more than 60 days after the vacancy has taken place, and the person chosen shall hold the office for the remainder of the unexpired term fixed in this Section. When a vacancy occurs in the office of any of the officers named in this Section and the term expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill the vacancy for the unexpired term of the office.

(4) Interim officers. Upon the occurrence of a vacancy in the office of any one of these officers for any of the causes stated in the preceding paragraph, the Governor may appoint an interim officer to perform the duties of that office until a person is appointed or elected pursuant to this Section to fill the vacancy and is qualified.

(5) Acting officers. During the physical or mental incapacity of any one of these officers to perform the duties of his office, as determined pursuant to this Section, the duties of his office shall be performed by an acting officer who shall be appointed by the Governor.

(6) Determination of incapacity. The General Assembly shall by law prescribe with respect to those officers, other than the Governor, whose offices are created by this Article, procedures for determining the physical or mental incapacity of any officer to perform the duties of his office, and for determining whether an officer who has been temporarily incapacitated has sufficiently recovered his physical or mental capacity to perform the duties of his office. Removal of those officers from office for any other cause shall be by impeachment.

(7) Special Qualifications for Attorney General. Only persons duly authorized to practice law in the courts of this State shall be eligible for appointment or election as Attorney General.

Sec. 8. Council of State.

The Council of State shall consist of the officers whose offices are established by this Article.
Sec. 9. Compensation and allowances.
   The officers whose offices are established by this Article shall at stated periods receive the
   compensation and allowances prescribed by law, which shall not be diminished during the time
   for which they have been chosen.

Sec. 10. Seal of State.
   There shall be a seal of the State, which shall be kept by the Governor and used by him as
   occasion may require, and shall be called "The Great Seal of the State of North Carolina". All
   grants or commissions shall be issued in the name and by the authority of the State of North
   Carolina, sealed with "The Great Seal of the State of North Carolina", and signed by the
   Governor.

Sec. 11. Administrative departments.
   Not later than July 1, 1975, all administrative departments, agencies, and offices of the
   State and their respective functions, powers, and duties shall be allocated by law among and
   within not more than 25 principal administrative departments so as to group them as far as
   practicable according to major purposes. Regulatory, quasi-judicial, and temporary agencies
   may, but need not, be allocated within a principal department.

ARTICLE IV
JUDICIAL

Section 1. Judicial power.
   The judicial power of the State shall, except as provided in Section 3 of this Article, be
   vested in a Court for the Trial of Impeachments and in a General Court of Justice. The General
   Assembly shall have no power to deprive the judicial department of any power or jurisdiction
   that rightfully pertains to it as a co-ordinate department of the government, nor shall it establish
   or authorize any courts other than as permitted by this Article.

Sec. 2. General Court of Justice.
   The General Court of Justice shall constitute a unified judicial system for purposes of
   jurisdiction, operation, and administration, and shall consist of an Appellate Division, a
   Superior Court Division, and a District Court Division.

Sec. 3. Judicial powers of administrative agencies.
   The General Assembly may vest in administrative agencies established pursuant to law
   such judicial powers as may be reasonably necessary as an incident to the accomplishment of
   the purposes for which the agencies were created. Appeals from administrative agencies shall
   be to the General Court of Justice.

Sec. 4. Court for the Trial of Impeachments.
   The House of Representatives solely shall have the power of impeaching. The Court for the
   Trial of Impeachments shall be the Senate. When the Governor or Lieutenant Governor is
   impeached, the Chief Justice shall preside over the Court. A majority of the members shall be
   necessary to a quorum, and no person shall be convicted without the concurrence of two-thirds
   of the Senators present. Judgment upon conviction shall not extend beyond removal from and
   disqualification to hold office in this State, but the party shall be liable to indictment and
   punishment according to law.

Sec. 5. Appellate division.
   The Appellate Division of the General Court of Justice shall consist of the Supreme Court
   and the Court of Appeals.
Sec. 6. Supreme Court.
   (1) Membership. The Supreme Court shall consist of a Chief Justice and six Associate Justices, but the General Assembly may increase the number of Associate Justices to not more than eight. In the event the Chief Justice is unable, on account of absence or temporary incapacity, to perform any of the duties placed upon him, the senior Associate Justice available may discharge those duties.
   (2) Sessions of the Supreme Court. The sessions of the Supreme Court shall be held in the City of Raleigh unless otherwise provided by the General Assembly.

Sec. 7. Court of Appeals.
The structure, organization, and composition of the Court of Appeals shall be determined by the General Assembly. The Court shall have not less than five members, and may be authorized to sit in divisions, or other than en banc. Sessions of the Court shall be held at such times and places as the General Assembly may prescribe.

Sec. 8. Retirement of Justices and Judges.
The General Assembly shall provide by general law for the retirement of Justices and Judges of the General Court of Justice, and may provide for the temporary recall of any retired Justice or Judge to serve on the court or courts of the division from which he was retired. The General Assembly shall also prescribe maximum age limits for service as a Justice or Judge.

Sec. 9. Superior Courts.
   (1) Superior Court districts. The General Assembly shall, from time to time, divide the State into a convenient number of Superior Court judicial districts and shall provide for the election of one or more Superior Court Judges for each district. Each regular Superior Court Judge shall reside in the district for which he is elected. The General Assembly may provide by general law for the selection or appointment of special or emergency Superior Court Judges not selected for a particular judicial district.
   (2) Open at all times; sessions for trial of cases. The Superior Courts shall be open at all times for the transaction of all business except the trial of issues of fact requiring a jury. Regular trial sessions of the Superior Court shall be held at times fixed pursuant to a calendar of courts promulgated by the Supreme Court. At least two sessions for the trial of jury cases shall be held annually in each county.
   (3) Clerks. A Clerk of the Superior Court for each county shall be elected for a term of four years by the qualified voters thereof, at the same time and places as members of the General Assembly are elected. If the office of Clerk of the Superior Court becomes vacant otherwise than by the expiration of the term, or if the people fail to elect, the senior regular resident Judge of the Superior Court serving the county shall appoint to fill the vacancy until an election can be regularly held.

Sec. 10. District Courts.
The General Assembly shall, from time to time, divide the State into a convenient number of local court districts and shall prescribe where the District Courts shall sit, but a District Court must sit in at least one place in each county. District Judges shall be elected for each district for a term of four years, in a manner prescribed by law. When more than one District Judge is authorized and elected for a district, the Chief Justice of the Supreme Court shall designate one of the judges as Chief District Judge. Every District Judge shall reside in the district for which he is elected. For each county, the senior regular resident Judge of the Superior Court serving the county shall appoint from nominations submitted by the Clerk of the Superior Court of the county, one or more Magistrates who shall be officers of the District Court. The initial term of appointment for a magistrate shall be for two years and subsequent terms shall be for four years. The number of District Judges and Magistrates shall, from time to time, be determined by the General Assembly. Vacancies in the office of District Judge shall be
filled for the unexpired term in a manner prescribed by law. Vacancies in the office of Magistrate shall be filled for the unexpired term in the manner provided for original appointment to the office, unless otherwise provided by the General Assembly.

Sec. 11. Assignment of Judges.

The Chief Justice of the Supreme Court, acting in accordance with rules of the Supreme Court, shall make assignments of Judges of the Superior Court and may transfer District Judges from one district to another for temporary or specialized duty. The principle of rotating Superior Court Judges among the various districts of a division is a salutary one and shall be observed. For this purpose the General Assembly may divide the State into a number of judicial divisions. Subject to the general supervision of the Chief Justice of the Supreme Court, assignment of District Judges within each local court district shall be made by the Chief District Judge.

Sec. 12. Jurisdiction of the General Court of Justice.

(1) Supreme Court. The Supreme Court shall have jurisdiction to review upon appeal any decision of the courts below, upon any matter of law or legal inference. The jurisdiction of the Supreme Court over “issues of fact” and “questions of fact” shall be the same exercised by it prior to the adoption of this Article, and the Court may issue any remedial writs necessary to give it general supervision and control over the proceedings of the other courts. The Supreme Court also has jurisdiction to review, when authorized by law, direct appeals from a final order or decision of the North Carolina Utilities Commission.

(2) Court of Appeals. The Court of Appeals shall have such appellate jurisdiction as the General Assembly may prescribe.

(3) Superior Court. Except as otherwise provided by the General Assembly, the Superior Court shall have original general jurisdiction throughout the State. The Clerks of the Superior Court shall have such jurisdiction and powers as the General Assembly shall prescribe by general law uniformly applicable in every county of the State.

(4) District Courts; Magistrates. The General Assembly shall, by general law uniformly applicable in every local court district of the State, prescribe the jurisdiction and powers of the District Courts and Magistrates.

(5) Waiver. The General Assembly may by general law provide that the jurisdictional limits may be waived in civil cases.

(6) Appeals. The General Assembly shall by general law provide a proper system of appeals. Appeals from Magistrates shall be heard de novo, with the right of trial by jury as defined in this Constitution and the laws of this State.

Sec. 13. Forms of action; rules of procedure.

(1) Forms of action. There shall be in this State but one form of action for the enforcement or protection of private rights or the redress of private wrongs, which shall be denominated a civil action, and in which there shall be a right to have issues of fact tried before a jury. Every action prosecuted by the people of the State as a party against a person charged with a public offense, for the punishment thereof, shall be termed a criminal action.

(2) Rules of procedure. The Supreme Court shall have exclusive authority to make rules of procedure and practice for the Appellate Division. The General Assembly may make rules of procedure and practice for the Superior Court and District Court Divisions, and the General Assembly may delegate this authority to the Supreme Court. No rule of procedure or practice shall abridge substantive rights or abrogate or limit the right of trial by jury. If the General Assembly should delegate to the Supreme Court the rule-making power, the General Assembly may, nevertheless, alter, amend, or repeal any rule of procedure or practice adopted by the Supreme Court for the Superior Court or District Court Divisions.

xxv
Sec. 14. Waiver of jury trial.
In all issues of fact joined in any court, the parties in any civil case may waive the right to have the issues determined by a jury, in which case the finding of the judge upon the facts shall have the force and effect of a verdict by a jury.

Sec. 15. Administration.
The General Assembly shall provide for an administrative office of the courts to carry out the provisions of this Article.

Sec. 16. Terms of office and election of Justices of the Supreme Court, Judges of the Court of Appeals, and Judges of the Superior Court.
Justices of the Supreme Court, Judges of the Court of Appeals, and regular Judges of the Superior Court shall be elected by the qualified voters and shall hold office for terms of eight years and until their successors are elected and qualified. Justices of the Supreme Court and Judges of the Court of Appeals shall be elected by the qualified voters of the State. Regular Judges of the Superior Court may be elected by the qualified voters of the State or by the voters of their respective districts, as the General Assembly may prescribe.

Sec. 17. Removal of Judges, Magistrates and Clerks.
(1) Removal of Judges by the General Assembly. Any Justice or Judge of the General Court of Justice may be removed from office for mental or physical incapacity by joint resolution of two-thirds of all the members of each house of the General Assembly. Any Justice or Judge against whom the General Assembly may be about to proceed shall receive notice thereof, accompanied by a copy of the causes alleged for his removal, at least 20 days before the day on which either house of the General Assembly shall act thereon. Removal from office by the General Assembly for any other cause shall be by impeachment.

(2) Additional method of removal of Judges. The General Assembly shall prescribe a procedure, in addition to impeachment and address set forth in this Section, for the removal of a Justice or Judge of the General Court of Justice for mental or physical incapacity interfering with the performance of his duties which is, or is likely to become, permanent, and for the censure and removal of a Justice or Judge of the General Court of Justice for wilful misconduct in office, wilful and persistent failure to perform his duties, habitual intemperance, conviction of a crime involving moral turpitude, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

(3) Removal of Magistrates. The General Assembly shall provide by general law for the removal of Magistrates for misconduct or mental or physical incapacity.

(4) Removal of Clerks. Any Clerk of the Superior Court may be removed from office for misconduct or mental or physical incapacity by the senior regular resident Superior Court Judge serving the county. Any Clerk against whom proceedings are instituted shall receive written notice of the charges against him at least 10 days before the hearing upon the charges. Any Clerk so removed from office shall be entitled to an appeal as provided by law.

Sec. 18. District Attorney and Prosecutorial Districts.
(1) District Attorneys. The General Assembly shall, from time to time, divide the State into a convenient number of prosecutorial districts, for each of which a District Attorney shall be chosen for a term of four years by the qualified voters thereof, at the same time and places as members of the General Assembly are elected. Only persons duly authorized to practice law in the courts of this State shall be eligible for election or appointment as a District Attorney. The District Attorney shall advise the officers of justice in his district, be responsible for the prosecution on behalf of the State of all criminal actions in the Superior Courts of his district, perform such duties related to appeals therefrom as the Attorney General may require, and perform such other duties as the General Assembly may prescribe.
(2) Prosecution in District Court Division. Criminal actions in the District Court Division shall be prosecuted in such manner as the General Assembly may prescribe by general law uniformly applicable in every local court district of the State.

Sec. 19. Vacancies.
Unless otherwise provided in this Article, all vacancies occurring in the offices provided for by this Article shall be filled by appointment of the Governor, and the appointees shall hold their places until the next election for members of the General Assembly that is held more than 60 days after the vacancy occurs, when elections shall be held to fill the offices. When the unexpired term of any of the offices named in this Article of the Constitution in which a vacancy has occurred, and in which it is herein provided that the Governor shall fill the vacancy, expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill that vacancy for the unexpired term of the office. If any person elected or appointed to any of these offices shall fail to qualify, the office shall be appointed to, held and filled as provided in case of vacancies occurring therein. All incumbents of these offices shall hold until their successors are qualified.

Sec. 20. Revenues and expenses of the judicial department.
The General Assembly shall provide for the establishment of a schedule of court fees and costs which shall be uniform throughout the State within each division of the General Court of Justice. The operating expenses of the judicial department, other than compensation to process servers and other locally paid non-judicial officers, shall be paid from State funds.

Sec. 21. Fees, salaries, and emoluments.
The General Assembly shall prescribe and regulate the fees, salaries, and emoluments of all officers provided for in this Article, but the salaries of Judges shall not be diminished during their continuance in office. In no case shall the compensation of any Judge or Magistrate be dependent upon his decision or upon the collection of costs.

Sec. 22. Qualification of Justices and Judges.
Only persons duly authorized to practice law in the courts of this State shall be eligible for election or appointment as a Justice of the Supreme Court, Judge of the Court of Appeals, Judge of the Superior Court, or Judge of District Court. This section shall not apply to persons elected to or serving in such capacities on or before January 1, 1981.

ARTICLE V
FINANCE

Section 1. No capitation tax to be levied.
No poll or capitation tax shall be levied by the General Assembly or by any county, city or town, or other taxing unit.

Sec. 2. State and local taxation.
(1) Power of taxation. The power of taxation shall be exercised in a just and equitable manner, for public purposes only, and shall never be surrendered, suspended, or contracted away.
(2) Classification. Only the General Assembly shall have the power to classify property for taxation, which power shall be exercised only on a State-wide basis and shall not be delegated. No class of property shall be taxed except by uniform rule, and every classification shall be made by general law uniformly applicable in every county, city and town, and other unit of local government.

xxvii
(3) Exemptions. Property belonging to the State, counties, and municipal corporations shall be exempt from taxation. The General Assembly may exempt cemeteries and property held for educational, scientific, literary, cultural, charitable, or religious purposes, and, to a value not exceeding $300, any personal property. The General Assembly may exempt from taxation not exceeding $1,000 in value of property held and used as the place of residence of the owner. Every exemption shall be on a State-wide basis and shall be made by general law uniformly applicable in every county, city and town, and other unit of local government. No taxing authority other than the General Assembly may grant exemptions, and the General Assembly shall not delegate the powers accorded to it by this subsection.

(4) Special tax areas. Subject to the limitations imposed by Section 4, the General Assembly may enact general laws authorizing the governing body of any county, city, or town to define territorial areas and to levy taxes within those areas, in addition to those levied throughout the county, city, or town, in order to finance, provide, or maintain services, facilities, and functions in addition to or to a greater extent than those financed, provided, or maintained for the entire county, city, or town.

(5) Purposes of property tax. The General Assembly shall not authorize any county, city or town, special district, or other unit of local government to levy taxes on property, except for purposes authorized by general law uniformly applicable throughout the State, unless the tax is approved by a majority of the qualified voters of the unit who vote thereon.

(6) Income tax. The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed.

(7) Contracts. The General Assembly may enact laws whereby the State, any county, city or town, and any other public corporation may contract with and appropriate money to any person, association, or corporation for the accomplishment of public purposes only.

Sec. 3. Limitations upon the increase of State debt.

(1) Authorized purposes; two-thirds limitation. The General Assembly shall have no power to contract debts secured by a pledge of the faith and credit of the State, unless approved by a majority of the qualified voters of the State who vote thereon, except for the following purposes:

(a) to fund or refund a valid existing debt;
(b) to supply an unforeseen deficiency in the revenue;
(c) to borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50 per cent of such taxes;
(d) to suppress riots or insurrections, or to repel invasions;
(e) to meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor;
(f) for any other lawful purpose, to the extent of two-thirds of the amount by which the State's outstanding indebtedness shall have been reduced during the next preceding biennium.

(2) Gift or loan of credit regulated. The General Assembly shall have no power to give or lend the credit of the State in aid of any person, association, or corporation, except a corporation in which the State has a controlling interest, unless the subject is submitted to a direct vote of the people of the State, and is approved by a majority of the qualified voters who vote thereon.

(3) Definitions. A debt is incurred within the meaning of this Section when the State borrows money. A pledge of the faith and credit within the meaning of this Section is a pledge of the taxing power. A loan of credit within the meaning of this Section occurs when the State exchanges its obligations with or in any way guarantees the debts of an individual, association, or private corporation.

(4) Certain debts barred. The General Assembly shall never assume or pay any debt or obligation, express or implied, incurred in aid of insurrection or rebellion against the United States. Neither shall the General Assembly assume or pay any debt or bond incurred or issued
Sec. 4. Limitations upon the increase of local government debt.

(1) Regulation of borrowing and debt. The General Assembly shall enact general laws relating to the borrowing of money secured by a pledge of the faith and credit and the contracting of other debts by counties, cities and towns, special districts, and other units, authorities, and agencies of local government.

(2) Authorized purposes; two-thirds limitation. The General Assembly shall have no power to authorize any county, city or town, special district, or other unit of local government to contract debts secured by a pledge of its faith and credit unless approved by a majority of the qualified voters of the unit who vote thereon, except for the following purposes:

(a) to fund or refund a valid existing debt;
(b) to supply an unforeseen deficiency in the revenue;
(c) to borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50 per cent of such taxes;
(d) to suppress riots or insurrections;
(e) to meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor;
(f) for purposes authorized by general laws uniformly applicable throughout the State, to the extent of two-thirds of the amount by which the unit's outstanding indebtedness shall have been reduced during the next preceding fiscal year.

(3) Gift or loan of credit regulated. No county, city or town, special district, or other unit of local government shall give or lend its credit in aid of any person, association, or corporation, except for public purposes as authorized by general law, and unless approved by a majority of the qualified voters of the unit who vote thereon.

(4) Certain debts barred. No county, city or town, or other unit of local government shall assume or pay any debt or the interest thereon contracted directly or indirectly in aid or support of rebellion or insurrection against the United States.

(5) Definitions. A debt is incurred within the meaning of this Section when a county, city or town, special district, or other unit, authority, or agency of local government borrows money. A pledge of faith and credit within the meaning of this Section is a pledge of the taxing power. A loan of credit within the meaning of this Section occurs when a county, city or town, special district, or other unit, authority, or agency of local government exchanges its obligations with or in any way guarantees the debts of an individual, association, or private corporation.

(6) Outstanding debt. Except as provided in subsection (4), nothing in this Section shall be construed to invalidate or impair the obligation of any bond, note, or other evidence of indebtedness outstanding or authorized for issue as of July 1, 1973.

Sec. 5. Acts levying taxes to state objects.

Every act of the General Assembly levying a tax shall state the special object to which it is to be applied, and it shall be applied to no other purpose.

Sec. 6. Inviolability of sinking funds and retirement funds.

(1) Sinking funds. The General Assembly shall not use or authorize to be used any part of the amount of any sinking fund for any purpose other than the retirement of the bonds for
which the sinking fund has been created, except that these funds may be invested as authorized by law.

(2) Retirement funds. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize to be used any part of the funds of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System for any purpose other than retirement system benefits and purposes, administrative expenses, and refunds; except that retirement system funds may be invested as authorized by law, subject to the investment limitation that the funds of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall not be applied, diverted, loaned to, or used by the State, any State agency, State officer, public officer, or public employee.

Sec. 7. Drawing public money.

(1) State treasury. No money shall be drawn from the State treasury but in consequence of appropriations made by law, and an accurate account of the receipts and expenditures of State funds shall be published annually.

(2) Local treasury. No money shall be drawn from the treasury of any county, city or town, or other unit of local government except by authority of law.

Sec. 8. Health care facilities.

Notwithstanding any other provisions of this Constitution, the General Assembly may enact general laws to authorize the State, counties, cities or towns, and other State and local governmental entities to issue revenue bonds to finance or refinance for any such governmental entity or any nonprofit private corporation, regardless of any church or religious relationship, the cost of acquiring, constructing, and financing health care facility projects to be operated to serve and benefit the public; provided, no cost incurred earlier than two years prior to the effective date of this section shall be refinanced. Such bonds shall be payable from the revenues, gross or net, of any such projects and any other health care facilities of any such governmental entity or nonprofit private corporation pledged therefor; shall not be secured by a pledge of the full faith and credit, or deemed to create an indebtedness requiring voter approval of any governmental entity; and may be secured by an agreement which may provide for the conveyance of title of, with or without consideration, any such project or facilities to the governmental entity or nonprofit private corporation. The power of eminent domain shall not be used pursuant hereto for nonprofit private corporations.

Sec. 9. Capital projects for industry.

Notwithstanding any other provision of this Constitution, the General Assembly may enact general laws to authorize counties to create authorities to issue revenue bonds to finance, but not to refinance, the cost of capital projects consisting of industrial, manufacturing and pollution control facilities for industry and pollution control facilities for public utilities, and to refund such bonds.

In no event shall such revenue bonds be secured by or payable from any public moneys whatsoever, but such revenue bonds shall be secured by and payable only from revenues or property derived from private parties. All such capital projects and all transactions therefor shall be subject to taxation to the extent such projects and transactions would be subject to taxation if no public body were involved therewith; provided, however, that the General Assembly may provide that the interest on such revenue bonds shall be exempt from income taxes within the State.

The power of eminent domain shall not be exercised to provide any property for any such capital project.
Sec. 10. Joint ownership of generation and transmission facilities.

In addition to other powers conferred upon them by law, municipalities owning or operating facilities for the generation, transmission or distribution of electric power and energy and joint agencies formed by such municipalities for the purpose of owning or operating facilities for the generation and transmission of electric power and energy (each, respectively, "a unit of municipal government") may jointly or severally own, operate and maintain works, plants and facilities, within or without the State, for the generation and transmission of electric power and energy, or both, with any person, firm, association or corporation, public or private, engaged in the generation, transmission or distribution of electric power and energy for resale (each, respectively, "a co-owner") within this State or any state contiguous to this State, and may enter into and carry out agreements with respect to such jointly owned facilities. For the purpose of financing its share of the cost of any such jointly owned electric generation or transmission facilities, a unit of municipal government may issue its revenue bonds in the manner prescribed by the General Assembly, payable as to both principal and interest solely from and secured by a lien and charge on all or any part of the revenue derived, or to be derived, by such unit of municipal government from the ownership and operation of its electric facilities; provided, however, that no unit of municipal government shall be liable, either jointly or severally, for any acts, omissions or obligations of any co-owner, nor shall any money or property of any unit of municipal government be credited or otherwise applied to the account of any co-owner or be charged with any debt, lien or mortgage as a result of any debt or obligation of any co-owner.

Sec. 11. Capital projects for agriculture.

Notwithstanding any other provision of the Constitution the General Assembly may enact general laws to authorize the creation of an agency to issue revenue bonds to finance the cost of capital projects consisting of agricultural facilities, and to refund such bonds. In no event shall such revenue bonds be secured by or payable from any public moneys whatsoever, but such revenue bonds shall be secured by and payable only from revenues or property derived from private parties. All such capital projects and all transactions therefor shall be subject to taxation to the extent such projects and transactions would be subject to taxation if no public body were involved therewith; provided, however, that the General Assembly may provide that the interest on such revenue bonds shall be exempt from income taxes within the State. The power of eminent domain shall not be exercised to provide any property for any such capital project.

Sec. 12. Higher education facilities.

Notwithstanding any other provisions of this Constitution, the General Assembly may enact general laws to authorize the State or any State entity to issue revenue bonds to finance and refinance the cost of acquiring, constructing, and financing higher education facilities to be operated to serve and benefit the public for any nonprofit private corporation, regardless of any church or religious relationship provided no cost incurred earlier than five years prior to the effective date of this section shall be refinanced. Such bonds shall be payable from any revenues or assets of any such nonprofit private corporation pledged therefor, shall not be secured by a pledge of the full faith and credit of the State or such State entity or deemed to create an indebtedness requiring voter approval of the State or such entity, and, where the title to such facilities is vested in the State or any State entity, may be secured by an agreement which may provide for the conveyance of title to, with or without consideration, such facilities to the nonprofit private corporation. The power of eminent domain shall not be used pursuant hereto.

Sec. 13. Seaport and airport facilities.

(1) Notwithstanding any other provision of this Constitution, the General Assembly may enact general laws to grant to the State, counties, municipalities, and other State and local
governmental entities all powers useful in connection with the development of new and existing seaports and airports, and to authorize such public bodies:

(a) to acquire, construct, own, own jointly with public and private parties, lease as lessee, mortgage, sell, lease as lessor, or otherwise dispose of lands and facilities and improvements, including undivided interest therein;

(b) to finance and refinance for public and private parties seaport and airport facilities and improvements which relate to, develop or further waterborne or airborne commerce and cargo and passenger traffic, including commercial, industrial, manufacturing, processing, mining, transportation, distribution, storage, marine, aviation and environmental facilities and improvements; and

(c) to secure any such financing or refinancing by all or any portion of their revenues, income or assets or other available monies associated with any of their seaport or airport facilities and with the facilities and improvements to be financed or refinanced, and by foreclosable liens on all or any part of their properties associated with any of their seaport or airport facilities and with the facilities and improvements to be financed or refinanced, but in no event to create a debt secured by a pledge of the faith and credit of the State or any other public body in the State.

Sec. 14. Project development financing.

Notwithstanding Section 4 of this Article, the General Assembly may enact general laws authorizing any county, city, or town to define territorial areas in the county, city, or town and borrow money to be used to finance public improvements associated with private development projects within the territorial areas, as provided in this section. The General Assembly shall set forth by statute the method for determining the size of the territorial area and the issuing unit. This method is conclusive. When a territorial area is defined pursuant to this section, the county shall determine the current assessed value of taxable real and personal property in the territorial area. Thereafter, property in the territorial area continues to be subject to taxation to the same extent and in like manner as property not in the territorial area, but the net proceeds of taxes levied on the excess, if any, of the assessed value of taxable real and personal property in the territorial area at the time the taxes are levied over the assessed value of taxable real and personal property in the territorial area at the time the territorial area was defined may be set aside. The instruments of indebtedness authorized by this section shall be secured by these set-aside proceeds. The General Assembly may authorize a county, city, or town issuing these instruments of indebtedness to pledge, as additional security, revenues available to the issuing unit from sources other than the issuing unit's exercise of its taxing power. As long as no revenues are pledged other than the set-aside proceeds authorized by this section and the revenues authorized in the preceding sentence, these instruments of indebtedness may be issued without approval by referendum. The county, city, or town may not pledge as security for these instruments of indebtedness any property tax revenues other than the set-aside proceeds authorized in this section, or in any other manner pledge its full faith and credit as security for these instruments of indebtedness unless a vote of the people is held as required by and in compliance with the requirements of Section 4 of this Article.

Notwithstanding the provisions of Section 2 of this Article, the General Assembly may enact general laws authorizing a county, city, or town that has defined a territorial area pursuant to this section to assess property within the territorial area at a minimum value if agreed to by the owner of the property, which agreed minimum value shall be binding on the current owner and any future owners as long as the defined territorial area is in effect.

xxxii
ARTICLE VI
SUFFRAGE AND ELIGIBILITY TO OFFICE

Section 1. Who may vote.
Every person born in the United States and every person who has been naturalized, 18 years of age, and possessing the qualifications set out in this Article, shall be entitled to vote at any election by the people of the State, except as herein otherwise provided.

Sec. 2. Qualifications of voter.
(1) Residence period for State elections. Any person who has resided in the State of North Carolina for one year and in the precinct, ward, or other election district for 30 days next preceding an election, and possesses the other qualifications set out in this Article, shall be entitled to vote at any election held in this State. Removal from one precinct, ward, or other election district to another in this State shall not operate to deprive any person of the right to vote in the precinct, ward, or other election district from which that person has removed until 30 days after the removal.
(2) Residence period for presidential elections. The General Assembly may reduce the time of residence for persons voting in presidential elections. A person made eligible by reason of a reduction in time of residence shall possess the other qualifications set out in this Article, shall only be entitled to vote for President and Vice President of the United States or for electors for President and Vice President, and shall not thereby become eligible to hold office in this State.
(3) Disqualification of felon. No person adjudged guilty of a felony against this State or the United States, or adjudged guilty of a felony in another state that also would be a felony if it had been committed in this State, shall be permitted to vote unless that person shall be first restored to the rights of citizenship in the manner prescribed by law.

Sec. 3. Registration.
Every person offering to vote shall be at the time legally registered as a voter as herein prescribed and in the manner provided by law. The General Assembly shall enact general laws governing the registration of voters.

Sec. 4. Qualification for registration.
Every person presenting himself for registration shall be able to read and write any section of the Constitution in the English language.

Sec. 5. Elections by people and General Assembly.
All elections by the people shall be by ballot, and all elections by the General Assembly shall be viva voce. A contested election for any office established by Article III of this Constitution shall be determined by joint ballot of both houses of the General Assembly in the manner prescribed by law.

Sec. 6. Eligibility to elective office.
Every qualified voter in North Carolina who is 21 years of age, except as in this Constitution disqualified, shall be eligible for election by the people to office.

Sec. 7. Oath.
Before entering upon the duties of an office, a person elected or appointed to the office shall take and subscribe the following oath:
"I, ______________, do solemnly swear (or affirm) that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not
inconsistent therewith, and that I will faithfully discharge the duties of my office as ____________, so help me God."

Sec. 8. Disqualifications for office.

The following persons shall be disqualified for office:

First, any person who shall deny the being of Almighty God.

Second, with respect to any office that is filled by election by the people, any person who is not qualified to vote in an election for that office.

Third, any person who has been adjudged guilty of treason or any other felony against this State or the United States, or any person who has been adjudged guilty of a felony in another state that also would be a felony if it had been committed in this State, or any person who has been adjudged guilty of corruption or malpractice in any office, or any person who has been removed by impeachment from any office, and who has not been restored to the rights of citizenship in the manner prescribed by law.

Sec. 9. Dual office holding.

(1) Prohibitions. It is salutary that the responsibilities of self-government be widely shared among the citizens of the State and that the potential abuse of authority inherent in the holding of multiple offices by an individual be avoided. Therefore, no person who holds any office or place of trust or profit under the United States or any department thereof, or under any other state or government, shall be eligible to hold any office in this State that is filled by election by the people. No person shall hold concurrently any two offices in this State that are filled by election of the people. No person shall hold concurrently any two or more appointive offices or places of trust or profit, or any combination of elective and appointive offices or places of trust or profit, except as the General Assembly shall provide by general law.

(2) Exceptions. The provisions of this Section shall not prohibit any officer of the military forces of the State or of the United States not on active duty for an extensive period of time, any notary public, or any delegate to a Convention of the People from holding concurrently another office or place of trust or profit under this State or the United States or any department thereof.

Sec. 10. Continuation in office.

In the absence of any contrary provision, all officers in this State, whether appointed or elected, shall hold their positions until other appointments are made or, if the offices are elective, until their successors are chosen and qualified.

ARTICLE VII
LOCAL GOVERNMENT

Section 1. General Assembly to provide for local government.

The General Assembly shall provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable.

The General Assembly shall not incorporate as a city or town, nor shall it authorize to be incorporated as a city or town, any territory lying within one mile of the corporate limits of any other city or town having a population of 5,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within three miles of the corporate limits of any other city or town having a population of 10,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within four miles of the corporate limits of any other city or town having a population of 25,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within
five miles of the corporate limits of any other city or town having a population of 50,000 or more according to the most recent decennial census of population taken by order of Congress. Notwithstanding the foregoing limitations, the General Assembly may incorporate a city or town by an act adopted by vote of three-fifths of all the members of each house.

Sec. 2. Sheriffs.
   In each county a Sheriff shall be elected by the qualified voters thereof at the same time and places as members of the General Assembly are elected and shall hold his office for a period of four years, subject to removal for cause as provided by law. No person is eligible to serve as Sheriff if that person has been convicted of a felony against this State, the United States, or another state, whether or not that person has been restored to the rights of citizenship in the manner prescribed by law. Convicted of a felony includes the entry of a plea of guilty; a verdict or finding of guilt by a jury, judge, magistrate, or other adjudicating body, tribunal, or official, either civilian or military; or a plea of no contest, nolo contendere, or the equivalent.

Sec. 3. Merged or consolidated counties.
   Any unit of local government formed by the merger or consolidation of a county or counties and the cities and towns therein shall be deemed both a county and a city for the purposes of this Constitution, and may exercise any authority conferred by law on counties, or on cities and towns, or both, as the General Assembly may provide.

ARTICLE VIII
CORPORATIONS

Section 1. Corporate charters.
   No corporation shall be created, nor shall its charter be extended, altered, or amended by special act, except corporations for charitable, educational, penal, or reformatory purposes that are to be and remain under the patronage and control of the State; but the General Assembly shall provide by general laws for the chartering, organization, and powers of all corporations, and for the amending, extending, and forfeiture of all charters, except those above permitted by special act. All such general acts may be altered from time to time or repealed. The General Assembly may at any time by special act repeal the charter of any corporation.

Sec. 2. Corporations defined.
   The term "corporation" as used in this Section shall be construed to include all associations and joint-stock companies having any of the powers and privileges of corporations not possessed by individuals or partnerships. All corporations shall have the right to sue and shall be subject to be sued in all courts, in like cases as natural persons.

ARTICLE IX
EDUCATION

Section 1. Education encouraged.
   Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools, libraries, and the means of education shall forever be encouraged.

Sec. 2. Uniform system of schools.
   (1) General and uniform system: term. The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein equal opportunities shall be provided for all students.
(2) Local responsibility. The General Assembly may assign to units of local government such responsibility for the financial support of the free public schools as it may deem appropriate. The governing boards of units of local government with financial responsibility for public education may use local revenues to add to or supplement any public school or post-secondary school program.

Sec. 3. School attendance.
The General Assembly shall provide that every child of appropriate age and of sufficient mental and physical ability shall attend the public schools, unless educated by other means.

Sec. 4. State Board of Education.
(1) Board. The State Board of Education shall consist of the Lieutenant Governor, the Treasurer, and eleven members appointed by the Governor, subject to confirmation by the General Assembly in joint session. The General Assembly shall divide the State into eight educational districts. Of the appointive members of the Board, one shall be appointed from each of the eight educational districts and three shall be appointed from the State at large. Appointments shall be for overlapping terms of eight years. Appointments to fill vacancies shall be made by the Governor for the unexpired terms and shall not be subject to confirmation.

(2) Superintendent of Public Instruction. The Superintendent of Public Instruction shall be the secretary and chief administrative officer of the State Board of Education.

Sec. 5. Powers and duties of Board.
The State Board of Education shall supervise and administer the free public school system and the educational funds provided for its support, except the funds mentioned in Section 7 of this Article, and shall make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly.

Sec. 6. State school fund.
The proceeds of all lands that have been or hereafter may be granted by the United States to this State, and not otherwise appropriated by this State or the United States; all moneys, stocks, bonds, and other property belonging to the State for purposes of public education; the net proceeds of all sales of the swamp lands belonging to the State; and all other grants, gifts, and devises that have been or hereafter may be made to the State, and not otherwise appropriated by the State or by the terms of the grant, gift, or devise, shall be paid into the State Treasury and, together with so much of the revenue of the State as may be set apart for that purpose, shall be faithfully appropriated and used exclusively for establishing and maintaining a uniform system of free public schools.

Sec. 7. County school fund; State fund for certain moneys.
(a) Except as provided in subsection (b) of this section, all moneys, stocks, bonds, and other property belonging to a county school fund, and the clear proceeds of all penalties and forfeitures and of all fines collected in the several counties for any breach of the penal laws of the State, shall belong to and remain in the several counties, and shall be faithfully appropriated and used exclusively for maintaining free public schools.

(b) The General Assembly may place in a State fund the clear proceeds of all civil penalties, forfeitures, and fines which are collected by State agencies and which belong to the public schools pursuant to subsection (a) of this section. Moneys in such State fund shall be faithfully appropriated by the General Assembly, on a per pupil basis, to the counties, to be used exclusively for maintaining free public schools.

Sec. 8. Higher education.
The General Assembly shall maintain a public system of higher education, comprising The University of North Carolina and such other institutions of higher education as the General
Assembly may deem wise. The General Assembly shall provide for the selection of trustees of The University of North Carolina and of the other institutions of higher education, in whom shall be vested all the privileges, rights, franchises, and endowments heretofore granted to or conferred upon the trustees of these institutions. The General Assembly may enact laws necessary and expedient for the maintenance and management of The University of North Carolina and the other public institutions of higher education.

Sec. 9. Benefits of public institutions of higher education.
The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.

Sec. 10. Escheats.
(1) Escheats prior to July 1, 1971. All property that prior to July 1, 1971, accrued to the State from escheats, unclaimed dividends, or distributive shares of the estates of deceased persons shall be appropriated to the use of The University of North Carolina.
(2) Escheats after June 30, 1971. All property that, after June 30, 1971, shall accrue to the State from escheats, unclaimed dividends, or distributive shares of the estates of deceased persons shall be used to aid worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State. The method, amount, and type of distribution shall be prescribed by law.

ARTICLE X
HOMESTEADS AND EXEMPTIONS

Section 1. Personal property exemptions.
The personal property of any resident of this State, to a value fixed by the General Assembly but not less than $500, to be selected by the resident, is exempted from sale under execution or other final process of any court, issued for the collection of any debt.

Sec. 2. Homestead exemptions.
(1) Exemption from sale; exceptions. Every homestead and the dwellings and buildings used therewith, to a value fixed by the General Assembly but not less than $1,000, to be selected by the owner thereof, or in lieu thereof, at the option of the owner, any lot in a city or town with the dwellings and buildings used thereon, and to the same value, owned and occupied by a resident of the State, shall be exempt from sale under execution or other final process obtained on any debt. But no property shall be exempt from sale for taxes, or for payment of obligations contracted for its purchase.
(2) Exemption for benefit of children. The homestead, after the death of the owner thereof, shall be exempt from the payment of any debt during the minority of the owner's children, or any of them.
(3) Exemption for benefit of surviving spouse. If the owner of a homestead dies, leaving a surviving spouse but no minor children, the homestead shall be exempt from the debts of the owner, and the rents and profits thereof shall inure to the benefit of the surviving spouse until he or she remarries, unless the surviving spouse is the owner of a separate homestead.
(4) Conveyance of homestead. Nothing contained in this Article shall operate to prevent the owner of a homestead from disposing of it by deed, but no deed made by a married owner of a homestead shall be valid without the signature and acknowledgement of his or her spouse.
Sec. 3. Mechanics' and laborers' liens.

The General Assembly shall provide by proper legislation for giving to mechanics and laborers an adequate lien on the subject-matter of their labor. The provisions of Sections 1 and 2 of this Article shall not be so construed as to prevent a laborer's lien for work done and performed for the person claiming the exemption or a mechanic's lien for work done on the premises.

Sec. 4. Property of married women secured to them.

The real and personal property of any female in this State acquired before marriage, and all property, real and personal, to which she may, after marriage, become in any manner entitled, shall be and remain the sole and separate estate and property of such female, and shall not be liable for any debts, obligations, or engagements of her husband, and may be devised and bequeathed and conveyed by her, subject to such regulations and limitations as the General Assembly may prescribe. Every married woman may exercise powers of attorney conferred upon her by her husband, including the power to execute and acknowledge deeds to property owned by herself and her husband or by her husband.

Sec. 5. Insurance.

A person may insure his or her own life for the sole use and benefit of his or her spouse or children or both, and upon his or her death the proceeds from the insurance shall be paid to or for the benefit of the spouse or children or both, or to a guardian, free from all claims of the representatives or creditors of the insured or his or her estate. Any insurance policy which insures the life of a person for the sole use and benefit of that person's spouse or children or both shall not be subject to the claims of creditors of the insured during his or her lifetime, whether or not the policy reserves to the insured during his or her lifetime any or all rights provided for by the policy and whether or not the policy proceeds are payable to the estate of the insured in the event the beneficiary or beneficiaries predecease the insured.

ARTICLE XI
PUNISHMENTS, CORRECTIONS, AND CHARITIES

Section 1. Punishments.

The following punishments only shall be known to the laws of this State: death, imprisonment, fines, suspension of a jail or prison term with or without conditions, restitution, community service, restraints on liberty, work programs, removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under this State.

Sec. 2. Death punishment.

The object of punishments being not only to satisfy justice, but also to reform the offender and thus prevent crime, murder, arson, burglary, and rape, and these only, may be punishable with death, if the General Assembly shall so enact.

Sec. 3. Charitable and correctional institutions and agencies.

Such charitable, benevolent, penal, and correctional institutions and agencies as the needs of humanity and the public good may require shall be established and operated by the State under such organization and in such manner as the General Assembly may prescribe.

Sec. 4. Welfare policy; board of public welfare.

Beneficent provision for the poor, the unfortunate, and the orphan is one of the first duties of a civilized and a Christian state. Therefore the General Assembly shall provide for and define the duties of a board of public welfare.
ARTICLE XII
MILITARY FORCES

Section 1. Governor is Commander in Chief.
The Governor shall be Commander in Chief of the military forces of the State and may call out those forces to execute the law, suppress riots and insurrections, and repel invasion.

ARTICLE XIII
CONVENTIONS; CONSTITUTIONAL AMENDMENT AND REVISION

Section 1. Convention of the People.
No Convention of the People of this State shall ever be called unless by the concurrence of two-thirds of all the members of each house of the General Assembly, and unless the proposition "Convention or No Convention" is first submitted to the qualified voters of the State at the time and in the manner prescribed by the General Assembly. If a majority of the votes cast upon the proposition are in favor of a Convention, it shall assemble on the day prescribed by the General Assembly. The General Assembly shall, in the act submitting the convention proposition, propose limitations upon the authority of the Convention; and if a majority of the votes cast upon the proposition are in favor of a Convention, those limitations shall become binding upon the Convention. Delegates to the Convention shall be elected by the qualified voters at the time and in the manner prescribed in the act of submission. The Convention shall consist of a number of delegates equal to the membership of the House of Representatives of the General Assembly that submits the convention proposition and the delegates shall be apportioned as is the House of Representatives. A Convention shall adopt no ordinance not necessary to the purpose for which the Convention has been called.

Sec. 2. Power to revise or amend Constitution reserved to people.
The people of this State reserve the power to amend this Constitution and to adopt a new or revised Constitution. This power may be exercised by either of the methods set out hereinafter in this Article, but in no other way.

Sec. 3. Revision or amendment by Convention of the People.
A Convention of the People of this State may be called pursuant to Section 1 of this Article to propose a new or revised Constitution or to propose amendments to this Constitution. Every new or revised Constitution and every constitutional amendment adopted by a Convention shall be submitted to the qualified voters of the State at the time and in the manner prescribed by the Convention. If a majority of the votes cast thereon are in favor of ratification of the new or revised Constitution or the constitutional amendment or amendments, it or they shall become effective January first next after ratification by the qualified voters unless a different effective date is prescribed by the Convention.

Sec. 4. Revision or amendment by legislative initiation.
A proposal of a new or revised Constitution or an amendment or amendments to this Constitution may be initiated by the General Assembly, but only if three-fifths of all the members of each house shall adopt an act submitting the proposal to the qualified voters of the State for their ratification or rejection. The proposal shall be submitted at the time and in the manner prescribed by the General Assembly. If a majority of the votes cast thereon are in favor of the proposed new or revised Constitution or constitutional amendment or amendments, it or they shall become effective January first next after ratification by the voters unless a different effective date is prescribed in the act submitting the proposal or proposals to the qualified voters.
ARTICLE XIV
MISCELLANEOUS

Section 1. Seat of government.
The permanent seat of government of this State shall be at the City of Raleigh.

Sec. 2. State boundaries.
The limits and boundaries of the State shall be and remain as they now are.

Sec. 3. General laws defined.
Whenever the General Assembly is directed or authorized by this Constitution to enact general laws, or general laws uniformly applicable throughout the State, or general laws uniformly applicable in every county, city and town, and other unit of local government, or in every local court district, no special or local act shall be enacted concerning the subject matter directed or authorized to be accomplished by general or uniformly applicable laws, and every amendment or repeal of any law relating to such subject matter shall also be general and uniform in its effect throughout the State. General laws may be enacted for classes defined by population or other criteria. General laws uniformly applicable throughout the State shall be made applicable without classification or exception in every unit of local government of like kind, such as every county, or every city and town, but need not be made applicable in every unit of local government in the State. General laws uniformly applicable in every county, city and town, and other unit of local government, or in every local court district, shall be made applicable without classification or exception in every unit of local government, or in every local court district, as the case may be. The General Assembly may at any time repeal any special, local, or private act.

Sec. 4. Continuity of laws; protection of office holders.
The laws of North Carolina not in conflict with this Constitution shall continue in force until lawfully altered. Except as otherwise specifically provided, the adoption of this Constitution shall not have the effect of vacating any office or term of office now filled or held by virtue of any election or appointment made under the prior Constitution of North Carolina and the laws of the State enacted pursuant thereto.

Sec. 5. Conservation of natural resources.
It shall be the policy of this State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational, and scenic areas, to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, openlands, and places of beauty.

To accomplish the aforementioned public purposes, the State and its counties, cities and towns, and other units of local government may acquire by purchase or gift properties or interests in properties which shall, upon their special dedication to and acceptance by a law enacted by a vote of three-fifths of the members of each house of the General Assembly for those public purposes, constitute part of the 'State Nature and Historic Preserve,' and which shall not be used for other purposes except as authorized by law enacted by a vote of three-fifths of the members of each house of the General Assembly. The General Assembly shall prescribe by general law the conditions and procedures under which such properties or interests therein shall be dedicated for the aforementioned public purposes.
Sec. 6. Marriage.

Marriage between one man and one woman is the only domestic legal union that shall be valid or recognized in this State. This section does not prohibit a private party from entering into contracts with another private party; nor does this section prohibit courts from adjudicating the rights of private parties pursuant to such contracts.
SESSION LAWS
OF THE
STATE OF NORTH CAROLINA

REGULAR SESSION 2014

Session Law 2014-1  S.B. 294

AN ACT TO ALLOW ENTITIES REGULATED UNDER PHASE II OF THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM PROGRAM TO UTILIZE THE DEPARTMENT OF TRANSPORTATION'S BEST MANAGEMENT PRACTICES TOOLBOX FOR LINEAR TRANSPORTATION PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 9 of S.L. 2006-246, as amended by S.L. 2008-198, reads as rewritten:

"SECTION 9. Post-Construction Practices. –
(a) For post-construction requirements, a program will be deemed compliant for the areas where it is implementing any of the following programs:
(b) In order to fulfill the post-construction minimum measure program requirement, a permittee, delegated program, or regulated entity may use the Department's model ordinance, design its own post-construction practices based on the Department's guidance on scientific and engineering standards for best management practices (BMPs), incorporate the post-construction model practices described in this act, or develop its own comprehensive watershed plan that is determined by the Department to meet the post-construction stormwater management measure required by 40 Code of Federal Regulations § 122.34(b)(5) (1 July 2003 Edition).
(b1) In order to fulfill the post-construction minimum measure requirement for linear transportation projects, including private transportation projects constructed to North Carolina Department of Transportation standards that will be conveyed to the State upon completion, a permittee, delegated program, or regulated entity may use the Stormwater Best Management Practices Toolbox developed by the North Carolina Department of Transportation.
(c) Permittees, delegated programs, and regulated entities must require stormwater controls for a project that disturbs one acre or more of land, including a project that disturbs
less than one acre of land that is part of a larger common plan of development or sale. The stormwater controls shall be appropriate to the project's level of density as follows:

(1) Post-construction model practices for low-density projects. – A project that is located within one-half mile of and draining to Shellfish Resource Waters is a low-density project if it contains no more than twelve percent (12%) built-upon area. A project that is not located within one-half mile of Shellfish Resource Waters is a low-density project if it contains no more than twenty-four percent (24%) built-upon area or no more than two dwelling units per acre. Low-density projects must use vegetated conveyances to the maximum extent practicable to transport stormwater runoff from the project. On-site stormwater treatment devices such as infiltration areas, bioretention areas, and level spreaders may also be used as added controls for stormwater runoff. A project with an overall density at or below the low-density thresholds, but containing areas with a density greater than the overall project density, may be considered low density as long as the project meets or exceeds the post-construction model practices for low-density projects and locates the higher density in upland areas and away from surface waters and drainageways to the maximum extent practicable.

(2) Post-construction model practices for high-density projects. – A project that is located within one-half mile of and draining to Shellfish Resource Waters is a high-density project if it contains more than twelve percent (12%) built-upon area. A project that is not located within one-half mile of Shellfish Resource Waters is a high-density project if it contains more than twenty-four percent (24%) built-upon area or more than two dwelling units per acre. High-density projects must use structural stormwater management systems that will control and treat runoff from the first one inch of rain unless the project is in a county that is subject to the Coastal Area Management Act of 1974, in which case the project must use structural stormwater management systems that will control and treat runoff from the first one and one-half inches of rain. In addition, projects that are located within one-half mile and draining to Shellfish Resource Waters must control and treat the difference in the stormwater runoff from the predevelopment and post-development conditions for the one-year, 24-hour storm. The structural stormwater management system must also meet the following design standards:
   a. Draw down the treatment volume no faster than 48 hours, but no slower than 120 hours.
   b. Discharge the storage volume at a rate equal to or less than the predevelopment discharge rate for the one-year, 24-hour storm.
   c. Remove an eighty-five percent (85%) average annual amount of Total Suspended Solids.
   d. Meet the General Engineering Design Criteria set out in 15A NCAC 02H .1008(c).
   e. Wet detention ponds designed in accordance with the requirements of subsection (h) of this section may be used for projects draining to Class SA waters.

(d) Permittees, delegated programs, and regulated entities must require built-upon areas to be located at least 30 feet landward of all perennial and intermittent surface waters. For purposes of this section, a surface water shall be present if the feature is shown on either the most recent version of the soil survey map prepared by the Natural Resources Conservation Service of the United States Department of Agriculture or the most recent version of the 1:24,000 scale (7.5 minute) quadrangle topographic maps prepared by the United States Geologic Survey (USGS). Relief from this requirement may be allowed when surface waters
are not present in accordance with the provisions of 15A NCAC 02B .0233(3)(a). In addition, an exception to this requirement may be pursued in accordance with subsection (a) of Section 11 of this act.

(e) Permittees, delegated programs, and regulated entities must implement or require a fecal coliform reduction program that controls, to the maximum extent practicable, the sources of fecal coliform. At a minimum, the program shall include the development and implementation of an oversight program to ensure proper operation and maintenance of on-site wastewater treatment systems for domestic wastewater. For municipalities, this program may be coordinated with local county health departments.

(f) Permittees, delegated programs, and regulated entities must impose or require recorded restrictions and protective covenants to be recorded on the property in the Office of the Register of Deeds in the county where the property is located prior to the issuance of a certificate of occupancy in order to ensure that development activities will maintain the project consistent with approved plans.

(g) Permittees, delegated programs, and regulated entities must implement or require an operation and maintenance plan that ensures the adequate long-term operation of the structural BMPs required by the program. The operation and maintenance plan must require the owner of each structural BMP to submit a maintenance inspection report on each structural BMP annually to the local program.

(h) For areas draining to Class SA waters, permittees, delegated programs, and regulated entities must:

1. Use BMPs that result in the highest degree of fecal coliform die-off and control to the maximum extent practicable sources of fecal coliform while still incorporating the stormwater controls required by the project's density level.

2. Implement a program to control the sources of fecal coliform to the maximum extent practicable, including a pet waste management component, which may be achieved by revising an existing litter ordinance, and an on-site domestic wastewater treatment systems component to ensure proper operation and maintenance of such systems, which may be coordinated with local county health departments.

3. Prohibit new points of stormwater discharge to Class SA waters and prohibit both increases in the volume of stormwater flow through conveyances and increases in capacity of conveyances in existing stormwater conveyance systems that drain to Class SA waters. Any modification or redesign of a stormwater conveyance system within the contributing drainage basin must not increase the net amount or rate of stormwater discharge through existing outfalls to Class SA waters. Diffuse flow of stormwater at a nonerosive velocity to a vegetated buffer or other natural area capable of providing effective infiltration of the runoff from the one-year, 24-hour storm shall not be considered a direct point of stormwater discharge. Consideration shall be given to soil type, slope, vegetation, and existing hydrology when evaluating infiltration effectiveness.

(i) For areas draining to Trout Waters, permittees, delegated programs, and regulated entities must:

1. Use BMPs that avoid a sustained increase in the receiving water temperature, while still incorporating the stormwater controls required for the project's density level.

2. Allow on-site stormwater treatment devices such as infiltration areas, bioretention areas, and level spreaders as added controls.

(j) For areas draining to Nutrient Sensitive Waters, permittees, delegated programs, and regulated entities must:
(1) Use BMPs that reduce nutrient loading, while still incorporating the stormwater controls required for the project's density level. In areas where the Department has approved a Nutrient Sensitive Water Urban Stormwater Management Program, the provisions of that program fulfill the nutrient loading reduction requirement. Nutrient Sensitive Water Urban Stormwater Management Program requirements are found in 15A NCAC 02B .0200.

(2) Implement a nutrient application management program for both inorganic fertilizer and organic nutrients to reduce nutrients entering waters of the State.

(k) For BMPs that require a separation from the seasonal high-water table, the separation shall be provided by at least 12 inches of naturally occurring soil above the seasonal high-water table.

(l) Nothing in this section shall limit, expand, or alter the requirement that a discharge fully comply with all applicable State or federal water quality standards.

SECTION 2. This act becomes effective January 1, 2012.

In the General Assembly read three times and ratified this the 28th day of May, 2014.

Became law upon approval of the Governor at 4:05 p.m. on the 29th day of May, 2014.

Session Law 2014-2  H.B. 688

AN ACT AMENDING THE CONTINUING EDUCATION REQUIREMENTS FOR CERTIFIED WELL CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-98.12 reads as rewritten:

"§ 87-98.12. Continuing education requirements. (a) In order to continue to be certified under this Article, a well contractor shall satisfactorily complete the number of two hours of approved continuing education required by the Commission each year for the first three years of the contractor's certification. The Commission shall not require a well contractor properly certified in accordance with the provisions of this Article and rules adopted under this Article to obtain continuing education credits for annual renewal of certification after the contractor's third year of certification, except as provided in subsection (b) of this section. The Commission shall establish the minimum number of hours of continuing education that shall be required to maintain certification, shall specify the scope of required continuing education courses for this purpose and shall approve continuing education courses.

(b) Notwithstanding subsection (a) of this section, in order to continue to be certified under this Article, a well contractor against whom disciplinary action is taken pursuant to the provisions of this Article and rules adopted under this Article shall satisfactorily complete the number of hours of approved educational courses required by the Commission for remedial purposes. The Commission shall specify the scope of required continuing education courses for this purpose and shall approve continuing education courses.

(c) The Commission shall adopt or amend its rules in accordance with this section."

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

In the General Assembly read three times and ratified this the 28th day of May, 2014.

Became law upon approval of the Governor at 4:05 p.m. on the 29th day of May, 2014.
PART I. DEDUCTION FOR STATE NET LOSS

SECTION 1.1. (a) G.S. 105-130.5(b) reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

(4) Losses in the nature Any unused portion of a net economic loss as allowed under G.S. 105-130.8A(e), losses sustained by the corporation in any or all of the 15 preceding years pursuant to the provisions of G.S. 105-130.8. A corporation required to allocate and apportion its net income under the provisions of G.S. 105-130.4 shall deduct its allocable net economic loss only from total income allocable to this State pursuant to the provisions of G.S. 105-130.8. This subdivision expires for taxable years beginning on or after January 1, 2030.

(4a) A State net loss as allowed under G.S. 105-130.8A. A corporation may deduct its allocable and apportionable State net loss only from total income allocable and apportionable to this State.

..."

SECTION 1.1. (b) G.S. 105-130.8 is repealed.

SECTION 1.1. (c) Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

§ 105-130.8A. Net loss provisions.  
(a) State Net Loss. – A taxpayer's State net loss for a taxable year is the amount by which allowable deductions for the year, other than prior year losses, exceed gross income under the Code for the year adjusted as provided in G.S. 105-130.5. In the case of a corporation that has income from business activity within and without this State, the loss must be allocated and apportioned to this State in the year of the loss in accordance with G.S. 105-130.4.

(b) Deduction. – A taxpayer may carry forward a State net loss the taxpayer incurred in a prior taxable year and deduct it in the current taxable year, subject to the limitations in this subsection:

(1) The loss was incurred in one of the preceding 15 taxable years.

(2) Any loss carried forward is applied to the next succeeding taxable year before any portion of it is carried forward and applied to a subsequent taxable year.

(c) Mergers and Acquisitions. – The Secretary must apply the standards contained in regulations adopted under sections 381 and 382 of the Code in determining the extent to which a loss survives a merger or an acquisition.

(d) Administration. – A taxpayer claiming a deduction under this section must maintain and make available for inspection by the Secretary all records necessary to determine and verify the amount of the deduction. The Secretary or the taxpayer may redetermine a loss originating in a taxable year that is closed under the statute of limitations for the purpose of determining the amount of loss that can be carried forward to a taxable year that remains open under the statute of limitations.

(e) Net Economic Loss Carryforward. – For taxable years beginning before January 1, 2015, a taxpayer is allowed a net economic loss as calculated under G.S. 105-130.8. In determining and verifying the amount of a net economic loss incurred or carried forward for taxable years beginning before January 1, 2015, the provisions of G.S. 105-130.8 apply. Any
unused portion of a net economic loss carried forward to taxable years beginning on or after January 1, 2015, is administered in accordance with this section. This subsection expires for taxable years beginning on or after January 1, 2030."

SECTION 1.1.(d) This Part becomes effective for taxable years beginning on or after January 1, 2015.

PART II. OTHER INCOME TAX CHANGES

SECTION 2.1.(a) G.S. 105-130.5B reads as rewritten:

"§ 105-130.5B. Adjustments when State decouples from federal accelerated depreciation and expensing.

(c) Section 179 Expense. – For purposes of this subdivision, the definition of section 179 property has the same meaning as under section 179 of the Code as of January 2, 2013. A taxpayer who places section 179 property in service during a taxable year listed in the table below must add to the taxpayer's federal taxable income eighty-five percent (85%) of the amount by which the taxpayer's expense deduction under section 179 of the Code exceeds the dollar and investment limitation listed in the table below for the taxable year.

A taxpayer is allowed to deduct twenty percent (20%) of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income.

<table>
<thead>
<tr>
<th>Taxable Year of Dollar Limitation</th>
<th>Dollar Limitation</th>
<th>Investment Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2011</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2012</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2013</td>
<td>$25,000</td>
<td>$125,000$200,000</td>
</tr>
</tbody>
</table>

(e) Bonus Asset Basis. – In the event of an actual or deemed transfer of an asset occurring on or after January 1, 2013, wherein the tax basis of the asset carries over from the transferor to the transferee for federal income tax purposes, the transferee must add any remaining deductions allowed under subsection (a) of this section to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset. Notwithstanding the provisions of subsection (a) of this section, the transferor is not allowed any remaining future bonus depreciation deductions associated with the transferred asset.

(f) Prior Transactions. – For any transaction meeting both the requirements of subsection (e) of this section prior to January 1, 2013, and the conditions of this subsection, the transferor and transferee can make an election to make the basis adjustment allowed in that subsection on the transferee's 2013 tax return, to the extent that the return. If the asset has been disposed of or has no remaining useful life on the books of the transferee, the remaining bonus depreciation deduction may be allowed on the transferee's 2013 tax return. For this subsection to apply, the following conditions must be met:

1. The transferor has not taken the bonus depreciation deduction on a prior return and provided that the return.
2. The transferor certifies in writing to the transferee that the transferor will not take any remaining deductions allowed under subsection (a) of this section for tax years beginning on or after January 1, 2013, for depreciation associated with the transferred asset.

(g) Tax Basis. – For transactions described in subsections (e) or (f) of this section, federal taxable income must be increased or decreased to account for any difference in the amount of depreciation, amortization, or gains or losses applicable to the property that has been depreciated or amortized by use of a different basis or rate for State income tax purposes than used for federal income tax purposes."

SECTION 2.1.(b) G.S. 105-134.6A reads as rewritten:
§ 105-134.6A. (Repealed effective January 1, 2014) Adjustments when State decouples from federal accelerated depreciation and expensing.

... (c) Section 179 Expense. – For purposes of this subdivision, the definition of section 179 property has the same meaning as under section 179 of the Code as of January 2, 2013. A taxpayer who places section 179 property in service during a taxable year listed in the table below must add to the taxpayer's federal taxable income or adjusted gross income, as appropriate, eighty-five percent (85%) of the amount by which the taxpayer's expense deduction under section 179 of the Code exceeds the dollar and investment limitation listed in the table below for that taxable year. For taxable years before 2012, the taxpayer must add the amount to the taxpayer's federal taxable income. For taxable year 2012 and after, the taxpayer must add the amount to the taxpayer's adjusted gross income.

A taxpayer is allowed to deduct twenty percent (20%) of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income. The table below shows the taxable years, dollar limitation, and investment limitation for purposes of this provision:

<table>
<thead>
<tr>
<th>Taxable Year of 85% Add-Back</th>
<th>Dollar Limitation</th>
<th>Investment Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2011</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2012</td>
<td>$250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2013</td>
<td>$25,000</td>
<td>$125,000</td>
</tr>
</tbody>
</table>

... (e) Bonus Asset Basis. – In the event of an actual or deemed transfer of an asset occurring on or after January 1, 2013, wherein the tax basis of the asset carries over from the transferor to the transferee for federal income tax purposes, the transferee must add any remaining deductions allowed under subsection (a) of this section to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset. Notwithstanding the provisions of subsection (a) of this section, the transferor and any owner in a transferor are not allowed any remaining future bonus depreciation deductions associated with the transferred asset. This subsection applies only to the extent that each transferor or owner in a transferor that added bonus depreciation to its federal taxable income or adjusted gross income associated with the transferred asset certifies in writing to the transferee, that the transferor or owner in a transferor will not take any remaining future bonus depreciation deduction associated with the transferred asset.

(f) Prior Transactions. – For any transaction meeting both the requirements of subsection (e) of this section prior to January 1, 2013, and the conditions of this subsection, the transferor and transferee can make an election to make the basis adjustment allowed in that subsection on the transferee's 2013 tax return, to the extent that the asset has not been disposed of or has no remaining useful life on the books of the transferee. For this subsection to apply, the following conditions must be met:

1. The transferor and any owner in a transferor has not taken the bonus depreciation deduction on a prior return and provided that the return.

2. The transferor is not allowed any remaining future bonus depreciation deductions associated with the transferred asset and each transferor or owner in a transferor certifies in writing to the transferee that the transferor or owner in a transferor will not take any remaining deductions allowed under subsection (a) of this section for tax years beginning on or after January 1, 2013, for depreciation associated with the transferred asset.

3. The amount of the basis adjustment under this subsection is limited to the total remaining future bonus depreciation deductions forfeited by the transferor and any owner in the transferor at the time of the transfer.

(g) Tax Basis. – For transactions described in subsection (e) or (f) of this section, adjusted gross income must be increased or decreased to account for any difference in the...
amount of depreciation, amortization, or gains or losses applicable to property that has been
depreciated or amortized by use of a different basis or rate for State income tax purposes than
used for federal income tax purposes prior to the effective date of this section.

(h) Definitions. – For purposes of this section, a "transferor" is an individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries, and an "owner in a transferor" is a partner, shareholder, member, or beneficiary subject to tax under Part 2 or 3 of Article 4 of this Chapter of a transferor.

SECTION 2.1.(c) G.S. 105-153.6 reads as rewritten:

"§ 105-153.6. (Effective for taxable years beginning on or after January 1, 2014) Adjustments when State decouples from federal accelerated depreciation and expensing.

(c) Section 179 Expense. – For purposes of this subdivision, the definition of section 179 property has the same meaning as under section 179 of the Code as of January 2, 2013. A taxpayer who places section 179 property in service during a taxable year listed in the table below must add to the taxpayer's federal taxable income or adjusted gross income, as appropriate, eighty-five percent (85%) of the amount by which the taxpayer's expense deduction under section 179 of the Code exceeds the dollar and investment limitation listed in the table below for that taxable year. For taxable years before 2012, the taxpayer must add the amount to the taxpayer's federal taxable income. For taxable year 2012 and after, the taxpayer must add the amount to the taxpayer's adjusted gross income.

A taxpayer is allowed to deduct twenty percent (20%) of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income.

<table>
<thead>
<tr>
<th>Taxable Year of Dollar Limitation Investment Limitation</th>
<th>85% Add-Back</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 $250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2011 $250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2012 $250,000</td>
<td>$800,000</td>
</tr>
<tr>
<td>2013 $25,000</td>
<td>$125,000 $200,000</td>
</tr>
</tbody>
</table>

(e) Bonus Asset Basis. – In the event of an actual or deemed transfer of an asset occurring on or after January 1, 2013, wherein the tax basis of the asset carries over from the transferor to the transferee for federal income tax purposes, the transferee must add any remaining deductions allowed under subsection (a) of this section to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset. Notwithstanding the provisions of subsection (a) of this section, the transferor and any owner in a transferor are not allowed any remaining future bonus depreciation deductions associated with the transferred asset. This subsection applies only to the extent that each transferor or owner in a transferor that added bonus depreciation to its federal taxable income or adjusted gross income associated with the transferred asset certifies in writing to the transferee, that the transferor or owner in a transferor will not take any remaining future bonus depreciation deduction associated with the transferred asset.

(f) Prior Transactions. – For any transaction meeting both the requirements of subsection (e) of this section prior to January 1, 2013, and the conditions of this subsection, the transferor and transferee can make an election to make the basis adjustment allowed in that subsection on the transferee's 2013 tax return, to the extent that the return. If the asset has been disposed of or has no remaining useful life on the books of the transferee, the remaining bonus depreciation deduction may be allowed on the transferee's 2013 tax return. For this subsection to apply, the following conditions must be met:

(1) The transferor and or any owner in a transferor has not taken the bonus depreciation deduction on a prior return and provided that the return.
(2) The transferor is not allowed any remaining future bonus depreciation deductions associated with the transferred asset and each transferor or owner in a transferor certifies in writing to the transferee that the transferor or owner in a transferor will not take any remaining deductions allowed under subsection (a) of this section for tax years beginning on or after January 1, 2013, for depreciation associated with the transferred asset.

(3) The amount of the basis adjustment under this subsection is limited to the total remaining future bonus depreciation deductions forfeited by the transferor and any owner in the transferor at the time of the transfer.

(g) Tax Basis. – For transactions described in subsection (e) or (f) of this section, adjusted gross income must be increased or decreased to account for any difference in the amount of depreciation, amortization, or gains or losses applicable to property that has been depreciated or amortized by use of a different basis or rate for State income tax purposes than used for federal income tax purposes prior to the effective date of this section purposes.

(h) Definitions. – For purposes of this section, a "transferor" is an individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries, and an "owner in a transferor" is a partner, shareholder, member, or beneficiary subject to tax under Part 2 or 3 of Article 4 of this Chapter of a transferor.

SECTION 2.1.(d) Subsection (c) of this section is effective for taxable years beginning on or after January 1, 2014. The remainder of this section is effective for taxable years beginning on or after January 1, 2013.

SECTION 2.2.(a) G.S. 105-153.5(a) reads as rewritten:

"§ 105-153.5. Modifications to adjusted gross income.

(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. In the case of a married couple filing separate returns, a taxpayer may not deduct the standard deduction amount if the taxpayer or the taxpayer's spouse claims the itemized deductions amount. The deduction amounts are as follows:

(1) Standard deduction amount. – An The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Standard Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married, filing jointly</td>
<td>$15,000</td>
</tr>
<tr>
<td>Head of Household</td>
<td>12,000</td>
</tr>
<tr>
<td>Single</td>
<td>7,500</td>
</tr>
<tr>
<td>Married, filing separately</td>
<td>7,500.</td>
</tr>
</tbody>
</table>

(2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

a. The amount allowed as a deduction for charitable contributions under section 170 of the Code for that taxable year.

b. The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount claimed by the taxpayer as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. The amount allowed under this sub-subdivision may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately or married
filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds twenty thousand dollars ($20,000), these deductions must be prorated based on the percentage paid by each spouse. For joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year."

SECTION 2.2.(b) This section is effective for taxable years beginning on or after January 1, 2014.

SECTION 2.3.(a) G.S. 105-160.2 reads as rewritten:

"§ 105-160.2. Imposition of tax.

The tax imposed by this Part applies to the taxable income of estates and trusts as determined under the provisions of the Code except as otherwise provided in this Part. The taxable income of an estate or trust is the same as taxable income for such an estate or trust under the provisions of the Code, adjusted as provided in G.S. 105-134.6 and G.S. 105-134.6A, G.S. 105-153.5 and G.S. 105-153.6, except that the adjustments provided in G.S. 105-134.6 and G.S. 105-134.6A, G.S. 105-153.5 and G.S. 105-153.6 are apportioned between the estate or trust and the beneficiaries based on the distributions made during the taxable year. The tax is computed on the amount of the taxable income of the estate or trust that is for the benefit of a resident of this State, or for the benefit of a nonresident to the extent that the income (i) is derived from North Carolina sources and is attributable to the ownership of any interest in real or tangible personal property in this State or (ii) is derived from a business, trade, profession, or occupation carried on in this State. For purposes of the preceding sentence, taxable income and gross income is computed subject to the adjustments provided in G.S. 105-134.6 and G.S. 105-134.6A, G.S. 105-153.5 and G.S. 105-153.6. The tax on the amount computed above is at the rates levied in G.S. 105-134.2(a)(3). G.S. 105-153.7. The fiduciary responsible for administering the estate or trust shall pay the tax computed under the provisions of this Part."

SECTION 2.3.(b) This section is effective for taxable years beginning on or after January 1, 2014.

PART III. AGRICULTURAL EXEMPTION CERTIFICATE

SECTION 3.1.(a) G.S. 105-164.13E reads as rewritten:

"§ 105-164.13E. Exemption for farmers.

(a) Exemption. – A qualifying farmer is a person who has an annual gross income for the preceding taxable year of ten thousand dollars ($10,000) or more from farming operations or who has an average annual gross income for the three preceding taxable years of ten thousand dollars ($10,000) or more from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income threshold for three consecutive taxable years or ceases to engage in farming operations.

The following tangible personal property, digital property, and services are exempt from sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming operations. For purposes of this section, an item is used by a farmer for farming operations if it is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals. A qualifying farmer is a farmer who has an annual gross income of ten thousand dollars ($10,000) or more from farming operations for the preceding calendar year and includes a dairy operator, a poultry farmer, an egg producer, a livestock..."
farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758:

(b) Conditional Exemption. – A person who does not meet the definition of a qualifying farmer in subsection (a) of this section may apply to the Department for a conditional exemption certificate under G.S. 105-164.28A. A person with a conditional exemption certificate is allowed to purchase items exempt from sales and use tax to the same extent as a qualifying farmer under subsection (a) of this section. To receive a conditional exemption certificate under this subsection, the person must certify that the person intends to engage in farming operations, as that term is described in subsection (a) of this section, and that the person will timely file State and federal income tax returns that reflect income and expenses incurred from farming operations during the taxable years that the conditional exemption certificate applies.

A conditional exemption certificate issued under this subsection is valid for the taxable year in which the certificate is issued and the following two taxable years, provided the person to whom the certificate is issued provides copies of applicable State and federal income tax returns to the Department within 90 days following the end of each taxable year covered by the conditional exemption certificate. A conditional exemption certificate issued under this subsection may not be extended or renewed beyond the original three-year period. The Department may not issue a conditional exemption certificate to a person who has had a conditional exemption certificate issued under this subsection during the prior 15 taxable years.

A person who purchases items with a conditional exemption certificate must maintain documentation of the items purchased and copies of State and federal income tax returns that reflect activities from farming operations for the period of time covered by the conditional exemption certificate for three years following the expiration of the conditional exemption certificate. The Secretary may require a person who has a conditional exemption certificate to provide any other information requested by the Secretary to verify the person met the conditions of this subsection. A person who fails to provide the information requested by the Secretary in a timely manner or who fails to meet the requirements of this subsection becomes liable for any taxes for which an exemption under this subsection was claimed. The taxes become due and payable at the expiration of the conditional exemption certificate, and interest accrues from the date of the original purchase. Additionally, where the person does not timely provide the information requested by the Secretary, the misuse of exemption certificate penalty in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the person made a purchase.

SECTION 3.1.(b) G.S. 105-164.28A reads as rewritten:

"§ 105-164.28A. Other exemption certificates.

(a) Authorization. – The Secretary may require a person who purchases an item that is exempt from tax or is subject to a preferential rate of tax depending on the status of the purchaser or the intended use of the item to obtain an exemption certificate from the Department to receive the exemption or preferential rate. An exemption certificate issued by the Department authorizes a retailer to sell an item to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale, as appropriate. A person who no longer qualifies for an exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase. A person who purchases an item under an exemption certificate is liable for any tax due on the sale if the Department determines that the person is not eligible for the certificate.

An exemption certificate issued by the purchaser authorizes a retailer to sell an item to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale, as appropriate. A person who no longer qualifies for an exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase. A person who purchases an item under an exemption certificate is liable for any tax due on the sale if the Department determines that the person is not eligible for the certificate.

(b) The Department must issue a preferential rate or use-based exemption number to a person who qualifies for the exemption or preferential rate. A person who no longer qualifies for a preferential rate or use-based exemption number must notify the Secretary within 30 days to cancel the number.

An exemption certificate issued by the purchaser authorizes a retailer to sell an item to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale, as appropriate. A person who no longer qualifies for an exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase. A person who purchases an item under an exemption certificate is liable for any tax due on the sale if the Department determines that the person is not eligible for the certificate.

The liability is relieved when the seller obtains the purchaser's
name, address, type of business, reason for exemption, and exemption number in lieu of obtaining an exemption certificate.

(c) Administration. – This section shall be administered in accordance with G.S. 105-164.28. Additionally, the provisions of this section may also apply to a conditional exemption certificate issued to a person in accordance with G.S. 105-164.13E.

SECTION 3.1.(c) G.S. 105-236(a)(5a) reads as rewritten:

"§ 105-236. Penalties; situs of violations; penalty disposition.

(a) Penalties. – The following civil penalties and criminal offenses apply:

(5a) Misuse of Exemption Certificate. – For misuse of an exemption certificate by a purchaser, the Secretary shall assess a penalty equal to two hundred fifty dollars ($250.00). An exemption certificate is a certificate issued by the Secretary that authorizes a retailer to sell tangible personal property to the holder of the certificate and either collect tax at a preferential rate or not collect tax on the sale. Examples of an exemption certificate include a certificate of resale exemption, a direct pay certificate, and a farmer’s conditional exemption certificate.

SECTION 3.1.(d) A person who has an agricultural exemption certificate number issued prior to July 1, 2014, that meets the requirements of G.S. 105-164.13E for a qualifying farmer should apply for a new agricultural exemption certificate number before July 1, 2014, for use for qualifying purchases made on or after October 1, 2014. A person that meets the requirements of G.S. 105-164.13E for a qualifying farmer and who has an agricultural exemption certificate number issued prior to July 1, 2014, may continue to use that agricultural exemption certificate number for qualifying purchases made prior to October 1, 2014.

SECTION 3.1.(e) A person who has an agricultural exemption certificate number issued before July 1, 2014, that does not meet the requirements of G.S. 105-164.13E for a qualifying farmer must give notice to a seller that the person no longer qualifies for an exemption for purchases made on or after July 1, 2014, and the seller must collect any tax due on the sale. A seller that relies on a copy of an agricultural certificate of exemption and meets the requirements of G.S. 105-164.28 is not liable for any tax due on the sale.

SECTION 3.1.(f) This Part becomes effective July 1, 2014, and applies to purchases made on or after that date.

PART IV. PREPAID MEAL PLANS

SECTION 4.1.(a) G.S. 105-164.3 reads as rewritten:

"§ 105-164.3. Definitions.

The following definitions apply in this Article:

(27a)(27) Prepaid calling service. – A right that meets all of the following requirements:

a. Authorizes the exclusive purchase of telecommunications service.

b. Must be paid for in advance.

c. Enables the origination of calls by means of an access number, authorization code, or another similar means, regardless of whether the access number or authorization code is manually or electronically dialed.

d. Is sold in predetermined units or dollars whose number or dollar value declines with use and is known on a continuous basis.

(27a) Prepaid meal plan. – A plan offered by an institution of higher education that meets all of the following requirements:

a. Entitles a person to food or prepared food.
b. Must be billed or paid for in advance.
c. Provides for predetermined units or unlimited access to food or prepared food but does not include a dollar value that declines with use.

(27b) Prepaid telephone calling service. – Prepaid calling service or prepaid wireless calling service.

(27c) Prepaid wireless calling service. – A right that meets all of the following requirements:

a. Authorizes the purchase of mobile telecommunications service, either exclusively or in conjunction with other services.
b. Must be paid for in advance.
c. Is sold in predetermined units or dollars whose number or dollar value declines with use and is known on a continuous basis.

SECTION 4.1.(b) G.S. 105-164.4(a) is amended by adding a new subdivision to read:

"§ 105-164.4. Tax imposed on retailers.

(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is four and three-quarters percent (4.75%).

(12) The general rate of tax applies to the sales price of or gross receipts derived from a prepaid meal plan. A bundle that includes a prepaid meal plan is taxable in accordance with G.S. 105-164.4D."

SECTION 4.1.(c) G.S. 105-164.4B is amended by adding a new subsection to read:

"§ 105-164.4B. Sourcing principles.

(g) Prepaid Meal Plan. – The gross receipts derived from a prepaid meal plan are sourced to the location where the food or prepared food is available to be consumed by the person."

SECTION 4.1.(d) G.S. 105-164.4D(a) reads as rewritten:

"(a) Tax Application. – Tax applies to the sales price of a bundled transaction unless one of the following applies:

(1) Fifty percent (50%) test. – All of the products in the bundle are tangible personal property, the bundle includes one or more of the exempt products listed in this subdivision, and the price of the taxable products in the bundle does not exceed fifty percent (50%) of the price of the bundle:

a. Food exempt under G.S. 105-164.13B.
b. A drug exempt under G.S. 105-164.13(13).
c. Medical devices, equipment, or supplies exempt under G.S. 105-164.13(12).

(2) Allocation. – The bundle includes a service, and the retailer determines an allocated price for each product in the bundle based on a reasonable allocation of revenue that is supported by the retailer's business records kept in the ordinary course of business. In this circumstance, tax applies to the allocated price of each taxable product in the bundle.

(3) Ten percent (10%) test. – The price of the taxable products in the bundle does not exceed ten percent (10%) of the price of the bundle, and no other subdivision in this subsection applies.

(4) Prepaid meal plan. – The bundle includes a prepaid meal plan and a dollar value that declines with use. In this circumstance, tax applies to the allocated price of the prepaid meal plan. The tax applies to items purchased with the
dollar value that declines with use as the dollar value is presented for payment.

(5) Tuition, room, and meals. – The bundle includes tuition, room, and meals offered by an institution of higher education. In this circumstance, tax applies to the allocated price of the meals. The institution determines the allocated price for meals based on a reasonable allocation of revenue that is supported by the institution's business records kept in the ordinary course of business."

SECTION 4.1.(e) G.S. 105-164.13 reads as rewritten:

"§ 105-164.13. Retail sales and use tax.

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(26) Food and prepared food sold not for profit by a nonpublic or public school, including a charter school and a regional school, within the school building during the regular school day. For purposes of this exemption, the term "school" is an entity regulated under Chapter 115C of the General Statutes.

…

(63) Food and prepared food to be provided to a person entitled to the food and prepared food under a prepaid meal plan subject to tax under G.S. 105-164.4(a)(12)."

SECTION 4.1.(f) Part 4 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.16A. Reporting option for prepaid meal plans.

This section provides a taxpayer that offers to sell a prepaid meal plan with an option concerning the method by which the sales tax will be remitted to the Secretary and a return filed under G.S. 105-164.16. When the retailer enters into an agreement with a food service contractor by which the food service contractor agrees to provide food or prepared food under a prepaid meal plan, and the food service contractor with whom the retailer contracts is also a retailer under this Article, the retailer may include in the agreement that the food service contractor is liable for collecting and remitting the sales tax due on the gross receipts derived from the prepaid meal plan on behalf of the retailer. The agreement must provide that the tax applies to the allocated sales price of the prepaid meal plan paid by or on behalf of the person entitled to the food or prepaid food under the plan and not the amount charged by the food service contractor to the retailer under the agreement for the food and prepared food for the person.

A retailer who elects this option must report to the food service contractor with whom it has an agreement the gross receipts a person pays to the retailer for a prepaid meal plan. The retailer must send the food service contractor the tax due on the gross receipts derived from a prepaid meal plan.

SECTION 4.1.(g) This Part is effective when it becomes law and applies to gross receipts derived from a prepaid meal plan sold or billed on or after July 1, 2014.

PART V. ADMISSIONS

SECTION 5.1.(a) G.S. 105-164.4(a) reads as rewritten:

"(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. For purposes of this section, the term "gross receipts" has the same meaning as the term "sales price." The general rate of tax is four and three-quarters percent (4.75%)."
receipts derived from an admission charge to an entertainment activity are taxable in accordance with G.S. §105-164.4G listed in this subdivision. Offering any of these listed activities is a service. An admission charge includes a charge for a single ticket, a multioccasion ticket, a seasonal pass, an annual pass, and a cover charge.

An admission charge does not include a charge for amenities. If charges for amenities are not separately stated on the face of an admission ticket, then the charge for admission is considered to be equal to the admission charge for a ticket to the same event that does not include amenities and is for a seat located directly in front of or closest to a seat that includes amenities.

When an admission ticket is resold and the price of the admission ticket is printed on the face of the ticket, the tax does not apply to the face price. When an admission ticket is resold and the price of the admission ticket is not printed on the face of the ticket, the tax applies to the difference between the amount the reseller paid for the ticket and the amount the reseller charges for the ticket.

Admission charges to the following entertainment activities are subject to tax:

a. A live performance or other live event of any kind.
b. A motion picture or film.
c. A museum, a cultural site, a garden, an exhibit, a show, or a similar attraction or a guided tour at any of these attractions.

SECTION 5.1.(b) G.S. 105-164.4B is amended by adding a new subsection to read:

"§ 105-164.4B. Sourcing principles.

... (g) Admissions. – The gross receipts derived from an admission charge, as defined in G.S. 105-164.4G, are sourced in accordance with G.S. 105-164.4G."

SECTION 5.1.(c) Article 5 of Chapter 105 of the General Statutes is amended by adding the following new section to read:

"§ 105-164.4G. Entertainment activity.

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

(1) Admission charge. – Gross receipts derived for the right to attend an entertainment activity. The term includes a charge for a single ticket, a multi-occasion ticket, a seasonal pass, and an annual pass; a membership fee that provides for admission; a cover charge; a surcharge; a convenience fee, a processing fee, a facility charge, a facilitation fee, or similar charge; or any other charges included in gross receipts derived from admission.

(2) Amenity. – A feature that increases the value or attractiveness of an entertainment activity that allows a person access to items that are not subject to tax under this Article and that are not available with the purchase of admission to the same event without the feature. The term includes parking privileges, special entrances, access to areas other than general admission, mascot visits, and merchandise discounts. The term does not include any charge for food, prepared food, and alcoholic beverages subject to tax under this Article.

(3) Entertainment activity. – An activity listed in this subdivision:

a. A live performance or other live event of any kind, the purpose of which is for entertainment.
b. A movie, motion picture, or film.
c. A museum, a cultural site, a garden, an exhibit, a show, or a similar attraction.
d. A guided tour at any of the activities listed in sub-subdivision c. of this subdivision.

(4) Facilitator. – A person who accepts payment of an admission charge to an entertainment activity and who is not the operator of the venue where the entertainment activity occurs.

(b) Tax. – The gross receipts derived from an admission charge to an entertainment activity are taxed at the general rate set in G.S. 105-164.4. The tax is due and payable by the retailer in accordance with G.S. 105-164.16. For purposes of the tax imposed by this section, the retailer is the applicable person listed below:

(1) The operator of the venue where the entertainment activity occurs, unless the retailer and the facilitator have a contract between them allowing for dual remittance, as provided in subsection (d) of this section.

(2) The person that provides the entertainment and that receives admission charges directly from a purchaser.

(c) Facilitator. – A facilitator must report to the retailer with whom it has a contract the admission charge a consumer pays to the facilitator for an entertainment activity. The facilitator must send the retailer the portion of the gross receipts the facilitator owes the retailer and the tax due on the gross receipts derived from an admission charge no later than 10 days after the end of each calendar month. A facilitator that does not send the retailer the tax due on the gross receipts derived from an admission charge is liable for the amount of tax the facilitator fails to send to the retailer. A facilitator is not liable for tax sent to a retailer but not remitted by the retailer to the Secretary. Tax payments received by a retailer from a facilitator are held in trust by the retailer for remittance to the Secretary. A retailer that receives a tax payment from a facilitator must remit the amount received to the Secretary. A retailer is not liable for tax due but not received from a facilitator. The requirements imposed by this subsection on a retailer and a facilitator are considered terms of the contract between the retailer and the facilitator.

(d) Dual Remittance. – The tax due on the gross receipts derived from an admission charge may be partially reported and remitted to the operator of the venue for remittance to the Department and partially reported and remitted by the facilitator directly to the Department. The portion of the tax not reported and remitted to the operator of the venue must be reported and remitted directly by the facilitator to the Department. A facilitator that elects to remit tax under the dual remittance option is required to obtain a certificate of registration in accordance with G.S. 105-164.29. A facilitator is subject to the provisions of Article 9 of this Chapter.

(e) Exceptions. – The tax imposed by this section does not apply to the following:

(1) An amount paid for the right to participate in sporting activities. Examples of these types of charges include bowling fees, golf green fees, and gym memberships.

(2) Tuition, registration fees, or charges to attend instructional seminars, conferences, or workshops for educational purposes.

(3) A political contribution.

(4) A charge for lifetime seat rights, lease, or rental of a suite or box for an entertainment activity, provided the charge is separately stated on an invoice or similar billing document given to the purchaser at the time of sale.

(5) An amount paid solely for transportation.

(f) Exemptions. – The following gross receipts derived from an admission charge to an entertainment activity are specifically exempt from the tax imposed by this Article:

(1) The portion of a membership charge that is deductible as a charitable contribution under section 170 of the Code.

(2) A donation that is deductible as a charitable contribution under section 170 of the Code.

(3) Charges for an amenity. If charges for amenities are separately stated on a billing document given to the purchaser at the time of the sale, then the tax does not apply to the separately stated charges for amenities. If charges for
amenities are not separately stated on the billing document given to the purchaser at the time of the sale, then the transaction is a bundled transaction and taxed in accordance with G.S. 105-164.4D except that G.S. 105-164.4D(a)(3) does not apply.

(4) An event that is sponsored by an elementary or secondary school. For purposes of this exemption, the term "school" is an entity regulated under Chapter 115C of the General Statutes.

(5) An event sponsored solely by a nonprofit entity that is exempt from tax under Article 4 of this Chapter if all of the following conditions are met:
   a. The entire proceeds of the activity are used exclusively for the entity's nonprofit purposes.
   b. The entity does not declare dividends, receive profits, or pay salary or other compensation to any members or individuals.
   c. The entity does not compensate any person for participating in the event, performing in the event, placing in the event, or producing the event. For purposes of this subdivision, the term "compensate" means any remuneration included in a person's gross income as defined in section 61 of the Code.

(g) Sourcing. – Admission to an entertainment activity is sourced to the location where admission to the entertainment activity may be gained by a person. When the location where admission may be gained is not known at the time of the receipt of the gross receipts for an admission charge, the sourcing principles in G.S. 105-164.4B(a) apply:

SECTION 5.1.(d) G.S. 105-164.13(60) reads as rewritten:

"§ 105-164.13. Retail sales and use tax. The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

(34) Sales of items by a nonprofit civic, charitable, educational, scientific or literary organization when the net proceeds of the sales will be given or
contributed to the State of North Carolina or to one or more of its agencies or instrumentalities, or to one or more nonprofit charitable organizations, one of whose purposes is to serve as a conduit through which such net proceeds will flow to the State or to one or more of its agencies or instrumentalities. This exemption does not apply to gross receipts derived from an admission charge to an entertainment activity.

(35) Sales by a nonprofit civic, charitable, educational, scientific, literary, or fraternal organization when all of the following conditions listed in this subdivision are met. This exemption does not apply to gross receipts derived from an admission charge to an entertainment activity.

a. The sales are conducted only upon an annual basis for the purpose of raising funds for the organization's activities.

b. The proceeds of the sale are actually used for the organization's activities.

c. The products sold are delivered to the purchaser within 60 days after the first solicitation of any sale made during the organization's annual sales period.

SECTION 5.1.(f) Section 5(f) of S.L. 2013-316 reads as rewritten:

"SECTION 5.(f) This section becomes effective January 1, 2014, and applies to admissions purchased or gross receipts derived from an admission charge sold at retail on or after that date. For admissions to a live event, the tax applies to the initial sale or resale of tickets occurring on or after that date; gross receipts received on or after January 1, 2014, for admission to a live event, for which the initial sale of tickets occurred before that date, other than gross receipts received by a ticket reseller, are taxable under G.S. 105-37.1. Gross receipts derived from an admission charge sold at retail to a live event occurring on or after January 1, 2015, are taxable under G.S. 105-164.4G, regardless of when the initial sale of a ticket to the event occurred."

SECTION 5.1.(g) Subsection (d) of this section and G.S. 105-164.4G(f)(4) and G.S. 105-164.4G(f)(5), as enacted by subsection (c) of this section, become effective January 1, 2015, and apply to gross receipts derived from an admission charge sold at retail on or after that date. The remainder of this Part is effective when it becomes law and applies to gross receipts derived from an admission charge sold at retail on or after that date.

PART VI. SERVICE CONTRACTS

SECTION 6.1.(a) G.S. 105-164.3(38b) reads as rewritten:

"§ 105-164.3. Definitions.
The following definitions apply in this Article:

(38b) Service contract. – A contract where the obligor under the contract agrees to maintain or repair tangible personal property or a motor vehicle. Examples of a service contract include a warranty agreement, agreement other than a manufacturer's warranty or dealer's warranty provided at no charge to the purchaser, an extended warranty agreement, a maintenance agreement, a repair contract, or a similar agreement or contract by which the seller agrees to maintain or repair tangible personal property."

SECTION 6.1.(b) G.S. 105-164.4(a)(11) reads as rewritten:

"(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is four and three-quarters percent (4.75%).

(11) The general rate of tax applies to the sales price of or the gross receipts derived from a service contract. A service contract is taxed in accordance with G.S. 105-164.4I."
SECTION 6.1.(c) Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.4I. Service contracts.
(a) Tax. – The sales price of or the gross receipts derived from a service contract or the renewal of a service contract sold at retail is subject to the general rate of tax set in G.S. 105-164.4 and is sourced in accordance with the sourcing principles in G.S. 105-164.4B. The retailer of a service contract is required to collect the tax due at the time of the retail sale of the contract and is liable for payment of the tax. The tax is due and payable in accordance with G.S. 105-164.16.

The retailer of a service contract is the applicable person listed below:
(1) When a service contract is sold at retail to a purchaser by the obligor under the contract, the obligor is the retailer.
(2) When a service contract is sold at retail to a purchaser by a facilitator on behalf of the obligor under the contract, the facilitator is the retailer unless the provisions of subdivision (3) of this subsection apply.
(3) When a service contract is sold at retail to a purchaser by a facilitator on behalf of the obligor under the contract and there is an agreement between the facilitator and the obligor that states the obligor will be liable for the payment of the tax, the obligor is the retailer. The facilitator must send the retailer the tax due on the sales price of or gross receipts derived from the service contract no later than 10 days after the end of each calendar month. A facilitator that does not send the retailer the tax due on the sales price or gross receipts is liable for the amount of tax the facilitator fails to send. A facilitator is not liable for tax sent to a retailer but not remitted by the retailer to the Secretary. Tax payments received by a retailer from a facilitator are held in trust by the retailer for remittance to the Secretary. A retailer that receives a tax payment from a facilitator must remit the amount received to the Secretary. A retailer is not liable for tax due but not received from a facilitator.

(b) Exemptions. – The tax imposed by this section does not apply to the sales price of or the gross receipts derived from a service contract applicable to any of the following items:
(1) An item exempt from tax under this Article, other than a motor vehicle exempt from tax under G.S. 105-164.13(32).
(2) A transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement.
(3) An item purchased by a professional motorsports racing team for which the team may receive a sales tax refund under G.S. 105-164.14A(5).
(4) An item subject to tax under Article 5F of Chapter 105 of the General Statutes.

(c) Exceptions. – The tax does not apply to the sales price of or the gross receipts derived from a service contract for tangible personal property sold at retail that is or will become a part of real property unless the service contract is sold by the obligor or by a third party or facilitator on behalf of the obligor at the same time as the item of tangible personal property covered in the service contract. The tax imposed by this section does not apply to a security or similar monitoring contract for real property or to a renewal of a service contract where the tangible personal property becomes a part of or affixed to real property prior to the effective date of the renewal.

(d) Basis of Reporting. – A retailer who sells or derives gross receipts from a service contract must report those sales on an accrual basis of accounting, notwithstanding that the retailer reports tax on the cash basis for other sales at retail. The tax on the sales price of or the gross receipts derived from a service contract is due at the time of the retail sale,
notwithstanding any portion that may be financed. If the sales price of or the gross receipts derived from the service contract is financed in whole or in part, the financed amount of the sales price of or the gross receipts derived from the service contract included in each payment is exempt from sales tax if the amount is separately stated in the contract and on the billing statement or other documentation provided to the purchaser at the time of the sale.

(c) Definition. – For purposes of this section, the term "facilitator" means a person who contracts with the obligor of the service contract to market the service contract and accepts payment from the purchaser for the service contract."

SECTION 6.1.(d) Part 2 of Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.11A. Refund of tax paid on rescinded sale or cancellation of service.

(a) Refund. – A retailer is allowed a refund of sales tax remitted on a rescinded sale or cancelled service. A sale is rescinded when the purchaser returns an item to the retailer and receives a refund, in whole or in part, of the sales price paid, including a refund of the pro rata amount of the sales tax based on the taxable amount of the sales price refunded. A service is cancelled when the service is terminated and the purchaser receives a refund, in whole or in part, of the sales price paid, including a refund of the pro rata amount of the sales tax paid based on the taxable amount of the sales price refunded. A retailer entitled to a refund under this section may reduce taxable receipts by the taxable amount of the refund for the period in which the refund occurs or may request a refund of an overpayment as provided in G.S. 105-241.7, provided the tax has been refunded to the purchaser. The records of the retailer must clearly reflect and support the claim for refund for an overpayment of tax or adjustment to taxable receipts for the period in which the refund occurs.

(b) Service Contract. – When a service contract is cancelled and a purchaser receives a refund, in whole or in part, of the sales price paid for the service contract, the purchaser may receive a refund of the pro rata amount of the sales tax paid based on the taxable amount of the sales price refunded as provided in this subsection:

(1) Refund from retailer. – If the purchaser receives a refund on any portion of the sales price for a service contract purchased from the retailer required to remit the tax on the retail sale of the service contract, then the provisions of subsection (a) of this section apply.

(2) Refund application. – If the purchaser receives a refund on any portion of the sales price for a service contract from a person other than the retailer required to remit the tax on the retail sale of the service contract, then the amount refunded to the purchaser by the person does not have to include the sales tax on the taxable amount of the refund. If the amount refunded to the purchaser by the person does not include the sales tax paid, then the purchaser may apply to the Department for a refund of the pro rata amount of the tax paid based on the taxable amount of the service contract refunded to the purchaser. The application for a refund by a purchaser must be made on a form prescribed by the Secretary, supported by documentation on the taxable amount of the service contract refunded to the person who refunded that amount, and filed within 30 days after the purchaser receives a refund. An application for a refund filed by the purchaser after the due date is barred. Taxes for which a refund is allowed directly to the purchaser for sales tax paid on a service contract are not an overpayment of tax and do not accrue interest as provided in G.S. 105-241.21."

SECTION 6.1.(e) G.S. 105-164.13(61) reads as rewritten:

"(61) A service contract for tangible personal property that is provided for any of the following may be exempt as provided in G.S. 105-164.41.

(32) An item exempt from tax under this Article, other than an item exempt from tax under G.S. 105-164.13(32),
b. A transmission, distribution, or other network asset contained on utility-owned land, right of way, or easement.

e. An item purchased by a professional motorsports racing team for which the team may receive a sales tax refund under G.S. 105-164.14A(5)."

SECTION 6.1.(f) G.S. 105-164.13(62) reads as rewritten:
"§ 105-164.13. Retail sales and use tax.
The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

... (62) An item used to maintain or repair tangible personal property or a motor vehicle pursuant to a service contract if the purchaser of the contract is not charged for the item. This exemption does not apply to an item used to maintain or repair tangible personal property pursuant to a service contract exempt from tax under G.S. 105-164.4I(b). For purposes of this exemption, the term "item" does not include a tool, equipment, supply, or similar tangible personal property used to complete the maintenance or repair and that is not deemed to be a component or repair part of the tangible personal property or motor vehicle for which a service contract is sold to a purchaser."

SECTION 6.1.(g) G.S. 105-187.3 reads as rewritten:
"§ 105-187.3. Rate of tax.
(a) Amount-Tax Base. – The rate of the use tax imposed by this Article is applied to the sum of the three percent (3%) of the sum of the following:
(1) The retail value of a motor vehicle for which a certificate of title is issued and any fee regulated by G.S. 20-101.1. The tax does not apply to the sales price of a service contract. The sales price of a service contract is subject to the sales tax imposed under Article 5 of this Chapter.

(a1) Tax Rate. – The tax rate is three percent (3%). The tax is payable as provided in G.S. 105-187.4. The maximum tax is one thousand dollars ($1,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in G.S. 20-4.01. The maximum tax is one thousand five hundred dollars ($1,500) for each certificate of title issued for a recreational vehicle that is not subject to the one thousand dollar ($1,000) maximum tax. The tax is payable as provided in G.S. 105-187.4.

..."

SECTION 6.1.(h) G.S. 105-187.5(a) reads as rewritten:
"(a) Election. – A retailer may elect not to pay the tax imposed by this Article at the rate set in G.S. 105-187.3 when applying for a certificate of title for a motor vehicle purchased by the retailer for lease or rental. A retailer who makes this election shall pay a tax on the gross receipts of the lease or rental of the vehicle. The portion of a lease or rental billing or payment that represents any amount applicable to the sales price of or sales tax on a service contract sold at retail that is subject to the tax imposed by Article 5 of this Chapter and sourced to this State should not be included in the gross receipts subject to the tax imposed by this Article. The amount of the lease or rental billing or payment applicable to the sales price of or sales tax on a service contract sold at retail subject to the tax imposed by Article 5 of this Chapter and sourced to the State should be separately stated on documentation given to the purchaser at the time the lease or rental agreement goes into effect, or on the monthly billing statement or other documentation given to the purchaser. Like the tax imposed by G.S. 105-187.3, this alternate tax is a tax on the privilege of using the highways of this State. The tax is imposed on a retailer, but is to be added to the lease or rental price of a motor vehicle and thereby be paid by the person who leases or rents the vehicle."
SECTION 6.1.(i) G.S. 105-467(b) reads as rewritten:
"(b) Exemptions and Refunds. – The State exemptions and exclusions contained in G.S. 105-164.13 apply to the local sales and use tax authorized to be levied and imposed under this Article. The State refund provisions contained in G.S. 105-164.14 through G.S. 105-164.14B apply to the local sales and use tax authorized to be levied and imposed under this Article. A refund of an excessive or erroneous State sales tax collection allowed under G.S. 105-164.11 and a refund of State sales tax paid on a rescinded sale or cancelled service contract under G.S. 105-164.11A apply to the local sales and use tax authorized to be levied and imposed under this Article. The aggregate annual local refund amount allowed an entity under G.S. 105-164.14(b) for a fiscal year may not exceed thirteen million three hundred thousand dollars ($13,300,000).
"

SECTION 6.1.(j) This Part becomes effective October 1, 2014, and applies to gross receipts derived from a service contract sold at retail on or after that date.

PART VII. RETAILER-CONTRACTORS

SECTION 7.1.(a) G.S. 105-164.3 reads as rewritten:
"§ 105-164.3. Definitions. The following definitions apply in this Article:

(5) Consumer. – A person who stores, uses, or otherwise consumes in this State tangible personal property, digital property, or a service purchased or received from a retailer or supplier either within or without this State.

(33a) Real property contractor. – A person that contracts to perform construction, reconstruction, installation, repair, or any other service with respect to real property and to furnish tangible personal property to be installed or applied to real property in connection with the contract and the labor to install or apply the tangible personal property that becomes part of real property. The term includes a general contractor, a subcontractor, or a builder for purposes of G.S. 105-164.4H.

(35) Retailer. – A person engaged in the business of any of the following:
 a. Making sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property, digital property, or services for storage, use, or consumption in this State. When the Secretary finds it necessary for the efficient administration of this Article to regard any sales representatives, solicitors, representatives, consignees, peddlers, or truckers as agents of the dealers, distributors, consignors, supervisors, employers, or persons under whom they operate or from whom they obtain the items sold by them regardless of whether they are making sales on their own behalf or on behalf of these dealers, distributors, consignors, supervisors, employers, or persons, the Secretary may so regard them and may regard the dealers, distributors, consignors, supervisors, employers, or persons as "retailers" for the purpose of this Article.
 b. Delivering, erecting, installing, or applying tangible personal property for use in this State, regardless of whether the property is permanently affixed to real property or other tangible personal property that does not become part of real property pursuant to the tax imposed under G.S. 105-164.4(a)(13).
 c. Making a remote sale, if one of the conditions listed in G.S. 105-164.8(b) is met.
(35a) Retailer-contractor. – A person that acts as a retailer when it sells tangible personal property at retail and as a real property contractor when it performs real property contracts.

SECTION 7.1.(b) G.S. 105-164.4(a) is amended by adding a new subdivision to read:

"(13) The general rate of tax applies to the sales price of tangible personal property sold to a real property contractor for use by the real property contractor in erecting structures, building on, or otherwise improving, altering, or repairing real property. These sales are taxed in accordance with G.S. 105-164.4H."

SECTION 7.1.(c) Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-164.4H. Real property contractors.
(a) Applicability. – A real property contractor is the consumer of the tangible personal property that the real property contractor installs or applies for others and that becomes part of real property. A retailer engaged in business in the State shall collect tax on the sales price of the tangible personal property sold at retail to a real property contractor unless a statutory exemption in G.S. 105-164.13 or G.S. 105-164.13E applies. Where a real property contractor purchases tangible personal property for storage, use, or consumption in this State and the tax due is not paid at the time of purchase, the provisions of G.S. 105-164.6 apply except as provided in subsection (b) of this section.

(b) Retailer-Contractor. – This section applies to a retailer-contractor when the retailer-contractor acts as a real property contractor. A retailer-contractor that purchases tangible personal property to be installed or affixed to real property may purchase items exempt from tax under a certificate of exemption pursuant to G.S. 105-164.28 provided the retailer-contractor also purchases inventory items from the seller for resale. When the tangible personal property is withdrawn from inventory and installed or affixed to real property, use tax must be accrued and paid on the retailer-contractor's purchase price of the tangible personal property. Tangible personal property that the retailer-contractor withdraws from inventory for use that does not become part of real property is also subject to the tax imposed by this Article. If a retailer-contractor subcontracts any part of the real property contract, tax is payable by the subcontractor on the subcontractor's purchase of the tangible personal property that is installed or affixed to real property in fulfilling the contract. The retailer-contractor, the subcontractor, and the owner of the real property are jointly and severally liable for the tax. The liability of a retailer-contractor, a subcontractor, or an owner who did not purchase the property is satisfied by receipt of an affidavit from the purchaser certifying that the tax has been paid.

(c) Erroneous Collection if Separately Stated. – An invoice or other documentation issued to a consumer at the time of the sale by a real property contractor shall not separately state any amount for tax. Any amount for tax separately stated on an invoice or other documentation given to a consumer by a real property contractor is an erroneous collection and must be remitted to the Secretary, and the provisions of G.S. 105-164.11(a)(2) do not apply."

SECTION 7.2.(a) This act shall not be construed to affect the interpretation of any statute that is the subject of a State tax audit pending as of the effective date of this act or litigation that is a direct result of such audit.

SECTION 7.2.(b) A seller who collected and remitted sales or use tax in accordance with an interpretation of the law by the Secretary in the form of a rule, bulletin, or directive published before the effective date of this act is not liable to a purchaser for any overcollected sales or use tax that was collected in accordance with the rule, bulletin, or directive.

SECTION 7.3. This Part becomes effective January 1, 2015, and applies to sales on or after that date and contracts entered into on or after that date.
PART VIII. OTHER SALES TAX CHANGES

SECTION 8.1.(a) G.S. 105-164.4(a) reads as rewritten:

"(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

(3) A tax at the The general rate applies to the gross receipts derived from the rental of an accommodation. These rentals are taxed in accordance with G.S. 105-164.4F. The tax does not apply to (i) a private residence or cottage that is rented for fewer than 15 days in a calendar year; (ii) an accommodation rented to the same person for a period of 90 or more continuous days; or (iii) an accommodation arranged or provided to a person by a school, camp, or similar entity where a tuition or fee is charged to the person for enrollment in the school, camp, or similar entity.

Gross receipts derived from the rental of an accommodation include the sales price of the rental of the accommodation. The sales price of the rental of an accommodation is determined as if the rental were a rental of tangible personal property. The sales price of the rental of an accommodation marketed by a facilitator includes charges designated as facilitation fees and any other charges necessary to complete the rental.

A person who provides an accommodation that is offered for rent is considered a retailer under this Article. A facilitator must report to the retailer with whom it has a contract the sales price a consumer pays to the facilitator for an accommodation rental marketed by the facilitator. A facilitator must notify a retailer when an accommodation rental marketed by the facilitator is completed and the facilitator must send the retailer the portion of the sales price the facilitator owes the retailer and the tax due on the sales price no later than 10 days after the end of each calendar month. A facilitator that does not send the retailer the tax due on the sales price is liable for the amount of tax the facilitator fails to send. A facilitator is not liable for tax sent to a retailer but not remitted by the retailer to the Secretary. Tax payments received by a retailer from a facilitator are held in trust by the retailer for remittance to the Secretary. A retailer that receives a tax payment from a facilitator must remit the amount received to the Secretary. A retailer is not liable for tax due but not received from a facilitator. The requirements imposed by this subdivision on a retailer and a facilitator are considered terms of the contract between the retailer and the facilitator.

A person who, by written contract, agrees to be the rental agent for the provider of an accommodation is considered a retailer under this Article and is liable for the tax imposed by this subdivision. The liability of a rental agent for the tax imposed by this subdivision relieves the provider of the accommodation from liability. A rental agent includes a real estate broker, as defined in G.S. 93A-2.

The following definitions apply in this subdivision:

a. Accommodation. – A hotel room, a motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual.

b. Facilitator. – A person who is not a rental agent and who contracts with a provider of an accommodation to market the accommodation and to accept payment from the consumer for the accommodation.

SECTION 8.1.(b) Article 5 of Chapter 105 of the General Statutes is amended by adding a new section to read:
"§ 105-164.4F. Accommodation rentals.

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

(1) Accommodation. – A hotel room, a motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual.

(2) Facilitator. – A person who is not a rental agent and who contracts with a provider of an accommodation to market the accommodation and to accept payment from the consumer for the accommodation.

(3) Rental agent. – The term includes a real estate broker, as defined in G.S. 93A-2.

(b) Tax. – The gross receipts derived from the rental of an accommodation are taxed at the general rate set in G.S. 105-164.4. Gross receipts derived from the rental of an accommodation include the sales price of the rental of the accommodation. The sales price of the rental of an accommodation is determined as if the rental were a rental of tangible personal property. The sales price of the rental of an accommodation marketed by a facilitator includes charges designated as facilitation fees and any other charges necessary to complete the rental.

(c) Facilitator Transactions. – A facilitator must report to the retailer with whom it has a contract the sales price a consumer pays to the facilitator for an accommodation rental marketed by the facilitator. A retailer must notify a facilitator when an accommodation rental marketed by the facilitator is completed, and the facilitator must send the retailer the portion of the sales price the facilitator owes the retailer and the tax due on the sales price no later than 10 days after the end of each calendar month. A facilitator that does not send the retailer the tax due on the sales price is liable for the amount of tax the facilitator fails to send. A facilitator is not liable for tax sent to a retailer but not remitted by the retailer to the Secretary. Tax payments received by a retailer from a facilitator are held in trust by the retailer for remittance to the Secretary. A retailer that receives a tax payment from a facilitator must remit the amount received to the Secretary. A retailer is not liable for tax due but not received from a facilitator.

The requirements imposed by this section on a retailer and a facilitator are considered terms of the contract between the retailer and the facilitator.

(d) Rental Agent. – A person who, by written contract, agrees to be the rental agent for the provider of an accommodation is considered a retailer under this Article and is liable for the tax imposed by this section. The liability of a rental agent for the tax imposed by this section relieves the provider of the accommodation from liability.

(e) Exemptions. – The tax imposed by this section does not apply to the following:

(1) A private residence, cottage, or similar accommodation that is rented for fewer than 15 days in a calendar year other than a private residence, cottage, or similar accommodation listed with a real estate broker or agent.

(2) An accommodation supplied to the same person for a period of 90 or more continuous days.

(3) An accommodation arranged or provided to a person by a school, camp, or similar entity where a tuition or fee is charged to the person for enrollment in the school, camp, or similar entity.

SECTION 8.1.(c) A retailer is not liable for an overcollection or undercollection of sales tax or occupancy tax if the retailer has made a good-faith effort to comply with the law and collect the proper amount of tax and has, due to the change under this section, overcollected or undercollected the amount of sales tax or occupancy tax that is due. This subsection applies only to the period beginning June 14, 2012, and ending July 1, 2014.

SECTION 8.1.(d) This section becomes effective June 1, 2014, and applies to gross receipts derived from the rental of an accommodation that a person occupies or has the right to occupy on or after that date.

SECTION 8.2.(a) G.S. 105-164.14(b) and G.S. 105-164.14(c) read as rewritten:

"(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary
service, services for use in carrying on the work of the nonprofit entity. Sales and use tax liability indirectly incurred by a nonprofit entity through reimbursement to an authorized person of the entity for the purchase of tangible personal property and services, other than electricity, telecommunications service, ancillary service, services for use in carrying on the work of the nonprofit entity is considered a direct purchase by the entity. Sales and use tax liability indirectly incurred by a nonprofit entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the nonprofit entity and is being erected, altered, or repaired for use by the nonprofit entity for carrying on its nonprofit activities is considered a direct purchase by the nonprofit entity. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund for the first six months of a calendar year is due the following October 15; a request for a refund for the second six months of a calendar year is due the following April 15. The aggregate annual refund amount allowed an entity under this subsection for a fiscal year may not exceed thirty-one million seven hundred thousand dollars ($31,700,000).

The refunds allowed under this subsection do not apply to an entity that is owned and controlled by the United States or to an entity that is owned or controlled by the State and is not listed in this subsection. A hospital that is not listed in this subsection is allowed a semiannual refund of sales and use taxes paid by it on over-the-counter drugs purchased for use in carrying out its work. The following nonprofit entities are allowed a refund under this subsection:

(c) Certain Governmental Entities. – A governmental entity listed in this subsection is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, ancillary service, services. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year.

This subsection applies only to the following governmental entities:

SECTION 8.2.(b) G.S. 105-467(b) reads as rewritten:

"(b) Exemptions and Refunds. – The State exemptions and exclusions contained in G.S. 105-164.13 apply to the local sales and use tax authorized to be levied and imposed under this Article. The State refund provisions contained in G.S. 105-164.14 through G.S. 105-164.14B apply to the local sales and use tax authorized to be levied and imposed under this Article. The aggregate annual local refund amount allowed an entity under G.S. 105-164.14(b) for a fiscal year may not exceed thirteen million three hundred thousand dollars ($13,300,000).

Except as provided in this subsection, a taxing county may not allow an exemption, exclusion, or refund that is not allowed under the State sales and use tax. A local school administrative unit and a joint agency created by interlocal agreement among local school administrative units pursuant to G.S. 160A-462 to jointly purchase food service-related materials, supplies, and equipment on their behalf is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service, services.
Sales and use tax liability indirectly incurred by the entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the entity and is being erected, altered, or repaired for use by the entity is considered a sales or use tax liability incurred on direct purchases by the entity for the purpose of this subsection. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund is due in the same time and manner as provided in G.S. 105-164.14. G.S. 105-164.14(c). Refunds applied for more than three years after the due date are barred.”

SECTION 8.2.(c) This section becomes effective July 1, 2014, and applies to purchases occurring on or after that date.

SECTION 8.3.(a) G.S. 105-164.13(30) is repealed.

SECTION 8.3.(b) G.S. 105-164.13(50) reads as rewritten:

"§ 105-164.13. Retail sales and use tax.

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(50) Fifty percent (50%) of the sales price of tangible personal property sold through a coin-operated vending machine, other than tobacco and newspapers."

SECTION 8.3.(c) This section becomes effective October 1, 2014, and applies to sales made on or after that date.

PART IX. EXCISE TAX CHANGES

SECTION 9.1.(a) G.S. 105-113.13(b) reads as rewritten:

"(b) The Secretary may require a distributor to furnish a bond in an amount that adequately protects the State from loss if the distributor fails to pay taxes due under this Part. A bond shall be conditioned on compliance with this Part, shall be payable to the State, and shall be in the form required by the Secretary. The Secretary shall set the bond amount based on the anticipated tax liability of the distributor. The Secretary shall periodically review the sufficiency of bonds required of the distributor and shall increase the required bond amount if the bond furnished no longer covers the anticipated tax liability of the distributor. The Secretary shall decrease the amount of a required bond if the Secretary finds that a lower bond amount will protect the State adequately from loss. For purposes of this section, a bond may also include an irrevocable letter of credit. A distributor may substitute an irrevocable letter of credit for the secured bond required by this section. The letter of credit must be issued by a commercial bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon compliance with this Article, and in the amounts stipulated in this section.”

SECTION 9.1.(b) G.S. 105-113.38 reads as rewritten:

"§ 105-113.38. Bond or irrevocable letter of credit.

The Secretary may require a wholesale dealer or a retail dealer to furnish a bond in an amount that adequately protects the State from loss if the dealer fails to pay taxes due under this Part. A bond shall be conditioned on compliance with this Part, shall be payable to the State, and shall be in the form required by the Secretary. The Secretary shall proportion a bond amount to the anticipated tax liability of the wholesale dealer or retail dealer. The Secretary shall periodically review the sufficiency of bonds required of dealers, and shall increase the amount of a required bond when the amount of the bond furnished no longer covers the anticipated tax liability of the wholesale dealer or retail dealer.
The Secretary shall decrease the amount of a required bond when the Secretary determines that a smaller bond amount will adequately protect the State from loss. For purposes of this section, a bond may also include an irrevocable letter of credit. A wholesale dealer or a retail dealer may substitute an irrevocable letter of credit for the secured bond required by this section. The letter of credit must be issued by a commercial bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon compliance with this Article, and in the amounts stipulated in this section.

**SECTION 9.1.**

G.S. 105-113.86 reads as rewritten:

"§ 105-113.86. Bonds. Bond or irrevocable letter of credit.

(a) Wholesalers and Importers. – A wholesaler or importer shall furnish a bond in an amount of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000). The amount of the bond must be proportionate to the anticipated tax liability of the wholesaler or importer. The Secretary should periodically review the sufficiency of the bonds required under this section. The Secretary may increase the proportionate amount required, not to exceed fifty thousand dollars ($50,000), if the bond furnished no longer covers the taxpayer’s anticipated tax liability. The Secretary may decrease the proportionate amount required when the Secretary determines that a smaller bond amount will adequately protect the State from loss. The bond shall be payable to the State, shall be in a form acceptable to the Secretary, and shall be secured by a corporate surety or by a pledge of obligations of the federal government, the State, or a political subdivision of the State. The Secretary shall proportion the bond amount to the anticipated tax liability of the wholesaler or importer. The Secretary shall periodically review the sufficiency of bonds furnished by wholesalers and importers, and shall increase the amount of a bond required of a wholesaler or importer when the amount of the bond furnished no longer covers the wholesaler’s or importer’s anticipated tax liability.

(c) Letter of Credit. – For purposes of this section, a wholesaler or importer or a nonresident vendor may substitute an irrevocable letter of credit for the secured bond required by this section. The letter of credit must be issued by a commercial bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon compliance with this Article, and in the amounts stipulated in this section."

**SECTION 9.2.**

G.S. 105-113.39(b) reads as rewritten:

"(b) Refund. – A wholesale dealer or retail dealer who is primarily liable under G.S. 105-113.35(b) for the excise taxes imposed by this Part and is in possession of stale or otherwise unsalable tobacco products upon which the tax has been paid may return the tobacco products to the manufacturer and apply to the Secretary for refund of the tax. The application shall be in the form prescribed by the Secretary and shall be accompanied by a written certificate signed under penalty of perjury or an affidavit from the manufacturer listing the tobacco products returned to the manufacturer by the applicant. The Secretary shall refund the tax paid, less the discount allowed, on the listed products."

**SECTION 9.3.**

G.S. 105-259(b) is amended by adding two new subdivisions to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:..."
(40a) To furnish a data clearinghouse the information required to be released in accordance with the State's agreement under the December 2012 Term Sheet Settlement, as finalized by the State in the NPM Adjustment Settlement Agreement, concerning annual tobacco product sales by a nonparticipating manufacturer. The following definitions apply in this subdivision:

a. Data clearinghouse. – Defined in the Term Sheet Settlement and in the NPM Adjustment Settlement Agreement.


d. NPM Adjustment Settlement Agreement. – The final executed settlement document resulting from the 2012 Term Sheet Settlement.

e. Participating manufacturer. – Defined in G.S. 66-292.

f. Term Sheet Settlement. – The settlement agreement entered into in December 2012 by the State and certain participating manufacturers under the Master Settlement Agreement.

(46) To furnish to a person who provides the State with a bond or irrevocable letter of credit on behalf of a taxpayer the information necessary for the Department to collect on the bond or letter of credit in the case of noncompliance with the tax laws by the taxpayer covered by the bond or letter of credit.

SECTION 9.4. G.S. 105-260.1 reads as rewritten:

"§ 105-260.1. Delegation of authority to hold hearings.

The Secretary of Revenue may delegate to a Deputy or Assistant Secretary of Revenue the authority to hold any hearing required or allowed under this Chapter."

SECTION 9.5.(a) The heading to Article 36B of Chapter 105 of the General Statutes reads as rewritten:


SECTION 9.5.(b) G.S. 105-449.37 reads as rewritten:

"§ 105-449.37. Definitions; tax liability; application.

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


(2) Motor carrier. – A person who operates or causes to be operated on any highway in this State a motor vehicle that is a qualified motor vehicle. The term does not include the United States, a state, or a political subdivision of a state.

(3) Motor vehicle. – Defined in G.S. 20-4.01.

(4) Operations. – The movement of a qualified motor vehicle by a motor carrier, whether loaded or empty and whether or not operated for compensation.

(5) Person. – Defined in G.S. 105-228.90.

(6) Qualified motor vehicle. – Defined in the International Fuel Tax Agreement.

(7) Secretary. – Defined in G.S. 105-228.90.

(b) Liability. – A motor carrier who operates on one or more days of a reporting period is liable for the tax imposed by this Article for that reporting period and is entitled to the credits allowed for that reporting period.

(c) Application. – A motor carrier who operates a qualified motor vehicle in this State must register the vehicle as provided in this Article and obtain the appropriate license and decals for the vehicle. The Article applies to both an interstate motor carrier subject to the International Fuel Tax Agreement and to an intrastate motor carrier."

SECTION 9.5.(c) G.S. 105-449.47(a) reads as rewritten:
"(a) Requirement. – A motor carrier that is subject to the International Fuel Tax Agreement may not operate or cause to be operated in this State a qualified motor vehicle unless both the motor carrier and at least one qualified motor vehicle are registered as provided in this subsection. This subsection applies to a motor carrier that operates a recreational vehicle that is considered a qualified motor vehicle. A motor carrier that is subject to the International Fuel Tax Agreement must register with the motor carrier's base state jurisdiction. A motor carrier that is not subject to the International Fuel Tax Agreement may not operate or cause to be operated in this State a qualified motor vehicle unless both the motor carrier and at least one qualified motor vehicle are registered must register with the Secretary for purposes of the tax imposed by this Article. This subsection applies to a motor carrier that operates a recreational vehicle that is considered a qualified motor vehicle."

SECTION 9.6. G.S. 105-449.61(a) reads as rewritten:

"(a) No Local Tax. – A county or city may not impose a tax on the sale, distribution, or use of motor fuel, except motor fuel for which a refund of the per gallon excise tax is allowed under G.S. 105-449.105A or G.S. 105-449.107."

SECTION 9.7.(a) G.S. 105-449.81 reads as rewritten:

"§ 105-449.81. Excise tax on motor fuel.
An excise tax at the motor fuel rate is imposed on motor fuel that is:

... (3b) Fuel grade ethanol or biodiesel fuel if the fuel that meets any meets at least one of the following descriptions:
   a. Is produced in this State and is removed from the storage facility at the production location.
   b. Is imported to this State outside the terminal transfer system.
..."

SECTION 9.7.(b) G.S. 105-449.83A reads as rewritten:

"§ 105-449.83A. Liability for tax on fuel grade ethanol and biodiesel.
The excise tax imposed by G.S. 105-449.81(3b) on fuel grade ethanol is payable by the refiner or fuel alcohol provider. The excise tax imposed by G.S. 105-449.81(3b) on biodiesel is payable by the refiner or the biodiesel provider."

SECTION 9.7.(c) This section becomes effective October 1, 2014.

SECTION 9.8.(a) G.S. 105-449.119 for reviewing a penalty imposed under Article 36C, Part 6, of this Chapter applies to a penalty imposed under this section. The Secretary may reduce or waive the penalty as provided in Article 9 of this Chapter."

SECTION 9.9.(a) G.S. 105-449.115 for reviewing a penalty imposed under Article 36C, Part 6, of this Chapter applies to a penalty imposed under this section. The Secretary may reduce or waive the penalty as provided in Article 9 of this Chapter."

SECTION 9.9.(a) G.S. 105-449.115 reads as rewritten:

"(b) Content. – A shipping document issued by is a permanent record that must contain the following information and any other information required by the Secretary:
   (1) Identification, including address, of the terminal or bulk plant from which the motor fuel was received.
   (1a) The type of motor fuel loaded.
(2) The date the motor fuel was loaded.
(3) The gross gallons loaded if the motor fuel is loaded onto a transport truck, and the gross pounds loaded if the motor fuel is loaded onto a railroad tank car.
(3a) The motor fuel transporter for the motor fuel.
(4) The destination state of the motor fuel, as represented by the purchaser of the motor fuel or the purchaser’s agent.
(5) If the document is issued by a refiner or a terminal operator, the document must be machine printed. If the motor fuel is loaded onto a transport truck, the document must contain the following information:
   a. The net gallons loaded.
   b. A tax responsibility statement indicating the name of the supplier that is responsible for the tax due on the motor fuel.”

SECTION 9.9.(b) This section becomes effective October 1, 2014.

SECTION 9.10.(a) G.S. 105-449.106(c) reads as rewritten:
"(c) Special Mobile Equipment. – A person who purchases and uses motor fuel for the off-highway operation of special mobile equipment registered under Chapter 20 of the General Statutes may receive a quarterly refund, for the excise tax paid during the preceding quarter, at a rate equal to the flat cents-per-gallon rate plus the variable cents-per-gallon rate in effect during the quarter for which the refund is claimed, less the amount of sales and use tax or privilege tax due on the fuel under this Chapter, as determined in accordance with G.S. 105-449.107(c). An application for a refund must be made in accordance with this Part."

SECTION 9.10.(b) G.S. 105-449.107 reads as rewritten:
"(a) Off-Highway. – A person who purchases and uses motor fuel for a purpose other than to operate a licensed highway vehicle may receive an annual refund for the excise tax the person paid on fuel used during the preceding calendar year. The amount of refund allowed is the amount of the flat cents-per-gallon rate in effect during the year for which the refund is claimed plus the average of the two variable cents-per-gallon rates in effect during that year, less the amount of sales and use tax or privilege tax due on the fuel under this Chapter. An application for a refund allowed under this section must be made in accordance with this Part.

(b) Certain Vehicles. – A person who purchases and uses motor fuel in one of the vehicles listed below may receive an annual refund for the amount of fuel consumed by the vehicle:

The amount of refund allowed is thirty-three and one-third percent (33 1/3%) of the following: the sum of the flat cents-per-gallon rate in effect during the year for which the refund is claimed and the average of the two variable cents-per-gallon rates in effect during that year, less the amount of sales and use tax or privilege tax due on the fuel under this Chapter. An application for a refund allowed under this section must be made in accordance with this Part. This refund is allowed for the amount of fuel consumed by the vehicle in its mixing, compacting, or unloading operations, as distinguished from propelling the vehicle, which amount is considered to be one-third of the amount of fuel consumed by the vehicle.

(c) Sales Tax Amount. – Article 5 of Subchapter I of this Chapter determines the amount of State sales and use tax to be deducted under this section from a motor fuel excise tax refund. Articles 39, 40, and 42 of Subchapter VIII of this Chapter and the Mecklenburg First 1% Sales Tax Act determine the amount of local sales and use tax to be deducted under this section from a motor fuel excise tax refund. Article 5F of this Chapter determines the amount of privilege tax to be deducted under this section from a motor fuel excise tax refund. The sales price and the cost price of motor fuel to be used in determining the amount to deduct is the average of the wholesale prices used under G.S. 105-449.80 to determine the excise tax rates in effect for the two six-month periods of the year for which the refund is claimed.”

SECTION 9.11. Except as otherwise provided, this Part is effective when it becomes law.
PART X. TAX LAW COMPLIANCE CHANGES

SECTION 10.1.(a) G.S. 18B-900 reads as rewritten:

(a) Requirements. – To be eligible to receive and to hold an ABC permit, a person shall satisfy all of the following requirements:

1. Be at least 21 years old, unless the person is a manager of a business selling only malt beverages and unfortified wine, in which case the person shall be at least 19 years old.

2. Be a resident of North Carolina unless:
   a. He is an officer, director or stockholder of a corporate applicant or permittee and is not a manager or otherwise responsible for the day-to-day operation of the business; or
   b. He has executed a power of attorney designating a qualified resident of this State to serve as attorney in fact for the purposes of receiving service of process and managing the business for which permits are sought; or
   c. He is applying for a nonresident malt beverage vendor permit, a nonresident wine vendor permit, or a vendor representative permit.

3. Not have been convicted of a felony within three years, and, if convicted of a felony before then, shall have had his citizenship restored.

4. Not have been convicted of an alcoholic beverage offense within two years.

5. Not have been convicted of a misdemeanor controlled substance offense within two years.

6. Not have had an alcoholic beverage permit revoked within three years, except where the revocation was based solely on a permittee's failure to pay the annual registration and inspection fee required in G.S. 18B-903(b1).

7. Not have, whether as an individual or as an officer, director, shareholder or manager of a corporate permittee, an unsatisfied outstanding final judgment that was entered against him in an action under Article 1A of this Chapter.

8. Be current in filing all applicable tax returns to the State and in payment of all taxes, interest, and penalties that are collectible under G.S. 105-241.22. This subdivision does not apply to the following ABC permits:
   a. Special occasion permit under G.S. 18B-1001(8).
   b. Limited special occasion permit under G.S. 18B-1001(9).
   c. Special one-time permit under G.S. 18B-1002.
   d. Salesman permit under G.S. 18B-1111.

To avoid undue hardship, however, the Commission may decline to take action under G.S. 18B-104 against a permittee who is in violation of subdivisions (3), (4), or (5).

(f) Procedure to Confirm State Tax Compliance. – Upon request of the Commission, the Department of Revenue must provide information to the Commission to confirm a person's compliance with subdivision (a)(8) of this section. If the Department of Revenue notifies the Commission that a person is not in compliance, then the Commission may not issue or renew the person's permit until the Commission receives notice from the Department of Revenue that the person is in compliance. The requirement to pay all taxes, interest, and penalties may be satisfied by an operative agreement under G.S. 105-237 covering any amounts that are collectible under G.S. 105-241.22. Chapter 150B of the General Statutes does not apply to a Commission action on issuance, suspension, or revocation of an ABC permit under subdivision (a)(8) of this section."

SECTION 10.1.(b) G.S. 18B-906(a) reads as rewritten:
"(a) Act Applies. – An ABC permit is a "license" within the meaning of G.S. 150B-2, and, except for revocation pursuant to G.S. 18B-904(e)(3), G.S. 18B-904(e)(3) or for a confirmation pursuant to G.S. 18B-900(a)(8), a Commission action on issuance, suspension, or revocation of an ABC permit, other than a temporary permit issued under G.S. 18B-905, is a "contested case" subject to the provisions of Chapter 150B except as provided in this section."

SECTION 10.1.(c) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

(46) To provide the Alcoholic Beverage Control Commission the information required under G.S. 18B-900."

SECTION 10.1.(d) G.S. 105-243.1(e) reads as rewritten:

"(e) Use. – The fee is a receipt of the Department and must be applied to the costs of collecting overdue tax debts. The proceeds of the fee must be credited to a special account within the Department and may be expended only as provided in this subsection. The proceeds of the fee may not be used for any purpose that is not directly and primarily related to collecting overdue tax debts. The Department may apply the proceeds of the fee for the purposes listed in this subsection. The remaining proceeds of the fee may be spent only pursuant to appropriation by the General Assembly. The fee proceeds do not revert but remain in the special account until spent for the costs of collecting overdue tax debts. The Department and the Office of State Budget and Management must account for all expenditures using accounting procedures that clearly distinguish costs allocable to collecting overdue tax debts from costs allocable to other purposes and must demonstrate that none of the fee proceeds are used for any purpose other than collecting overdue tax debts.

The Department may apply the fee proceeds for the following purposes:

(1) To pay contractors for collecting overdue tax debts under subsection (b) of this section.
(2) To pay the fee the United States Department of the Treasury charges for setoff to recover tax owed to North Carolina.
(3) To pay for taxpayer locator services, not to exceed one hundred fifty thousand dollars ($150,000), five hundred thousand dollars ($500,000) a year.
(4) To pay for postage or other delivery charges for correspondence directly and primarily relating to collecting overdue tax debts, not to exceed five hundred thousand dollars ($500,000) a year.
(5) To pay for operating expenses for Project Collection Tax and the Taxpayer Assistance Call Center.
(6) To pay for expenses of the Examination and Collection Division directly and primarily relating to collecting overdue tax debts."

SECTION 10.1.(e) Subsections (a), (b), and (c) of Section 10.1 of this act become effective May 1, 2015. The remainder of this Part is effective when it becomes law.

PART XI. PROPERTY TAX CHANGES

SECTION 11.1.(a) G.S. 105-333 reads as rewritten:

"§ 105-333. Definitions. The following definitions apply in this Article unless the context requires a different meaning:

...
(9a) Mobile telecommunications company. – A company providing a mobile telecommunications service as defined in G.S. 105-164.3.

…

(14) Public service company. – A railroad company, a pipeline company, a gas company, an electric power company, an electric membership corporation, a telephone company, a telegraph company, a bus line company, an airline company, or a motor freight carrier company, a mobile telecommunications company, or a tower aggregator company. The term also includes any company performing a public service that is regulated by the United States Department of Energy, the United States Department of Transportation, the Federal Communications Commission, the Federal Aviation Agency, or the North Carolina Utilities Commission, except that the term does not include a water company, providers of mobile telecommunications service as defined in G.S. 105-164.3, a cable television company, or a radio or television broadcasting company.

…

(17a) Tangible personal property of a mobile telecommunications company. – All tangible personal property located in this State that is owned by a mobile telecommunications company or is leased to and capitalized on the books of a mobile telecommunications company in accordance with generally accepted accounting principles, including cellular towers, cellular equipment shelters, and site improvements at cellular tower locations. The term does not include FCC licenses or authorizations or other intangible personal property.

(17b) Tangible personal property of a tower aggregator company. – All tangible personal property located in this State that is owned by a tower aggregator company or is leased to and capitalized on the books of a tower aggregator company in accordance with generally accepted accounting principles, including cellular towers, cellular equipment shelters, and site improvements at cellular tower locations.

(18) Telegraph company. – A company engaged in the business of transmitting telegraph messages to, from, within, or through the State.

(19) Telephone company. – A company engaged in the business of transmitting telephone messages and conversations to, from, within, or through this State, except that the term does not include a mobile telecommunications company.

…

(22) Tower aggregator company. – A company that provides tower infrastructure for broadcasting and mobile telephony and that leases space on the tower infrastructure to mobile telecommunications companies.

SECTION 11.1.(b) G.S. 105-335 reads as rewritten:

"§ 105-335. Appraisal of property of public service companies.
(a) Duty to Appraise. – In accordance with the provisions of subsection (b), below, the Department of Revenue shall appraise for taxation the true value of each public service company in accordance with subsection (b) of this section except for a public service company listed in this subsection. The Department shall appraise certain specified properties of the following public service companies in accordance with subsection (c) of this section, (other than bus line, motor freight carrier, and airline companies) as a system (both inside and outside this State). Certain specified properties of bus line, motor freight carrier, and airline companies shall be appraised by the Department in accordance with the provisions of subsection (c), below, and all other properties of such companies shall be listed, appraised, and assessed in the manner prescribed by this Subchapter for the properties of taxpayers other than public service companies.

34
(1) Bus line.
(2) Motor freight carrier.
(3) Airline.
(4) Mobile telecommunications company.
(5) Tower aggregator company.

(b) Property of Public Service Companies Other Than Those Noted in Subsection (c). –

(1) System Property. – Each year, as of January 1, the Department of Revenue shall appraise at its true value (as defined in G.S. 105-283) the system property used by each public service company both inside and outside this State. Property leased by a public service company shall be included in appraising the value of its system property if necessary to ascertain the true value of the company's system property.

(2) Nonsystem Personal Property. – Each year as of January 1, the Department shall appraise at its true value (as defined in G.S. 105-283) each public service company's nonsystem tangible personal property subject to taxation in this State.

(3) Nonsystem Real Property. – In accordance with the county in which the public service company's nonsystem real property is located and the schedules set out in G.S. 105-286 and 105-287, the Department of Revenue shall appraise at its true value (as defined in G.S. 105-283) each public service company's nonsystem real property subject to taxation in this State.

(c) Property of Bus Line, Motor Freight Carrier, and Airline, Mobile Telecommunications, and Tower Aggregator Companies. –

(1) Bus Company Rolling Stock. – Each year as of January 1, the Department shall appraise at its true value (as defined in G.S. 105-283) the rolling stock owned or leased by or operated under the control of each bus line company, which bus line company that is domiciled in this State or that is regularly engaged in business in this State.

(2) Motor Freight Carrier Company Rolling Stock. – Each year as of January 1, the Department shall appraise at its true value (as defined in G.S. 105-283) the rolling stock owned by a motor freight carrier company or leased by a motor freight carrier company and operated by its employees which motor freight carrier company that is domiciled in this State or that is regularly engaged in business in this State at a terminal owned or leased by the carrier.

(3) Flight Equipment. – Each year, as of January 1, the Department shall appraise at its true value (as defined in G.S. 105-283) the flight equipment owned or leased by or operated under the control of each airline company that is domiciled in the State or that is regularly engaged in business at some airport in this State.

(4) Property of Mobile Telecommunications Company. – Each year, as of January 1, the Department shall appraise at its true value the tangible personal property of a mobile telecommunications company as provided in G.S. 105-336(c) and G.S. 105-336(d).

(5) Property of Tower Aggregator Company. – Each year, as of January 1, the Department shall appraise at its true value the tangible personal property of a tower aggregator company as provided in G.S. 105-336(d)."

SECTION 11.1.(c) G.S. 105-336 reads as rewritten:

"§ 105-336. Methods of appraising certain properties of public service companies.

(a) Appraising System Property of Public Service Companies Other Than Those Noted in Subsection (b). Subsections (b), (c), and (d) of This Section. – The Department of Revenue shall give consideration to the factors listed in this subsection in determining the true value of each public service company as a system, other (other than one covered by subsection (b),
(c), or (d) of this subsection, below) as a system the Department of Revenue shall give consideration to the following: The factors are:

1. The market value of the company's capital stock and debt, taking into account the influence of any nonsystem property.
2. The book value of the company's system property as reflected in the books of account kept under the regulations of the appropriate federal or State regulatory agency and what it would cost to replace or reproduce the system property, less a reasonable allowance for depreciation.
3. The gross receipts and operating income of the company.
4. Any other factor or information that in the judgment of the Department has a bearing on the true value of the company's system property.

(b) Appraising Rolling Stock and Flight Equipment. – In determining the true value of the rolling stock of bus line and motor freight carrier companies and the flight equipment of airline companies, the Department of Revenue shall consider the book value of the property as reflected in the books of account kept under the regulations of the appropriate federal or State regulatory agency and what it would cost to replace or reproduce the property in its existing condition.

(c) Appraising Tangible Personal Property of Mobile Telecommunications Companies. – In determining the true value of the tangible personal property of a mobile telecommunications company (excluding towers), the Department of Revenue shall consider the original cost of the property as reflected in the books of account maintained by the company in accordance with generally accepted accounting principles. The Department of Revenue may also consider what it would cost to replace or reproduce the property. In either case, an appropriate deduction shall be made for all forms of depreciation, including physical deterioration, functional obsolescence, and external or economic obsolescence.

(d) Appraising Tangible Personal Property of Tower Aggregator Companies and Certain Property of Mobile Telecommunications Companies. – In determining the true value of the tangible personal property of a tower aggregator company (excluding towers), the Department of Revenue shall consider the original cost of the property as appraised under the provisions of G.S. 105-336(a) or G.S. 105-336(b), it shall ascertain the portion of the total value subject to taxation in this State by applying property, business, and mileage factors thereto in accordance with the ratio that the company's property, business, or mileage in this State bears to its total property, business, or mileage. In its discretion, the Department may use one or more of the factors listed in the preceding sentence in order to achieve a fair and accurate result in the apportionment of the value of the property of any public service company. As used in this section, the following definitions apply in this section:
(1) The term "business factor" means data that reflect
the use of the company's property, such as gross revenue, net income, tons of
freight carried, revenue ton miles, passenger miles, car miles, ground hours,
and comparable data.

(2) The term "mileage factor" means factual information as to the linear miles of the company's track, wire, lines, pipes, routes, and similar operational routes and factual information as to the miles traveled by the company's rolling stock.

(3) The term "property factor" means investment in property; it may be either gross or net investment or any other reasonable figure reflecting the company's investment in property.

SECTION 11.1.(e) G.S. 105-338 reads as rewritten:

§ 105-338. Allocation of appraised valuation of system public service property among local taxing units.

(a) State Board's Duty. – For purposes of taxation by local taxing units in this State, the Department of Revenue shall allocate the valuations of public service company property among the local taxing units in accordance with the provisions of this section.

(b) System Valuation of Companies Other Than Those Noted in Subsection (c). –

(3) System Property of Other Companies Appraised by the Department of Revenue.

a. The provisions of this subdivision (b)(3) shall govern the allocation of the property of all companies appraised by the Department of Revenue except railroad, telephone, bus line, motor freight carrier, and airline companies, mobile telecommunications companies, and tower aggregator companies.

b. The appraised valuation of the system property of such a company shall be allocated for taxation to the local taxing units in which the company operates in the proportion that the original cost of the taxable system property in the local taxing unit on January 1 bears to the original cost of all the taxable system property in this State. If in any local taxing unit the company owns system property acquired prior to January 1, 1972, for which the original cost cannot be definitely ascertained, the company shall make a reasonable estimate of the original cost of that property shall be made by the company, property, and the Department shall use this estimate shall be used by the Department of Revenue for allocation purposes as if it were the actual original cost of the property.

(c) Certain Property of Bus Line, Motor Freight Carrier, and Airline, and Mobile Telecommunications Companies.

(1) The appraised valuation of a bus line company's rolling stock shall be allocated for taxation to each local taxing unit according to the ratio of the company's scheduled miles during the calendar year preceding January 1 in each such unit to the company's total scheduled miles in this State for the same period. In no event, however, shall the State Board make an allocation to a taxing unit if, when computed, the valuation for that taxing unit amounts to less than five hundred dollars ($500.00).

(2) The appraised valuation of the rolling stock (other than locally assigned rolling stock) owned or leased by a motor freight carrier company shall be allocated for taxation to each local taxing unit in which the company has a terminal according to the ratio of the tons of freight handled in the calendar year preceding January 1 at the company's terminals within the taxing unit to the total tons of freight handled by the company in this State.
period. If a North Carolina interstate motor freight carrier company has no terminal outside this State, but has been required to pay ad valorem tax to one or more taxing units outside this State, there shall be allowed a reduction in the North Carolina valuation measured by the ratio of the rolling stock subject to ad valorem taxation outside the State to all of the carrier's rolling stock.

(3) The appraised valuation of an airline company's flight equipment shall be allocated for taxation to each local taxing unit in which an airport used by the company is situated according to the ratio obtained by averaging the following two ratios: the ratio of the company's ground hours in the taxing unit in the year preceding January 1 to the company's ground hours in the State in the same period, and the ratio of the company's gross revenue in the taxing unit in the year preceding January 1 to the company's gross revenue in the State in the same period.

(4) The appraised valuation of the tangible personal property of a mobile telecommunications company (excluding towers) that is appraised in accordance with the provisions of G.S. 105-336(d) is allocated among the local taxing units in which the property of the company is situated on January 1 in the proportion that the original cost of the property in the taxing unit bears to the original cost of all such property in this State.”

SECTION 11.1.(f) G.S. 105-339 reads as rewritten:

"§ 105-339. Certification of appraised valuations of nonsystem property and locally assigned rolling stock, tangible personal property of tower aggregator companies, and certain tangible personal property of mobile telecommunications companies.

Having determined the appraised valuations of the nonsystem properties of public service companies in accordance with subdivisions (b)(2) and (b)(3) of G.S. 105-335 and the appraised valuations of locally assigned rolling stock in accordance with subdivision (c)(1) of G.S. 105-335, the appraised valuations of the tangible personal property of tower aggregator companies in accordance with G.S. 105-336(d) and the appraised valuations of towers of mobile telecommunications companies in accordance with G.S. 105-336(d), the Department of Revenue shall assign those appraised valuations to the taxing units in which such properties are situated by certifying the valuations to the appropriate counties and municipalities. Each local taxing unit receiving such certified valuations shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein.”

SECTION 11.1.(g) Article 23 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-339.1. Certification of appraised valuations of mobile telecommunications companies.

Having determined the appraised valuations of the tangible personal property of mobile telecommunications companies (excluding towers) in accordance with subdivision (c) of G.S. 105-335 and having allocated the valuations to the local taxing units in accordance with subdivision (c)(4) of G.S. 105-338, the Department of Revenue shall assign each local taxing unit's appraised valuations by certifying the valuations to the appropriate counties and municipalities. Each local taxing unit receiving these certified valuations shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein.”

SECTION 11.1.(h) This Part is effective for taxes imposed for taxable years beginning on or after July 1, 2015.
PART XII: PRIVILEGE LICENSE TAX CHANGES

SECTION 12.1.(a) G.S. 160A-211(a) is reenacted as amended by Section 58(d) of S.L. 2013-414.

SECTION 12.1.(b) This section is effective when it becomes law.

SECTION 12.2.(a) G.S. 160A-211(a), as reenacted by Section 12.1 of this Part, reads as rewritten:

"(a) Authority. – Except as otherwise provided by law, a city shall have power to levy privilege license taxes on all trades, occupations, professions, businesses, and franchises carried on-physically located within the city. A city may levy privilege license taxes on the businesses that were formerly taxed by the State under the following sections of Article 2 of Chapter 105 of the General Statutes only to the extent the sections authorized cities to tax the businesses before the sections were repealed:

G.S. 105-36 Amusements – Manufacturing, selling, leasing, or distributing moving picture films.
G.S. 105-36.1 Amusements – Outdoor theatres.
G.S. 105-37 Amusements – Moving pictures – Admission.
G.S. 105-37.1 Amusements – Live entertainment and ticket resales
G.S. 105-42 Private detectives and investigators.
G.S. 105-45 Collecting agencies.
G.S. 105-46 Undertakers and retail dealers in coffins.
G.S. 105-50 Pawnbrokers.
G.S. 105-51.1 Alarm systems.
G.S. 105-53 Peddlers, itinerant merchants, and specialty market operators.
G.S. 105-54 Contractors and construction companies.
G.S. 105-55 Installing elevators and automatic sprinkler systems.
G.S. 105-61 Hotels, motels, tourist courts and tourist homes.
G.S. 105-62 Restaurants.
G.S. 105-65 Music machines.
G.S. 105-65.1 Merchandising dispensers and weighing machines.
G.S. 105-66.1 Electronic video games.
G.S. 105-74 Pressing clubs, dry cleaning plants, and hat blockers.
G.S. 105-77 Tobacco warehouses.
G.S. 105-80 Firearms dealers and dealers in other weapons.
G.S. 105-85 Laundries.
G.S. 105-86 Outdoor advertising.
G.S. 105-89 Automobiles, wholesale supply dealers, and service stations.
G.S. 105-89.1 Motorcycle dealers.
G.S. 105-90 Emigrant and employment agents.
G.S. 105-91 Plumbers, heating contractors, and electricians.
G.S. 105-97 Manufacturers of ice cream.
G.S. 105-98 Branch or chain stores.
G.S. 105-99 Wholesale distributors of motor fuels.
G.S. 105-102.1 Certain cooperative associations.
G.S. 105-102.5 General business license."

SECTION 12.2.(b) For fiscal year 2014-2015, a city shall apply the privilege license tax ordinance that was in effect for that city in 2013-2014 along with any modifications required by this act. If a city did not have a privilege license tax ordinance in effect for fiscal year 2013-2014, then it may not enact a privilege license tax ordinance for fiscal year 2014-2015.

SECTION 12.2.(c) This section is effective when it becomes law and applies to taxable years beginning on or after July 1, 2014.
SECTION 12.3.(a) G.S. 160A-211 is repealed effective for taxable years beginning on or after July 1, 2015.

SECTION 12.3.(b) G.S. 105-88(e), 105-109(e), 130A-294(r), 160A-211.1, 153A-152, and 153A-152.1 are repealed.

SECTION 12.3.(c) G.S. 160A-194 reads as rewritten:

"§ 160A-194. Regulating and licensing businesses, trades, etc.
(a) A city may by ordinance, subject to the general law of the State, regulate and license occupations, businesses, trades, professions, and forms of amusement or entertainment and prohibit those that may be inimical to the public health, welfare, safety, order, or convenience. In licensing trades, occupations, and professions, the city may, consistent with the general law of the State, require applicants for licenses to be examined and charge a reasonable fee therefor.

Nothing in this section shall impair the city's power to levy privilege license taxes on occupations, businesses, trades, professions, and other activities pursuant to G.S. 160A-211.

...

SECTION 12.3.(d) G.S. 160A-215.1 reads as rewritten:

(a) As a substitute for and in replacement of the ad valorem tax, which is excluded by G.S. 105-275(42), a city may levy a gross receipts tax on the gross receipts from the short-term lease or rental of vehicles at retail to the general public. The tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such short-term leases or rentals. This tax on gross receipts is in addition to the privilege taxes authorized by G.S. 160A-211.

...

SECTION 12.3.(e) G.S. 153A-49 reads as rewritten:

A county may adopt and issue a code of its ordinances. The code may be reproduced by any method that gives legible and permanent copies, and may be issued as a securely bound book or books with periodic separately bound supplements, or as a loose-leaf book maintained by replacement pages. Supplements or replacement pages should be adopted and issued at least annually, unless there have been no additions to or modifications of the code during the year.

A code may consist of two parts, the "General Ordinances" and the "Technical Ordinances." The technical ordinances may be published as separate books or pamphlets, and may include ordinances regarding the construction of buildings, the installation of plumbing and electric wiring, and the installation of cooling and heating equipment; ordinances regarding the use of public utilities, buildings, or facilities operated by the county; the zoning ordinance; the subdivision control ordinance; the privilege license tax ordinance; and other similar ordinances designated as technical ordinances by the board of commissioners. The board may omit from the code the budget ordinance, any bond orders, and other designated classes of ordinances of limited interest or transitory nature, but the code shall clearly describe the classes of ordinances omitted from it.

The board of commissioners may provide that ordinances (i) establishing or amending the boundaries of county zoning areas or (ii) establishing or amending the boundaries of zoning districts shall be codified by appropriate entries upon official map books to be retained permanently in the office of the clerk or some other county office generally accessible to the public.

SECTION 12.3.(f) Except as otherwise provided, this section becomes effective July 1, 2015. This section does not affect the rights or liabilities of a county or city, a taxpayer, or other person arising under a statute amended or repealed by this section before its amendment or repeal, nor does it affect the right to any refund or credit of a tax that would otherwise have been available under the amended or repealed statute before its amendment or repeal.

PART XIII. LICENSE PLATE AGENT COMPENSATION

SECTION 13.1.(a) Section 2(c) of S.L. 2013-372 reads as rewritten:
"SECTION 2.(c) Notwithstanding G.S. 20-63(h), as amended by subsection (a) of this section, the transaction rate of one dollar and six cents ($1.06) applies to the collection of property tax by commission contractors for vehicles whose registration renewals expire on or between September 30, 2013, and February 28, 2014. June 30, 2014."

SECTION 13.1.(b) The Division of Motor Vehicles must compensate license plate agents the additional fee for the collection of property taxes as provided in this section. For the period between March 1, 2014, and the date the Division of Motor Vehicles is able to implement the additional fee, the Division must calculate the difference in the fee for agents contracting with the Division authorized by this section and the fee authorized in S.L. 2013-372. The Division must calculate the difference by September 1, 2014. The difference in the fee must be paid to the agents by reducing future remittances of tax payments to counties and municipalities under the Tax and Tag Together Program in equal amounts over a three month period.

SECTION 13.2. G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection will allow or permit allows or permits the operation of fewer outlets in any county in this State than are now being operated.

Commission contracts entered into by the Division under this subsection shall provide for the payment of compensation on a per transaction basis. The collection of the highway use tax is considered a separate transaction for which one dollar and twenty-seven cents ($1.27) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and twenty-seven cents ($1.27) and seventy-one cents ($0.71), one dollar and six cents ($1.06) respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the transactions below is considered a single transaction for which one dollar and forty-three cents ($1.43) compensation shall be paid:

(1) Issuance of a registration plate, a registration card, a registration sticker, or a certificate of title.
(2) Issuance of a handicapped placard or handicapped identification card.
(3) Acceptance of an application for a personalized registration plate.
(4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
(5) Cancellation of a title because the vehicle has been junked.
(6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
(7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
(8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
(8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
(8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
(10) Acceptance of a temporary lien filing.”

SECTION 13.3. G.S. 105-330.5(b) reads as rewritten:

"(b) Distribution and Collection Fees. – The Property Tax Division of the Department of Revenue or a third-party contractor selected by the Property Tax Division must send a copy of the combined tax and registration notice for a registered classified motor vehicle to the motor vehicle owner, as defined in G.S. 20-4.01. The Department must establish a fee equal to the actual cost of preparing, printing, and sending the notice. The Department may receive a fee for each notice generated for a vehicle registered in a county or municipal corporation from the taxes and fees remitted to the county or municipal corporation in which the vehicle is registered. The collecting authority is responsible for collecting county and municipal taxes and fees assessed under this Article and may receive a fee for collecting these taxes and fees. The amount of this fee for an agent contracting with the Division of Motor Vehicles must equal at least the applicable amount set under G.S. 20-63(h). The amount of this fee for the Division of Motor Vehicles is the amount set by the memorandum of understanding entered into under G.S. 105-330.11 but shall not exceed the amount set under G.S. 20-63. The Property Tax Division must establish procedures to ensure that tax payments and fees received pursuant to this Article and Chapter 20 of the General Statutes are properly accounted for and taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least once each month."

SECTION 13.4. Section 34.17 of S.L. 2013-360 directs the Department of Transportation to evaluate current contractual models and compensation for the provision of registration, title, tax collection, and other vehicle service transactions by branch agents contracting with the Division of Motor Vehicles. The Department of Transportation shall provide to the Revenue Laws Study Committee any reports, recommendations, and findings that are a result of the study required under this section. The Department of Transportation shall also provide to each member of the Revenue Laws Study Committee a copy of any final report issued as a result of the study. The Revenue Laws Study Committee is directed to examine the information provided by the Department of Transportation and make an interim report of its findings and recommendations on the per transaction compensation amounts to the 2015 Regular Session of the 2015 General Assembly and shall make a final report to the 2016 Regular Session of the 2015 General Assembly.

SECTION 13.5. Section 13.1 of this Part becomes effective March 1, 2014. Sections 13.2 and 13.3 of this Part become effective July 1, 2014, and apply to collections of property tax on or after that date. The remainder of this Part is effective when it becomes law.

PART XIV. TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES

SECTION 14.1. G.S. 105-114(b)(4) reads as rewritten:

"(4) Income year. – Defined in G.S. 105-130.2(4b), G.S. 105-130.2(10)."

SECTION 14.2. G.S. 105-129.26(a) reads as rewritten:

"(a) Major Recycling Facility. – A recycling facility qualifies for the tax benefits provided in this Article and in Article 5 of this Chapter for major recycling facilities if it meets all of the following conditions:

(1) The facility is located in an area that, at the time the owner began construction of the facility, was an enterprise tier one area pursuant to G.S. 105-129.3 or a development tier one area as defined in G.S. 143B-437.08.

(2) The Secretary of Commerce has certified that the owner will, by the end of the fourth year after the year the owner begins construction of the recycling facility, invest at least three hundred million dollars ($300,000,000) in the facility and create at least 250 new, full-time jobs at the facility.
(3) The jobs at the recycling facility meet the wage standard in effect pursuant to G.S. 105-129.4(b) as of the date the owner begins construction of the facility."

SECTION 14.3. G.S. 105-130.5(b) reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

…

(4) Losses in the nature of net economic losses sustained by the corporation in any or all of the 15 preceding years pursuant to the provisions of G.S. 105-130.8. A corporation required to allocate and apportion its net income under the provisions of G.S. 105-130.4 shall deduct its allocable and apportionable net economic loss only from total income allocable and apportionable to this State pursuant to the provisions of G.S. 105-130.8.

…"

SECTION 14.4.(a) G.S. 105-163.1(3) is repealed.

SECTION 14.4.(b) This section is effective for taxable years beginning on or after January 1, 2014.

SECTION 14.5.(a) G.S. 105-163.2 reads as rewritten:

"§ 105-163.2. Employers must withhold taxes.

(a) Withholding Required. – An employer shall deduct and withhold from the wages of each employee the State income taxes payable by the employee on the wages. For each payroll period, the employer shall withhold from the employee's wages an amount that would approximate the employee's income tax liability under Article 4 of this Chapter if the employer withheld the same amount from the employee's wages for each similar payroll period in a calendar year. In calculating an employee's anticipated income tax liability, the employer shall allow for the exemptions, additions that employee is required to make under Article 4 of this Chapter and the deductions, and credits to which the employee is entitled under Article 4 of this Chapter. The amount of State income taxes withheld by an employer is held in trust for the Secretary.

(b) Withholding Tables. – The manner of withholding and the amount to be withheld shall be determined in accordance with tables and rules adopted by the Secretary. The withholding exception allowed allowances provided by these tables and rules shall, as nearly as possible, approximate the exemptions, additions the employee is required to make under Article 4 of this Chapter and the deductions, and credits to which an employee would be is entitled under Article 4 of this Chapter. The Secretary shall promulgate tables for computing amounts to be withheld with respect to different rates of wages for different payroll periods applicable to the various combinations of exceptions allowances to which an employee may be entitled and taking into account the appropriate standard deduction. The tables may provide for the same amount to be withheld within reasonable salary brackets or ranges so designed as to result in the withholding during a year of approximately the amount of an employee's indicated income tax liability for that year. The withholding of wages pursuant to and in accordance with these tables shall be deemed as a matter of law to constitute compliance with the provisions of subsection (a) of this section, notwithstanding any other provisions of this Article.

…"

SECTION 14.5.(b) G.S. 105-163.5 reads as rewritten:

"§ 105-163.5. Employee exemptions allowable; withholding allowances; certificates.

(a) An employee receiving wages is entitled to the exemptions for which the employee qualifies under Article 4 of this Chapter, withholding allowances that would result in the employer withholding approximately the employee's income tax liability under Article 4 of this Chapter.

(b) Every employee shall, at the time of commencing employment, furnish his or her employer with a signed withholding exception allowance certificate informing the employer of the exemptions allowances the employee claims, which in no event shall exceed the amount of
exemptions to which the employee is entitled under the Code—claims. If the employee fails to file the exemption certificate the employer, in computing amounts to be withheld from the employee’s wages, shall allow the employee the exemption accorded a single person with no dependents—allowance certificate, the employer must compute the amount to be withheld from the employee’s wages as if the employee were a single individual with no allowances.

(c) Withholding exemption allowance certificates shall take effect as of the beginning of the first payroll period that ends on or after the date on which the certificate is furnished, or if payment of wages is made without regard to a payroll period, then the certificate shall take effect as of the beginning of the miscellaneous payroll period for which the first payment of wages is made on or after the date on which the certificate is furnished.

(d) If, on any day during the calendar year, the amount of withholding exemptions allowances to which the employee is entitled is less than the amount of withholding exemptions allowances claimed by the employee on the withholding exemption allowance certificate then in effect with respect to the employee, the employee shall, within 10 days thereafter, furnish the employer with a new withholding exemption allowance certificate stating the amount of withholding exemptions allowances which the employee then claims, which shall in no event exceed the amount to which the employee is entitled on that day. If, on any day during the calendar year, the amount of withholding exemptions allowances to which the employee is entitled is greater than the amount of withholding exemptions allowances claimed, the employee may furnish the employer with a new withholding exemption allowance certificate stating the amount of withholding exemptions allowances which the employee then claims, which shall in no event not exceed the amount to which the employee is entitled on that day.

(e) Withholding exemption allowance certificates must be in the form and contain the information required by the Secretary. As far as practicable, the Secretary shall cause the form of the certificates to be substantially similar to federal exemption certificates.

(f) In addition to any criminal penalty provided by law, if an individual furnishes his or her employer an exemption allowance certificate that contains information which has no reasonable basis and that results in a lesser amount of tax being withheld under this Article than would have been withheld if the individual had furnished reasonable information, the individual is subject to a penalty of fifty percent (50%) of the amount not properly withheld.

SECTION 14.5.(c) This section is effective for taxable years beginning on or after January 1, 2014.

SECTION 14.6.(a) G.S. 105-163.2A(c) reads as rewritten:

"(c) Amount. – In the case of a periodic payment, the pension payer must withhold the amount that would be required to be withheld under this Article if the payment were a payment of wages by an employer to an employee for the appropriate payroll period. If the recipient of periodic payments fails to file an exemption certificate under G.S. 105-163.5, the pension payer must compute the amount to be withheld as if the recipient were a married individual claiming three withholding exemptions.

In the case of a nonperiodic distribution, the pension payer must withhold taxes equal to four percent (4%) of the nonperiodic distribution."

SECTION 14.6.(b) This section becomes effective January 1, 2015, and applies to payments made on or after that date.

SECTION 14.7. G.S. 105-164.3 reads as rewritten:

"§ 105-164.3. Definitions.

The following definitions apply in this Article:

(24) Net taxable sales. – The gross retail sales of the business of a retailer taxed under this Article after deducting exempt sales and nontaxable sales.

(35) Retailer. – A person engaged in the business of any of the following:
a. Making sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property, digital property, or
services for storage, use, or consumption in this State. When the Secretary finds it necessary for the efficient administration of this Article to regard any sales representatives, solicitors, representatives, consignees, peddlers, or truckers as agents of the dealers, distributors, consignors, supervisors, employers, or persons under whom they operate or from whom they obtain the items sold by them regardless of whether they are making sales on their own behalf or on behalf of these dealers, distributors, consignors, supervisors, employers, or persons, the Secretary may so regard them and may regard the dealers, distributors, consignors, supervisors, employers, or persons as "retailers" for the purpose of this Article.

b. Delivering, erecting, installing, or applying tangible personal property for use in this State, regardless of whether the property is permanently affixed to real property or other tangible personal property.

c. Making a remote sale, if one of the conditions listed in G.S. 105-164.8(b) is met.


...”

SECTION 14.8. G.S. 105-164.4 reads as rewritten:
"§ 105-164.4. Tax imposed on retailers.

(a) A privilege tax is imposed on a retailer engaged in business in the State at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is four and three-quarters percent (4.75%).

... (2) The applicable percentage rate applies to the gross receipts derived from the lease or rental of tangible personal property by a person who is engaged in the business of leasing or renting tangible personal property, or is a retailer and leases or rents property of the type sold by the retailer. The applicable percentage rate is the rate and the maximum tax, if any, that applies to a sale of the property that is leased or rented. A person who leases or rents property shall also collect the tax imposed by this section on the separate retail sale of the property.

... (4b) A person who sells tangible personal property at a specialty market or other event, other than the person's own household personal property, is considered a retailer under this Article. A tax at the general rate of tax is levied on the sales price of each article sold by the retailer at the specialty market or other event. The term "specialty market" has the same meaning as defined in G.S. 66-250.

... (4d) The general rate applies to the gross receipts derived from the sale or recharge of prepaid telephone calling service taxable at the general rate of tax. The tax applies regardless of whether tangible personal property, such as a card or a telephone, is transferred. The tax applies to a service that is sold in conjunction with prepaid wireless calling service. Prepaid telephone calling service is taxable at the point of sale instead of at the point of use and is sourced in accordance with G.S. 105-164.4B. Prepaid telephone calling service taxed under this subdivision is not subject to tax as a telecommunications service.
(b) The tax levied in this section shall be collected from the retailer and paid by him at the time and in the manner as hereinafter provided. Provided, however, that any person engaging in business as a retailer shall pay the tax required on the net taxable sales of such the business at the rates specified when proper books are kept showing separately the gross proceeds of taxable and nontaxable sales of tangible personal property items subject to tax under subsection (a) of this section in such a form as that may be accurately and conveniently checked by the Secretary or his duly authorized agent. If such the records are not kept separately, the tax shall be paid as a retailer on the gross sales of the business and the exemptions and exclusions provided by this Article shall not be allowed. The tax levied in this section is in addition to all other taxes whether levied in the form of excise, license, privilege or other taxes.

(c) Certificate of Registration. – Before a person may engage in business as a retailer or wholesale merchant in this State, the person must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29. A facilitator that is liable for tax under G.S. 105-164.4F must obtain a certificate of registration from the Department in accordance with G.S. 105-164.29.”

SECTION 14.9.(a) G.S. 105-164.6(f) reads as rewritten:

"(f) Registration. – A person must obtain a certificate of registration in accordance with G.S. 105-164.29 under any of the following circumstances:

(1) Before the person may engage in business in this State selling or delivering tangible personal property, digital property, or a service for storage, use, or consumption in this State, the person must obtain a certificate of registration from the Department. To obtain a certificate of registration, a person must register with the Department.

(2) If the person is a facilitator that is liable for tax pursuant to G.S. 105-164.4F. The holder of the certificate of registration must pay the tax levied under this Article. A certificate of registration is valid unless it is revoked for failure to comply with the provisions of this Article or becomes void. A certificate issued to a retailer becomes void if, for a period of 18 months, the retailer files no returns or files returns showing no sales.

SECTION 14.9.(b) G.S. 105-164.29 reads as rewritten:

"§ 105-164.29. Application for certificate of registration by wholesale merchants and retailers. A certificate of registration is valid unless it is revoked for failure to comply with the provisions of this Article or becomes void. A certificate issued to a retailer becomes void if, for a period of 18 months, the retailer files no returns or files returns showing no sales.

SECTION 14.9. Application for certificate of registration by wholesale merchants and retailers, retailers, and facilitators.

(a) Requirement and Application. – Before a person may engage in business as a retailer or wholesale merchant, merchant or when a facilitator is liable for tax under G.S. 105-164.4F, the person must obtain a certificate of registration. To obtain a certificate of registration, a person must register with the Department. A wholesale merchant or retailer person who has more than one business is required to obtain only one certificate of registration for each legal entity to cover all operations of the each business throughout the State. An application for registration must be signed as follows:

(1) By the owner, if the owner is an individual.

(2) By a manager, member, or partner, if the owner is an association, a partnership, or a limited liability company.

(3) By an executive officer or some other person specifically authorized by the corporation to sign the application, if the owner is a corporation. If the application is signed by a person authorized to do so by the corporation, written evidence of the person's authority must be attached to the application.

(b) Issuance. – A certificate of registration is not assignable and is valid only for the person in whose name it is issued. A copy of the certificate of registration must be displayed at each place of business.

(c) Term. – A certificate of registration is valid unless it is revoked for failure to comply with the provisions of this Article or becomes void. A certificate issued to a retailer who makes taxable sales or a facilitator liable for tax under G.S. 105-164.4F becomes void if,
for a period of 18 months, the retailer or facilitator files no returns or files returns showing no sales.

(d) Revocation. – The failure of a wholesale merchant or retailer to comply with this Article or G.S. 14-401.18 or the failure of a facilitator to comply with this Article is grounds for revocation of the wholesale merchant’s or retailer’s person’s certificate of registration. Before the Secretary revokes a wholesale merchant’s or retailer’s person’s certificate of registration, the Secretary must notify the wholesale merchant or retailer-person that the Secretary proposes to revoke the certificate of registration and that the proposed revocation will become final unless the wholesale merchant or retailer-person objects to the proposed revocation and files a request for a Departmental review within the time set in G.S. 105-241.11 for requesting a Departmental review of a proposed assessment. The notice must be sent in accordance with the methods authorized in G.S. 105-241.20. The procedures in Article 9 of this Chapter for review of a proposed assessment apply to the review of a proposed revocation.

(e) Definition. – For purposes of this section, the term “person” means a wholesale merchant, a retailer, or a facilitator.”

SECTION 14.10. Article 5 of Chapter 105 of the General Statutes is amended by adding a new statutory section to read:

“§ 105-164.45. Applicable due date when due date falls on a weekend, holiday, or when the Federal Reserve Bank is closed.

(a) Weekends and Holidays. – When the last day for doing an act required or permitted by this Article or Subchapter VIII of this Chapter falls on a Saturday, Sunday, or holiday, the act is considered to be done within the prescribed time limit if it is done on the next business day.

(b) Federal Reserve Bank Closure. – If the Federal Reserve Bank is closed on a due date that prohibits a person from making a payment by ACH debit or credit as required by this Article or Subchapter VIII of this Chapter, the payment is timely if made on the next day the Federal Reserve Bank is open.”

SECTION 14.11. G.S. 105-228.4A(c) reads as rewritten:

“(c) Administration. – The definitions in G.S. 58-10-340 apply in this section. A company subject to this section must file with the Secretary a full and accurate report of the premiums contracted for or collected on policies or contracts of insurance written by the company during the preceding calendar year. In the case of a multiyear policy or contract, the premiums must be prorated among the years covered by the policy or contract. The report is due on or before March 1. March 15. The taxes imposed by this section are due to the Secretary with the report.”

SECTION 14.12. G.S. 105-236.1(a) reads as rewritten:

“(a) General. – The Secretary may appoint employees of the Unauthorized Substances Tax Section of the Tax Enforcement Division to serve as revenue law enforcement officers having the responsibility and subject-matter jurisdiction to enforce the excise tax on unauthorized substances imposed by Article 2D of this Chapter.

The Secretary may appoint up to 11 employees of the Motor Fuels Investigations Section of the Tax Enforcement Division to serve as revenue law enforcement officers having the responsibility and subject-matter jurisdiction to enforce the taxes on motor fuels imposed by Articles 36B, 36C, and 36D of this Chapter and by Chapter 119 of the General Statutes.

The Secretary may appoint employees of the Criminal Investigations Section of the Tax Enforcement Division to serve as revenue law enforcement officers having the responsibility and subject-matter jurisdiction to enforce the following tax violations and criminal offenses:

(1) The felony and misdemeanor tax violations in G.S. 105-236.

(2) The misdemeanor tax violations in G.S. 105-449.117 and G.S. 105-449.120.

(3) The following criminal offenses when they involve a tax imposed under Chapter 105 of the General Statutes:

a. G.S. 14-91 (Embezzlement of State Property).

b. G.S. 14-92 (Embezzlement of Funds).
c. G.S. 14-100 (Obtaining Property By False Pretenses).
c1. G.S. 14-113.20 (Identity Theft).
c2. G.S. 14-113.20A (Trafficing in Stolen Identities).
d. G.S. 14-119 (Forgery).
e. G.S. 14-120 (Uttering Forged Paper).
f. G.S. 14-401.18 (Sale of Certain Packages of Cigarettes).
g. G.S. 14-118.7 (Possession, transfer, or use of automated sales suppression device)."

SECTION 14.13.(a) All amended returns under G.S. 105-116 must be filed within three years from the due date of the original return. The Department must process amended returns under G.S. 105-116 within six months of receipt of the return. When the Department processes an amended franchise tax return under G.S. 105-116 that changes the taxable gross receipts of electricity derived within a city so that the amount that should have been distributed to that city under G.S. 105-116.1 for distributions made on or before September 30, 2014, is greater than or less than the amount actually distributed to that city, the Department of Revenue must adjust the next quarterly distribution under G.S. 105-164.44K by the applicable amount and redetermine the franchise tax share for that city based upon the amended return in accordance with subsection (b) of this section. The Department of Revenue must draw the funds needed to make an increased distribution from sales and use tax collections under Article 5 of Chapter 105 of the General Statutes.

SECTION 14.13.(b) The Department of Revenue must determine the quarterly franchise tax share a city is eligible to receive under G.S. 105-164.44K(b) for each quarter of the fiscal year on or before September 15 for the fiscal year that began the preceding July 1. The Department must include all amended franchise tax returns under G.S. 105-116 processed by the Department by the preceding July 31 in the franchise tax share determination. The determination made by the Department with respect to the city's franchise tax share for that fiscal year is final. The distributions are payable as provided in G.S. 105-164.44K.

SECTION 14.13.(c) All amended returns under G.S. 105-187.41 must be filed within three years from the due date of the original return. The Department must process amended returns under G.S. 105-187.41 within six months of receipt of the return. When the Department processes an amended excise tax return under G.S. 105-187.41 that changes the amount of the tax attributable to a city so that the amount that should have been distributed to that city under G.S. 105-187.44 for distributions made on or before September 30, 2014, is greater than or less than the amount actually distributed to that city, the Department of Revenue must adjust the next quarterly distribution under G.S. 105-164.44L for the city by the applicable amount and redetermine the excise tax share for that city based upon the amended return in accordance with subsection (b) of this section. The Department of Revenue must draw the funds needed to make an increased distribution from sales and use tax collections under Article 5 of Chapter 105 of the General Statutes.

SECTION 14.13.(d) The Department of Revenue must determine the quarterly excise tax share a city is eligible to receive under G.S. 105-164.44L(b) for each quarter of the fiscal year on or before September 15 for the fiscal year that began the preceding July 1. The Department must include all amended excise tax returns under G.S. 105-187.41 processed by the Department by the preceding July 31 in the excise tax share determination. The determination made by the Department with respect to the city's franchise tax share for that fiscal year is final. The distributions are payable as provided in G.S. 105-164.44L.

SECTION 14.13.(e) G.S. 105-164.44L(c) reads as rewritten:
"(c) Ad Valorem Share. – The ad valorem share of a city is its proportionate share of the amount that remains for distribution after determining each city's excise tax share under subsection (b) of this section. Only cities that receive an excise tax share under subsection (b) of this section for any quarter of the year are eligible to receive an ad valorem share. The prohibitions in G.S. 105-472(d) on the receipt of funds by a city apply to the distribution under this subsection.
A city's proportionate share is the amount of ad valorem taxes it levies on property having a tax situs in the city compared to the ad valorem taxes levied by all cities on property having a tax situs in the cities. The ad valorem method set out in G.S. 105-472(b)(2) applies in determining the share of a city under this section based on ad valorem taxes, except that the amount of ad valorem taxes levied by a city does not include ad valorem taxes levied on behalf of a taxing district and collected by the city."

SECTION 14.13.(f) This section is effective when it becomes law. Subsections (a) through (d) of this section expire July 1, 2018.

SECTION 14.14.(a) G.S. 105-277.3(d1) reads as rewritten:

"(d1) Exception for Easements on Qualified Conservation Lands Previously Appraised at Use-Value Exception. – Property that is appraised at its present-use value under G.S. 105-277.4(b) shall continue to qualify for appraisal, assessment, and taxation as provided in G.S. 105-277.2 through G.S. 105-277.7 as long as (i) the property is subject to an enforceable a qualifying conservation easement that would qualify for the conservation tax credit provided in G.S. 105-130.34 and G.S. 105-151.12, that meets the requirements of G.S. 113A-232, without regard to actual production or income requirements of this section; and (ii) the taxpayer received no more than seventy-five percent (75%) of the fair market value of the donated property interest in compensation. Notwithstanding G.S. 105-277.3(b) and (b1), subsequent transfer of the property does not extinguish its present-use value eligibility as long as the property remains subject to an enforceable a qualifying conservation easement that qualifies for the conservation tax credit provided in G.S. 105-130.34 and G.S. 105-151.12. easement. The exception provided in this subsection applies only to that part of the property that is subject to the easement."

SECTION 14.14.(b) G.S. 113-77.9(d) reads as rewritten:

"(d) Acquisition. – The Department of Administration may, pursuant to G.S. 143-341, acquire by purchase, gift, or devise all lands selected by the Trustees for acquisition pursuant to this Article. Title to any land acquired pursuant to this Article shall be vested in the State. A State agency with management responsibility for land acquired pursuant to this Article may enter into a management agreement or lease with a county, city, town, or private nonprofit organization qualified under G.S. 105-151.12 and G.S. 105-151.12 and certified under section 501(c)(3) of the Internal Revenue Code to aid in managing the land. A management agreement or lease shall be executed by the Department of Administration pursuant to G.S. 143-341."

SECTION 14.14.(c) G.S. 113A-231 reads as rewritten:

"§ 113A-231. Program to accomplish conservation purposes.  
The Department of Environment and Natural Resources shall develop a nonregulatory program that uses conservation tax credits as a prominent tool to accomplish conservation purposes, including the maintenance of ecological systems. As a part of this program, the Department shall exercise its powers to protect real property and interests in real property donated for tax credit under G.S. 105-130.34 or G.S. 105-151.12; conserved with the use of other financial incentives; or, conserved through nonregulatory programs, conservation or conserved by other means. The Department shall call upon the Attorney General for legal assistance in developing and implementing the program."

SECTION 14.14.(d) G.S. 113A-232 reads as rewritten:

(a) Fund Created. – The Conservation Grant Fund is created within the Department of Environment and Natural Resources. The Fund shall be administered by the Department. The purpose of the Fund is to stimulate the use of conservation easements and conservation tax credits, easements, to improve the capacity of private nonprofit land trust organizations to successfully accomplish conservation projects, to better equip real estate related professionals to pursue opportunities for conservation, to increase landowner participation in land and water conservation, and to provide an opportunity to leverage private and other public monies for conservation easements.
(b) Fund Sources. – The Conservation Grant Fund shall consist of any monies appropriated to it by the General Assembly and any monies received from public or private sources. Unexpended monies in the Fund that were appropriated from the General Fund by the General Assembly shall revert at the end of the fiscal year unless the General Assembly otherwise provides. Unexpended monies in the Fund from other sources shall not revert and shall remain available for expenditure in accordance with this Article.

(c) Property Eligibility. – In order for real property or an interest in real property to be the subject of a grant under this Article, the real property or interest in real property must meet all of the following conditions:

1. Possess or have a high potential to possess ecological value.
2. Be reasonably restorable, and must qualify for tax credits under G.S. 105-130.34 or G.S. 105-151.12.
3. Be useful for one or more of the following purposes:
   a. Public beach access or use.
   b. Public access to public waters or trails.
   c. Fish and wildlife conservation.
   d. Forestland or farmland conservation.
   e. Watershed protection.
   f. Conservation of natural areas, as that term is defined in G.S. 113A-164.3(3).
   g. Conservation of predominantly natural parkland.
4. Be donated in perpetuity to and accepted by the State, a local government, or a body that is both organized to receive and administer lands for conservation purposes and qualified to receive charitable contributions under G.S. 105-130.9. Land required to be dedicated pursuant to local governmental regulation or ordinance and dedications made to increase building density levels permitted under a regulation or ordinance do not qualify.

(c1) Grant Eligibility. – State conservation land management agencies, local government conservation land management agencies, and private nonprofit land trust organizations are eligible to receive grants from the Conservation Grant Fund. Private nonprofit land trust organizations must be qualified pursuant to G.S. 105-130.34 and G.S. 105-151.12 and must be certified under section 501(c)(3) of the Internal Revenue Code to aid in managing the land.

(d) Use of Revenue. – Revenue in the Conservation Grant Fund may be used only for the following purposes:

1. The administrative costs of the Department in administering the Fund.
2. Conservation grants made in accordance with this Article.
3. To establish an endowment account, the interest from which will be used for a purpose described in G.S. 113A-233(a)."


(a) Allowable Uses. – A grant from the Conservation Grant Fund may be used only to pay for one or more of the following costs:

1. Reimbursement for total or partial transaction costs for a donation of real property or an interest in real property from an individual or corporation satisfying either of the following:
   a. Insufficient financial ability to pay all costs or insufficient taxable income to allow these costs to be included in the donated value.
   b. Insufficient tax burdens to allow these costs to be offset by the value of tax credits under G.S. 105-130.34 or G.S. 105-151.12 or by charitable deductions.
(2) Management support, including initial baseline inventory and planning.
(3) Monitoring compliance with conservation easements, the related use of riparian buffers, natural areas, and greenways, and the presence of ecological integrity.
(4) Education on conservation, including information materials intended for landowners and education for staff and volunteers.
(5) Stewardship of land.
(6) Transaction costs for recipients, including legal expenses, closing and title costs, and unusual direct costs, such as overnight travel.
(7) Administrative costs for short-term growth or for building capacity.

(b) Prohibition. – The Fund shall not be used to pay the purchase price of real property or an interest in real property.”

SECTION 14.14.(f) G.S. 113A-256(g) is repealed.

SECTION 14.15. Section 21.1(m) of S.L. 2013-360 reads as rewritten:
"SECTION 21.1.(m) Subsection (c) of this section is effective for taxable years beginning on or after January 1, 2013. The remainder of this section becomes effective July 1, 2013."

SECTION 14.16.(a) G.S. 105-228.90(b)(1b) reads as rewritten:
"(1b) Code. – The Internal Revenue Code as enacted as of January 2, 2013, December 31, 2013, including any provisions enacted as of that date that become effective either before or after that date."

SECTION 14.16.(b) This section is effective when it becomes law. Notwithstanding subsection (a) of this section, any amendments to the Internal Revenue Code enacted after January 2, 2013, that increase North Carolina taxable income for the 2013 taxable year become effective for taxable years beginning on or after January 1, 2014.

SECTION 14.17. G.S. 105-242(g) reads as rewritten:
"(g) Erroneous Lien. – A taxpayer may appeal to the Secretary after a certificate is filed under subsection (c) of this section if the taxpayer alleges an error in the filing of the lien. The Secretary shall make a determination of such an appeal as quickly as possible. If the Secretary finds that the filing of the certificate was erroneous, the Secretary shall issue a certificate of release of the lien as quickly as possible."

SECTION 14.18. G.S. 105-242.2 reads as rewritten:
"§ 105-242.2. Personal liability when certain taxes not paid.
(a) Definitions. – The following definitions apply in this section:
(1) Business entity. – A corporation, a limited liability company, or a partnership.
(2) Responsible person. – Any of the following:
 a. The president, treasurer, or chief financial officer of a corporation.
 b. A manager of a limited liability company or a partnership.
 c. An officer of a corporation, a member or company official of a limited liability company, or a partner in a partnership who has a duty to deduct, account for, or pay taxes listed in subsection (b) of this section.
 d. A partner who is liable for the debts and obligations of a partnership under G.S. 59-45 or G.S. 59-403.

(b) Responsible Person. – Each responsible person in a business entity is personally and individually liable for the principal amount of taxes that are owed by the business entity and are listed in this subsection. If a business entity does not pay the amount it owes after the amount becomes collectible under G.S. 105-241.22, the Secretary may enforce the responsible person’s liability for the amount by sending the responsible person a notice of proposed assessment in accordance with G.S. 105-241.9. This subsection applies to the following:
(1) All sales and use taxes collected by the business entity upon its taxable transactions.
(2) All sales and use taxes due upon taxable transactions of the business entity but upon which it failed to collect the tax, but only if the person knew, or in the exercise of reasonable care should have known, that the tax was not being collected.
(3) All taxes due from the business entity pursuant to the provisions of Articles 36C and 36D of Subchapter V of this Chapter and all taxes payable under those Articles by it to a supplier for remittance to this State or another state.
(4) All income taxes required to be withheld from the wages of employees of the business entity.

SECTION 14.19. G.S. 105-296(m) reads as rewritten:
"(m) The assessor shall annually review the transportation corridor official maps and amendments to them filed with the register of deeds pursuant to Article 2E of Chapter 136 of the General Statutes. The assessor must indicate on all tax maps maintained by the county or city that portion of the properties embraced within a transportation corridor and must note any variance granted for the property for such period as the designation remains in effect. The assessor must tax the property within a transportation corridor as required under G.S. 105-277.9, G.S. 105-277.9A and G.S. 105-277.9A."

SECTION 14.20.(a) G.S. 105-309(d) reads as rewritten:
"(d) Personal property shall be listed to indicate the township and municipality, if any, in which it is taxable and shall be itemized by the taxpayer in such detail as may be prescribed by an abstract form approved by the Department of Revenue. Personal property shall also be listed to indicate which property, if any, is subject to a tax credit under G.S. 105-151.21. The assessor may require additional information as follows:

(1) If the assessor considers it necessary to obtain a complete listing of personal property, the assessor may require a taxpayer to submit additional information, inventories, or itemized lists of personal property.
(2) At the request of the assessor, the taxpayer shall furnish any information the taxpayer has with respect to the true value of the personal property the taxpayer is required to list."

SECTION 14.20.(b) G.S. 105-320(a)(16) is repealed.

SECTION 14.21. G.S. 105-315 reads as rewritten:
"§ 105-315. Reports Report by persons having custody of tangible personal property of others.

(a) As of January 1, every person having custody of taxable tangible personal property that has been entrusted to him by another for storage, sale, renting, or any other business purpose shall furnish to the appropriate assessor of the county in which the property is situated the reports required by subdivision (a)(2), below, with the information listed in this subsection. This requirement does not apply to a person having custody of inventories exempt under G.S. 105-275(32a), 105-275(33), or 105-275(34). As used in this section, the term "person having custody of taxable tangible personal property" includes warehouses, cooperative growers and marketing associations, consignees, factors, commission merchants, and brokers. The report must include all of the following:

(1) Repealed by Session Laws 1987, c. 813, s. 14.
(2) For all tangible personal property, except inventories exempt under G.S. 105-275(33) and (34), there shall be furnished to the assessor of the county in which the property is situated a statement showing the name of the owner of the property, a description of the property, the quantity of the property, and the amount of money, if any, advanced against the property by the person having custody of it.
(3) For purposes of illustration, but not by way of limitation, the term "person having custody of taxable tangible personal property" as used in this subsection (a) shall include warehouses, cooperative growers and marketing associations, consignees, factors, commission merchants, and brokers. A description of the property.

(4) The quantity of the property.

(5) The amount of money, if any, advanced against the property by the person having custody of the property.

(b) Any person who fails to make the reports required by subsection (a) above, this section, by January 15 in any year shall be liable to the counties in which the property is taxable for a penalty to be measured by any portion of the tax on the property that has not been paid at the time the action to collect this penalty is brought plus two hundred fifty dollars ($250.00). This penalty may be recovered in a civil action in the appropriate division of the General Court of Justice of the county in which the property is taxable. Upon recovery of this penalty, the tax on the property shall be deemed to be paid.

SECTION 14.22. G.S. 105-537(d) is repealed.

SECTION 14.23. Section 60(l) of S.L. 2013-414 reads as rewritten:

"SECTION 60.(l) Section 4 of Chapter 605 of the 1991 Session Laws, as amended by Section 1 of S.L. 1997-447, is repealed."

SECTION 14.24. G.S. 20-79.1A reads as rewritten:

"§ 20-79.1A. Limited registration plates.

(a) Eligibility. – A limited registration plate is issuable to any of the following:

(1) A person who applies, either directly or through a dealer licensed under Article 12 of this Chapter, for a title to a motor vehicle and a registration plate for the vehicle and who submits payment for the applicable title and registration fees but does not submit payment for any municipal corporation property taxes on the vehicle. A person who submits payment for municipal corporation property taxes receives an annual registration plate.

(2) A person who applies for a plate for a vehicle that was previously registered with the Division but whose registration has not been current for at least a year because the plate for the vehicle was surrendered or the vehicle's registration expired over a year ago.

(b) Form and Authorization. – A limited registration plate must be clearly and visibly designated as "temporary." The plate expires on the last day of the second month following the date of application of the limited registration plate. The plate may be used only on the vehicle for which it is issued and may not be transferred, loaned, or assigned to another. If the plate is lost or stolen, the vehicle for which the plate was issued may not be operated on a highway until a replacement limited registration plate or a regular license plate is received and attached to the vehicle.

(c) Registration Certificate. – The Division is not required to issue a registration certificate for a limited registration plate. A combined tax and registration notice issued under G.S. 105-330.5 serves as the registration certificate for the plate."

SECTION 14.25. G.S. 105-113.107(a) reads as rewritten:

"(a) Controlled Substances. – An excise tax is levied on controlled substances possessed, either actually or constructively, by dealers at the following rates:

(1) At the rate of forty cents (40¢) for each gram, or fraction thereof, of harvested marijuana stems and stalks that are not separated from and are not mixed with any other part of the marijuana plant.

(1a) At the rate of three dollars and fifty cents ($3.50) for each gram, or fraction thereof, of marijuana, other than separated stems and stalks taxed under subdivision (1) of this section, or synthetic cannabinoids.

(1b) At the rate of fifty dollars ($50.00) for each gram, or fraction thereof, of cocaine."
(1c) At the rate of fifty dollars ($50.00) for each gram, or fraction thereof, of any low-street-value drug that is sold by weight.

(2) At the rate of two hundred dollars ($200.00) for each gram, or fraction thereof, of any other controlled substance that is sold by weight.

(2a) At the rate of fifty dollars ($50.00) for each 10 dosage units, or fraction thereof, of any low-street-value drug that is not sold by weight.

(3) At the rate of two hundred dollars ($200.00) for each 10 dosage units, or fraction thereof, of any other controlled substance that is not sold by weight.

SECTION 14.26. G.S. 105-114(b)(4) reads as rewritten:

"(4) Income year. – Defined in G.S. 105-130.2(10) of the General Statutes."  

SECTION 14.27.(a) G.S. 14-344.1(a)(3) reads as rewritten:

"(3) The person reselling the ticket has obtained a certificate of registration under G.S. 105-164.29 and collects and remits to the State the privilege sales and use tax in accordance with G.S. 105-37.1. Article 5 of Chapter 105 of the General Statutes."

SECTION 14.27.(b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

SECTION 14.28. G.S. 105-163.22 reads as rewritten:

"§ 105-163.22. Reciprocity.

The Secretary may, with the approval of the Attorney General, enter into agreements with the taxing authorities of states having income tax withholding statutes with such agreements to that govern the amounts to be withheld from the wages and salaries of residents of such the other state or states under the provisions of this Article when such the other state or states grant similar treatment to the residents of this State. Such The agreements may provide for recognition of the anticipated tax credits allowed under the provisions of G.S. 105-151-105-153.9 in determining the amounts to be withheld."

PART XV. TAX VAPOR PRODUCTS AND PROHIBIT USE OF VAPOR PRODUCTS IN JAILS

SECTION 15.1.(a) G.S. 105-113.4 reads as rewritten:

"§ 105-113.4. Definitions.

The following definitions apply in this Article:

(1k) Consumable product. – Any nicotine liquid solution or other material containing nicotine that is depleted as a vapor product is used.

... (11a) Tobacco product. – A cigarette, a cigar, or any other product that contains tobacco and is intended for inhalation or oral use. The term includes a vapor product.


(13) Use. – The exercise of any right or power over cigarettes, incident to the ownership or possession thereof, other than the making of a sale thereof in the course of engaging in a business of selling cigarettes. The term includes the keeping or retention of cigarettes for use.

(13a) vapor product. – Any nonlighted, noncombustible product that employs a mechanical heating element, battery, or electronic circuit regardless of shape or size and that can be used to produce vapor from nicotine in a solution. The term includes any vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. The term does not include any product regulated by the..."

SECTION 15.1.(b) G.S. 105-113.35 reads as rewritten:

"§ 105-113.35. Tax on tobacco products other than cigarettes.
(a) Tax on Tobacco Products. – An excise tax is levied on tobacco products other than cigarettes and vapor products at the rate of twelve and eight-tenths percent (12.8%) of the cost price of the products. This tax does not apply to the following:
   (1) A tobacco product sold outside the State.
   (2) A tobacco product sold to the federal government.
   (3) A sample tobacco product distributed without charge.

   (a1) Tax on Vapor Products. – An excise tax is levied on vapor products at the rate of five cents (5¢) per fluid milliliter of consumable product. All invoices for vapor products issued by manufacturers must state the amount of consumable product in milliliters.

   (a2) Limitation. – The taxes imposed under this section do not apply to the following:
   (1) A tobacco product sold outside the State.
   (2) A tobacco product sold to the federal government.
   (3) A sample tobacco product distributed without charge.

   ...

SECTION 15.1.(c) G.S. 105-113.37(b) reads as rewritten:

"(b) Designation of Exempt Sale. – A wholesale dealer who sells a tobacco product to a person who has notified the wholesale dealer in writing that the person intends to resell the item in a transaction that is exempt from tax under G.S. 105-113.35(a)(1) or (2) G.S. 105-113.35(a2)(1) or G.S. 105-113.35(a2)(2) may, when filing a monthly report under subsection (a), designate the quantity of tobacco products sold to the person for resale. A wholesale dealer shall report a designated sale on a form provided by the Secretary. A wholesale dealer is not required to pay tax on a designated sale when filing a monthly report. The wholesale dealer shall pay the tax due on all other sales in accordance with this section. A wholesale dealer or a customer of a wholesale dealer may not delay payment of the tax due on a tobacco product by failing to pay tax on a sale that is not a designated sale or by overstating the quantity of tobacco products that will be resold in a transaction exempt under G.S. 105-113.35(a)(1) or (2) G.S. 105-113.35(a2)(1) or G.S. 105-113.35(a2)(2).

   A person who does not sell a tobacco product in a transaction exempt under G.S. 105-113.35(a)(1) or (2) G.S. 105-113.35(a2)(1) or G.S. 105-113.35(a2)(2) after a wholesale dealer has failed to pay the tax due on the sale of the item to the person in reliance on the person's written notification of intent is liable for the tax and any penalties and interest due on the designated sale. If the Secretary determines that a tobacco product reported as a designated sale is not sold as reported, the Secretary shall assess the person who notified the wholesale dealer of an intention to resell the item in an exempt transaction for the tax due on the sale and any applicable penalties and interest. A wholesale dealer who does not pay tax on a tobacco production reliance on a person's written notification of intent to resell the item in an exempt transaction is not liable for any tax assessed on the item."

SECTION 15.1.(d) G.S. 105-113.39(a) reads as rewritten:

"§ 105-113.39. Discount; refund.
(a) Discount. – A wholesale dealer or a retail dealer who is primarily liable under G.S. 105-113.35(b) for the excise taxes imposed by this Part, Part on tobacco products but not including vapor products, who files a timely report under G.S. 105-113.37, and who sends a timely payment may deduct from the amount due with the report a discount of two percent (2%). This discount covers expenses incurred in preparing the records and reports required by this Part and the expense of furnishing a bond."

SECTION 15.1.(e) G.S. 105-113.40A reads as rewritten:
§ 105-113.40A. Use of tax proceeds.
   The Secretary must credit the net proceeds of the tax collected under this Part as follows:
   (1) An amount equal to three percent (3%) of the cost price of the products to the General Fund.
   (1a) An amount equal to the revenue generated by the tax on vapor products under G.S. 105-113.35(a1) to the General Fund.
   (2) The remainder to the University Cancer Research Fund established under G.S. 116-29.1.

SECTION 15.1.(f) Nothing in this section shall be construed as circumventing future United States Food and Drug Administration regulation of tobacco products, other tobacco products, or vapor products.

SECTION 15.1.(g) This section becomes effective June 1, 2015.

SECTION 15.2.(a) G.S. 148-23.1(d) reads as rewritten:
   "(d) As used in this section, the following terms mean:
   (1) State correctional facility. – All buildings and grounds of a State correctional institution operated by the Division of Adult Correction of the Department of Public Safety.
   (2) Tobacco products. – Cigars, cigarettes, snuff, loose tobacco, or similar goods made with any part of the tobacco plant that are prepared or used for smoking, chewing, dipping, or other personal use. The term includes vapor products.
   (3) Vapor products. – Nonlighted, noncombustible products that employ a mechanical heating element, battery, or electronic circuit regardless of shape or size and that can be used to heat a liquid nicotine solution contained in a vapor cartridge. The term includes electronic cigarettes, electronic cigars, electronic cigarillos, and electronic pipes. The term does not include any product regulated by the United States Food and Drug Administration under Chapter V of the federal Food, Drug, and Cosmetic Act."

SECTION 15.2.(b) G.S. 14-258.1 reads as rewritten:
   § 14-258.1. Furnishing poison, controlled substances, deadly weapons, cartridges, ammunition or alcoholic beverages to inmates of charitable, mental or penal institutions or local confinement facilities; furnishing tobacco products or products including vapor products; or furnishing mobile phones to inmates.
   …
   (c) Any person who knowingly gives or sells any tobacco products, including vapor products, as defined in G.S. 148-23.1, to an inmate in the custody of the Division of Adult Correction of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any tobacco products, including vapor products, to a person who is not an inmate for delivery to an inmate in the custody of the Division of Adult Correction of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, other than for authorized religious purposes, is guilty of a Class 1 misdemeanor.
   …
   (e) Any inmate of a local confinement facility who possesses any tobacco products, including vapor products, as defined in G.S. 148-23.1, other than for authorized religious purposes, or who possesses a mobile telephone or other wireless communications device or a component of one of those devices, is guilty of a Class 1 misdemeanor."

SECTION 15.2.(c) Subsection (a) of this section becomes effective July 1, 2014. Subsection (b) of this section becomes effective December 1, 2014, and applies to offenses committed on or after that date.
PART XVII. EFFECTIVE DATE

SECTION 17.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of May, 2014.

Became law upon approval of the Governor at 4:05 p.m. on the 29th day of May, 2014.

Session Law 2014-4

S.B. 786

AN ACT TO (1) EXTEND THE DEADLINE FOR DEVELOPMENT OF A MODERN REGULATORY PROGRAM FOR THE MANAGEMENT OF OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION IN THE STATE AND THE USE OF HORIZONTAL DRILLING AND HYDRAULIC FRACTURING TREATMENTS FOR THAT PURPOSE; (2) ENACT OR MODIFY CERTAIN EXEMPTIONS FROM REQUIREMENTS OF THE ADMINISTRATIVE PROCEDURE ACT APPLICABLE TO RULES FOR THE MANAGEMENT OF OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION IN THE STATE AND THE USE OF HORIZONTAL DRILLING AND HYDRAULIC FRACTURING TREATMENTS FOR THAT PURPOSE; (3) AUTHORIZE ISSUANCE OF PERMITS FOR OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION ACTIVITIES SIXTY DAYS AFTER APPLICABLE RULES BECOME EFFECTIVE; (4) CREATE THE NORTH CAROLINA OIL AND GAS COMMISSION AND RECONSTITUTE THE NORTH CAROLINA MINING COMMISSION; (5) AMEND MISCELLANEOUS STATUTES GOVERNING OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION ACTIVITIES; (6) ESTABLISH A SEVERANCE TAX APPLICABLE TO OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION ACTIVITIES; (7) AMEND MISCELLANEOUS STATUTES UNRELATED TO OIL AND GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION ACTIVITIES; AND (8) DIRECT STUDIES ON VARIOUS ISSUES, AS RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON ENERGY POLICY.

The General Assembly of North Carolina enacts:

PART I. EXTENSION OF RULE DEVELOPMENT DEADLINE

SECTION 1. Section 2(m) of S.L. 2012-143 reads as rewritten:

"SECTION 2.(m) All rules required to be adopted by the Mining and Energy Commission, the Environmental Management Commission, and the Commission for Public Health pursuant to this act shall be adopted no later than October 1, 2014. In order to provide for the orderly, efficient, and effective development and adoption of rules and to prevent the adoption of duplicative, inconsistent, or inadequate rules by these Commissions, the Department of Environment and Natural Resources shall coordinate the adoption of the rules. The Commissions and the Department shall develop the rules in an open and collaborative process that includes (i) input from scientific and technical advisory groups; (ii) consultation with the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the Division of Energy of the Department of Commerce, the Department of Transportation, the Division of Emergency Management of the Department of Public Safety, the Consumer Protection Division of the Department of Justice, the Department of Labor, the Department of Health and Human Services, the State Review of Oil and Natural Gas Environmental Regulations (STRONGER), the American Petroleum Institute (API), and the Rural Advancement Foundation (RAFI-USA); and (iii) broad public participation. During the development of the rules, the Commissions and the Department shall identify changes"
required to all existing rules and statutes necessary for the implementation of this act, including repeal or modification of rules and statutes. Until such time as all of the rules are adopted pursuant to this act, the Department shall submit quarterly reports to the Joint Legislative Commission on Energy Policy, created under Section 6(a) of this act, and the Environmental Review Commission on its progress in developing and adopting the rules. The quarterly reports shall include recommendations on changes required to existing rules and statutes and any other findings or recommendations necessary for the implementation of this act. The first report required by this subsection is due January 1, 2013."

PART II. EXEMPTIONS FROM ADMINISTRATIVE PROCEDURE ACT

SECTION 2.(a) Notwithstanding G.S. 150B-21.3(b1) and Section 1(a) of S.L. 2013-365, all rules adopted pursuant to Section 2(m) of S.L. 2012-143 shall be subject to legislative review during the next regular session of the General Assembly that begins after the date the Rules Review Commission approved the rule or during the regular session that is underway on the date the Commission approved the rule.

SECTION 2.(b) Notwithstanding G.S. 150B-21.3(b1) and any rule of either house of the General Assembly, any member of the General Assembly may introduce a bill to disapprove any rule adopted pursuant to Section 2(m) of S.L. 2012-143 that has been approved by the Rules Review Commission and that either has not become effective or has become effective by executive order, as follows: (i) if the Rules Review Commission approves the rule prior to the start of a legislative session, during the first 30 calendar days of the regular session of the General Assembly that begins after the date the Commission approved all rules adopted pursuant to Section 2(m) of S.L. 2012-143 or (ii) if the Rules Review Commission approves the rule during a legislative session, 30 calendar days from the date the Rules Review Commission approved all rules adopted pursuant to Section 2(m) of S.L. 2012-143.

SECTION 2.(c) Notwithstanding G.S. 150B-21.3(b1) and any rule of either house of the General Assembly, all rules adopted pursuant to Section 2(m) of S.L. 2012-143 become effective on the earlier of the following:

1. If the Rules Review Commission approves all rules adopted pursuant to Section 2(m) of S.L. 2012-143 prior to the start of a legislative session, the earlier of (i) the 31st calendar day of the regular session of the General Assembly that begins after the date the Commission approved all rules adopted pursuant to Section 2(m) of S.L. 2012-143 if a bill that specifically disapproves any of these rules has not been introduced in either house of the General Assembly by that date; (ii) if a bill that specifically disapproves a rule is introduced in either house of the General Assembly before the 31st calendar day of that session, the rule becomes effective on the earlier of either the day an unfavorable final action is taken on the bill or the 61st calendar day of that session if by that date a bill that specifically disapproves the rule has not been ratified; or (iii) the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the rule.

2. If the Rules Review Commission approves all rules adopted pursuant to Section 2(m) of S.L. 2012-143 during a legislative session, the earlier of (i) the 31st calendar day after the date the Commission approved all rules adopted pursuant to Section 2(m) of S.L. 2012-143 if a bill that specifically disapproves a rule has not been introduced in either house of the General Assembly by that date; (ii) if a bill that specifically disapproves a rule is introduced in either house of the General Assembly within 30 calendar days of the date that the Commission approved all rules adopted pursuant to Section 2(m) of S.L. 2012-143, the rule becomes effective on the earlier of either the day an unfavorable final action is taken on the bill or the 61st day after the date that the Commission approved all rules adopted pursuant to
Section 2(m) of S.L. 2012-143 if by that date a bill that specifically disapproves the rule has not been ratified; or (ii) the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the rule.

SECTION 2.(d) Notwithstanding G.S. 150B-21.9, the Rules Review Commission must review any permanent rule adopted pursuant to Section 2(m) of S.L. 2012-143 submitted to it by the end of a month by the last day of the next month.

SECTION 2.(e) G.S. 150B-19.3 shall not apply to rules adopted by the Mining and Energy Commission, the Environmental Management Commission, the Sedimentation Control Commission, and the Commission for Public Health for the management of oil and gas exploration, development, and production activities in the State, including the use of horizontal drilling and hydraulic fracturing for that purpose.

SECTION 2.(f) Section 1(b) of S.L. 2013-365 reads as rewritten:

"SECTION 1.(b) The Mining and Energy Commission, the Environmental Management Commission, and the Commission for Public Health are exempt from the provisions of Chapter 150B of the General Statutes that require the preparation of fiscal notes for any rule proposed for the creation of a modern regulatory program for that pertains to the management of oil and gas exploration and development activities in the State, including the use of horizontal drilling and hydraulic fracturing for that purpose."

SECTION 2.(g) The Mining and Energy Commission, the Environmental Management Commission, and the Commission for Public Health are exempt from the provisions of Chapter 150B of the General Statutes that require that a certification be obtained from the Office of State Budget and Management, including requirements under G.S. 150B-19.1(h) and G.S. 150B-21.4, and any requirement for preliminary review by the Office of State Budget and Management pursuant to G.S. 150B-21.26, for any rule proposed for the creation of a modern regulatory program for the management of oil and gas exploration and development activities in the State, including the use of horizontal drilling and hydraulic fracturing for that purpose.

SECTION 2.(h) This Part is effective when it becomes law. Section 2(f) of this act shall expire December 31, 2017.

PART III. AUTHORIZE ISSUANCE OF PERMITS

SECTION 3.(a) The Department of Environment and Natural Resources and the Mining and Energy Commission are authorized to issue permits for oil and gas exploration and development activities using horizontal drilling and hydraulic fracturing treatments in the State pursuant to G.S. 113-395 on or after the 61st calendar day following the date that all rules adopted pursuant to Section 2(m) of S.L. 2012-143 have become effective pursuant to Section 2(c) of this act.

SECTION 3.(b) Section 3(d) of S.L. 2012-143 is repealed.

SECTION 3.(c) Section 1(c) of S.L. 2013-365 is repealed.

PART IV. CREATE OIL AND GAS COMMISSION AND RECONSTITUTE MINING COMMISSION

SECTION 4.(a) Part 6A of Article 7 of Chapter 143B of the General Statutes reads as rewritten:

"Part 6A. North Carolina Mining and Energy Oil and Gas Commission.

§ 143B-293.1. North Carolina Mining and Energy Oil and Gas Commission – creation; powers and duties.

(a) There is hereby created the North Carolina Mining and Energy Oil and Gas Commission of the Department of Environment and Natural Resources with the power and duty to adopt rules necessary to administer the Oil and Gas Conservation Act pursuant to G.S. 113-391 and for the development of the oil, gas, and mining oil and gas resources of the State. The Commission shall make such rules consistent with the provisions of this Chapter. All
rules adopted by the Commission shall be enforced by the Department of Environment and Natural Resources.

(b) The Commission shall have the authority to make determinations and issue orders pursuant to the Oil and Gas Conservation Act to (i) regulate the spacing of wells and to establish drilling units as provided in G.S. 113-393; (ii) require the operation of wells with efficient gas oil ratios and to fix such ratios; (iii) limit and prorate the production of oil or gas, or both, from any pool or field for the prevention of waste as provided in G.S. 113-394; (iii) classify wells for taxing purposes; and (iv) require integration of interests as provided in G.S. 113-393.

(c) The Commission shall submit quarterly annual written reports as to its operation, activities, programs, and progress to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission. The Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Joint Legislative Commission on Energy Policy and the Environmental Review Commission. The Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

"§ 143B-293.2. North Carolina Mining and Energy Oil and Gas Commission – members; selection; removal; compensation; quorum; services.

(a) Members Selection. – The North Carolina Mining and Energy Commission shall consist of 15 members appointed as follows:

(1) The Chair of the North Carolina State University Minerals Research Laboratory Advisory Committee, or the Chair's designee, ex officio.

(2) The State Geologist, or other designee of the Secretary of Environment and Natural Resources.

(3) Repealed by Session Laws 2013-365, s. 3(a), effective July 29, 2013.

(3a) One appointed by the Governor, at large.

(4) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who is a member of a nongovernmental conservation interest.

(5) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who, at the time of initial appointment, is an elected official of a municipal government located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as an elected official of a municipal government but may not be reappointed to a subsequent term.

(6) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who is a representative of the mining industry.

(7) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who shall be a geologist with experience in oil and gas exploration and development.

(8) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who is a member of a nongovernmental conservation interest.

(9) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who, at the time of initial appointment, is a member of a county board of commissioners of a county located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as county commissioner but may not be reappointed to a subsequent term.
(10) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who is a representative of the mining industry.

(11) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who shall be an engineer with experience in oil and gas exploration and development.

(12) One appointed by the Governor who shall be a representative of a publicly traded natural gas company.

(13) One appointed by the Governor who shall be a licensed attorney with experience in legal matters associated with oil and gas exploration and development.

(14) One appointed by the Governor who is a member of the Environmental Management Commission.

(15) One appointed by the Governor who is a member of the Commission for Public Health.

(a1) Members Selection. – The North Carolina Oil and Gas Commission shall consist of nine members appointed as follows:

(1) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who, at the time of initial appointment, is an elected official of a municipal government located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as an elected official of a municipal government but may not be reappointed to a subsequent term.

(2) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who shall be a geologist with experience in oil and gas exploration and development.

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who is a member of a nongovernmental conservation interest.

(4) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who, at the time of initial appointment, is a member of a county board of commissioners of a county located in a region of North Carolina that has oil and gas potential. A person serving in this seat may complete a term on the Commission even if the person is no longer serving as county commissioner but may not be reappointed to a subsequent term.

(5) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who is a member of a nongovernmental conservation interest.

(6) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who shall be an engineer with experience in oil and gas exploration and development.

(7) One appointed by the Governor who shall be a representative of a publicly traded natural gas company.

(8) One appointed by the Governor who shall be a licensed attorney with experience in legal matters associated with oil and gas exploration and development.

(9) One appointed by the Governor with experience in matters related to public health.

(b) Terms. – The term of office of members of the Commission is three years. A member may be reappointed to no more than two consecutive three-year terms. The term of a member who no longer meets the qualifications of their respective appointment, as set forth in
subsection (a) of this section, shall terminate but the member may continue to serve until a new member who meets the qualifications is appointed. The terms of members appointed under subdivisions (4), (6), (9), and (12) (1), (4), and (7) of subsection (a) (a1) of this section shall expire on June 30 of years evenly divisible by three. The terms of members appointed under subdivisions (7), (10), (13), and (14) (2), (5), and (8) of subsection (a) (a1) of this section shall expire on June 30 of years that precede by one year those years that are evenly divisible by three. The terms of members appointed under subdivisions (5), (8), (11), and (15) (3), (6), and (9) of subsection (a) (a1) of this section shall expire on June 30 of years that follow by one year those years that are evenly divisible by three.

c) Vacancies; Removal from Office. –

(1) Any appointment by the Governor to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term. The Governor shall have the power to remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973.

(2) Members appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. In accordance with Section 10 of Article VI of the North Carolina Constitution, a member may continue to serve until a successor is duly appointed.

d) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

e) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

f) Staff. – All staff support required by the Commission shall be supplied by the Division of Energy, Mineral, and Land Resources and the North Carolina Geological Survey.

g) Committees. – In addition to the Committee on Civil Penalty Remissions required to be established under G.S. 143B-293.6, the chair may establish other committees from members of the Commission to address specific issues as appropriate. No member of a committee may hear or vote on any matter in which the member has an economic interest. A majority of a committee shall constitute a quorum for the transaction of business. At a minimum, the chair shall establish a Committee on Mining, which shall consist of members appointed under subdivisions (1), (4), (6), (8), (10), (14), and (15) of subsection (a) of this section. The Committee on Mining shall have exclusive responsibility and authority over matters pertaining to mining and implementation of the Mining Act of 1971, including all of the following powers and duties:

(1) To act as the advisory body to the Governor pursuant to Article V(a) of the Interstate Mining Compact, as set out in G.S. 74-37.

(2) To adopt rules necessary to administer the Mining Act of 1971 pursuant to G.S. 74-63.

(3) To adopt rules necessary to administer the Control of Exploration for Uranium in North Carolina Act of 1983 pursuant to G.S. 74-86.

(4) To adopt rules, not inconsistent with the laws of this State, as may be required by the federal government for grants-in-aid for mining resource purposes which may be made available to the State by the federal government. This section is to be liberally construed in order that the State and its citizens may benefit from such grants-in-aid.

h) Office May Be Held Concurrently With Others. – Membership on the Mining and Energy Oil and Gas Commission is hereby declared to be an office that may be held concurrently with other elective or appointive offices in addition to the maximum number of offices permitted to be held by one person under G.S. 128-1.1.
§ 143B-293.3. Reserved for future codification purposes.

§ 143B-293.4. North Carolina Mining and Energy Oil and Gas Commission – officers.
The Mining and Energy Oil and Gas Commission shall have a chair and a vice-chair. The Commission shall elect one of its members to serve as chair and one of its members to serve as vice-chair. The chair and vice-chair shall serve one-year terms beginning August 1 and ending July 31 of the following year. The chair and vice-chair may serve any number of terms, but not more than two terms consecutively.

§ 143B-293.5. North Carolina Mining and Energy Oil and Gas Commission – meetings.
The North Carolina Mining and Energy Oil and Gas Commission shall meet at least quarterly and may hold special meetings at any time and place within the State at the call of the chair or upon the written request of at least nine members.


(a) With respect to those matters within its jurisdiction, the Mining and Energy Oil and Gas Commission shall exercise quasi-judicial powers in accordance with the provisions of Chapter 150B of the General Statutes.

(b) The chair shall appoint a Committee on Civil Penalty Remissions from the members of the Commission. No member of the Committee on Civil Penalty Remissions may hear or vote on any matter in which the member has an economic interest. In determining whether a remission request will be approved, the Committee shall consider the recommendation of the Secretary or the Secretary's designee and all of the following factors:

1. Whether one or more of the civil penalty assessment factors in subsection (b) of this section were wrongly applied to the detriment of the petitioner.
2. Whether the violator promptly abated continuing environmental damage resulting from the violation.
3. Whether the violation was inadvertent or a result of an accident.
4. Whether the violator had been assessed civil penalties for any previous violations.
5. Whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

(c) The Committee on Civil Penalty Remissions may remit the entire amount of the penalty only when the violator has not been assessed civil penalties for previous violations and when payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

SECTION 4.(b) The terms of all members of the Mining and Energy Commission serving on July 31, 2015, shall expire on that date. A new Oil and Gas Commission of nine members shall be appointed in the manner provided by G.S. 143B-293.2(a1), as enacted by Section 4(a) of this act, and this section. Members appointed in the manner provided by G.S. 143B-293.2(a1), as enacted by Section 4(a) of this act, shall be appointed no later than August 1, 2015.

SECTION 4.(c) The Revisor of Statutes shall make the conforming statutory changes necessary to the General Statutes to reflect renaming of the Mining and Energy Commission to the Oil and Gas Commission, effective August 1, 2015, as provided in this section.

SECTION 5.(a) Part 6 of Article 7 of Chapter 143B of the General Statutes is reenacted and reads as rewritten:


§ 143B-290. North Carolina Mining Commission – creation; powers and duties.
There is hereby created the North Carolina Mining Commission of the Department of Environment and Natural Resources with the power and duty to promulgate rules for the enhancement of the mining resources of the State.
The North Carolina Mining Commission shall have the following powers and duties:

a. To act as the advisory body to the Governor pursuant to Article V(a) of the Interstate Mining Compact, as set out in G.S. 74-37.


c. To hear permit appeals, conduct a full and complete hearing on such controversies and affirm, modify, or overrule permit decisions made by the Department pursuant to G.S. 74-61.

d. To promulgate rules necessary to administer the Mining Act of 1971, pursuant to G.S. 74-63.

e. To promulgate rules necessary to administer the Control of Exploration for Uranium in North Carolina Act of 1983, pursuant to G.S. 74-86.

The Commission is authorized to make such rules, not inconsistent with the laws of this State, as may be required by the federal government for grants-in-aid for mining resource purposes which may be made available to the State by the federal government. This section is to be liberally construed in order that the State and its citizens may benefit from such grants-in-aid.

The Commission shall make such rules consistent with the provisions of this Chapter. All rules adopted by the Commission shall be enforced by the Department of Environment and Natural Resources.

"§ 143B-291. North Carolina Mining Commission – members; selection; removal; compensation; quorum; services.

(a) Members, Selection. – The North Carolina Mining Commission shall consist of nine members appointed by the Governor under a specified subdivision of this subsection as follows:

(1) One member who is the chair of the North Carolina State University Minerals Research Laboratory Advisory Committee, ex officio.

(2) One member who is a representative of the mining industry.

(3) One member who is a representative of the mining industry.

(4) One member who is a representative of the mining industry.

(5) One member who is a representative of nongovernmental conservation interests.

(6) One member who is a representative of nongovernmental conservation interests.

(7) One member who is a representative of nongovernmental conservation interests.

(8) One who, at the time of the appointment to the Mining Commission, is a member of the Environmental Management Commission and knowledgeable in the principles of water and air resources management.

(9) One who, at the time of the appointment to the Mining Commission, is a member of the Environmental Management Commission and knowledgeable in the principles of water and air resources management.

(a1) Members, Selection. – The North Carolina Mining Commission shall consist of eight members appointed as follows:

(1) One member who is the chair of the North Carolina State University Minerals Research Laboratory Advisory Committee.

(2) The State Geologist, ex officio and nonvoting.

(3) One member appointed by the Governor who is a representative of the mining industry.
(4) One member appointed by the Governor who is a representative of the mining industry.

(5) One member appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who is a representative of the mining industry.

(6) One member appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who is a representative of the mining industry.

(7) One member appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives who is a member of nongovernmental conservation interests.

(8) One member appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate who is a member of nongovernmental conservation interests.

(b) Terms. – The term of office of a member of the Commission is six years. At the expiration of each member's term, the Governor appointing authority shall replace the member with a new member of like qualifications for a term of six years. The term of members appointed under subdivisions (2), (5), and (8) subdivision (5) of subsection (a) of this section shall expire on 30 June of years that precede by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (3) and (6) of subsection (a) of this section shall expire on 30 June of years that follow by one year those years that are evenly divisible by six. The term of members appointed under subdivisions (4), (7), and (9) of subsection (a) of this section shall expire on 30 June of years that follow by three years those years that are evenly divisible by six. Upon the expiration of a six-year term, a member may continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7.

(c) Vacancies. – An appointment to fill a vacancy shall be for the unexpired balance of the term.

(d) Removal. – The Governor may remove any member of the Commission from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13.

(e) Compensation. – The members of the Commission shall receive per diem and necessary traveling and subsistence expenses in accordance with the provisions of G.S. 138-5.

(f) Quorum. – A majority of the Commission shall constitute a quorum for the transaction of business.

(g) Staff. – All clerical and other services required by the Commission shall be supplied by the Secretary of Environment and Natural Resources.


The North Carolina Mining Commission shall have a chair and a vice-chair. The chair shall be designated by the Governor from among the members of the Commission to serve as chair at the pleasure of the Governor. The vice-chair shall be elected by and from the members of the Commission and shall serve for a term of two years or until the expiration of the vice-chair's regularly appointed term.


The North Carolina Mining Commission shall meet at least semiannually and may hold special meetings at any time and place within the State at the call of the chair or upon the written request of at least five members.

SECTION 5.(b) The terms of all members of the Mining and Energy Commission serving on July 31, 2015, shall expire on that date. A new Mining Commission of seven members shall be appointed in the manner provided by G.S. 143B-291(a1), as enacted by Section 5(a) of this act, and this section. Members appointed in the manner provided by G.S. 143B-291(a1), as enacted by Section 5(a) of this act, shall be appointed no later than August 1, 2015.
SECTION 5.(c) The Revisor of Statutes shall make the conforming statutory changes necessary to the General Statutes to reflect renaming of the Mining and Energy Commission to the Mining Commission, effective August 1, 2015, as provided in this section.

SECTION 6. This Part becomes effective July 31, 2015.

PART V. MISCELLANEOUS STATUTORY AMENDMENTS RELATED TO SHALE GAS EXPLORATION, DEVELOPMENT, AND PRODUCTION

SECTION 7.(a) G.S. 113-391 reads as rewritten:

"§ 113-391. Jurisdiction and authority; rules and orders.

(a5) Entry of rules in the North Carolina Administrative Code that address the areas identified by subsections (a) and (a3) of this section by July 1, 2015, create a rebuttable presumption that the rules are sufficient to meet the requirements for development of a modern regulatory program pursuant to this section.

(a6) The Commission shall have the authority to develop rules addressing requirements for: permit applications; permit modifications; permit conditions; denial of applications for permits; permit transfers from one person to another; and permit durations, suspensions, revocations, and release.

...."

SECTION 7.(b) G.S. 143B-293.1(b) reads as rewritten:

"(b) The Commission shall have the authority to make determinations and issue orders pursuant to the Oil and Gas Conservation Act to (i) regulate the spacing of wells and to establish drilling units as provided in G.S. 113-393; (ii) require the operation of wells with efficient gas-oil ratios and to fix such ratios; (iii) limit and prorate the production of oil or gas, or both, from any pool or field for the prevention of waste as provided in G.S. 113-394; (iii) classify wells for taxing purposes; and (iv) require integration of interests as provided in G.S. 113-393."

SECTION 8.(a) Article 27 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-391.1. Trade secret and confidential information determination; protection; retention; disclosure to emergency personnel.

(a) Legislative Findings. – The General Assembly finds that while confidential information must be maintained as such with the utmost care, for the protection of public health, safety, and the environment, the information should be immediately accessible to first responders and medical personnel in the event that the information is deemed necessary to address an emergency.

(b) Determination and Treatment of Confidential Information. – Information obtained by the Commission and the Department pursuant to this Article, and rules adopted thereunder, shall be available to the public except that, upon a showing satisfactory to the Commission by any person that information to which the Commission and Department has access, if made public, would divulge methods or processes entitled to protection as confidential information pursuant to G.S. 132-1.2, the Commission shall consider the information confidential. In accordance with subsection (b1) of G.S. 113-391, the State Geologist shall serve as the custodian of the confidential information and shall ensure that it is maintained securely as provided in G.S. 132-7. The State Geologist, or the Geologist's designee, shall:

(1) Review confidential information that concerns hydraulic fracturing fluid, as that term is defined in G.S. 113-389, to ensure compliance with all State and federal laws, rules, and regulations concerning prohibited chemicals or constituents, or exceedances of standards for chemicals or constituents. The State Geologist, or the Geologist's designee, shall issue a written certification within five days of completion of the review that the hydraulic fracturing fluids, including chemicals and constituents contained therein, comply with all State and federal laws, rules, and regulations; (ii) transmit the
certification to the Mining and Energy Commission and the Director of the Division of Energy, Mining, and Land Resources; and (iii) transmit a copy of the certification electronically to the permittee. Horizontal drilling and hydraulic fracturing treatments shall not commence until this written certification has been issued and transmitted as required by this subsection.

(2) Review, in consultation with the State Health Director, confidential information that concerns hydraulic fracturing fluid, as that term is defined in G.S. 113-389, to advise local health departments of additional parameters that should be included in testing for private drinking water wells in their jurisdictions in compliance with the requirements of G.S. 87-97 and the Private Well Water Education Act enacted by S.L. 2013-122.

(c) Exceptions to Disclosure Prohibitions. – Confidential information obtained by the Commission and the Department pursuant to this Article, and rules adopted thereunder, may be disclosed to any officer, employee, or authorized representative of any federal or State agency if disclosure is necessary to carry out a proper function of the Department or other agency or when relevant in any proceeding under this Article. Confidential information shall be disclosed to the following:

(1) The Division of Emergency Management of the Department of Public Safety. The Division shall maintain this information as confidential except if disclosure is necessary to carry out a proper function of the Division, including for the purposes of emergency planning and emergency response. For purposes of this section, the term “emergency” is defined as provided in G.S. 166A-19.3.

(2) A treating health care provider who determines that a medical emergency exists and that the information is necessary for emergency or first aid treatment. Regardless of the existence of a written statement of need or a confidentiality agreement, the Department shall immediately disclose the confidential information to the treating health care provider upon request. If confidential information is disclosed pursuant to this subdivision, the Department shall notify the owner of the confidential information as soon as practicable, but no later than 24 hours after disclosure. The owner of the confidential information may require execution of a written statement of need and a confidentiality agreement from the treating health care provider as soon as circumstances permit. The confidentiality agreement (i) may restrict the use of the information to the health purposes indicated in a written statement of need; (ii) may provide for appropriate legal remedies in the event of a breach of the agreement, including stipulation of a reasonable pre-estimate of likely damages; and (iii) may not include requirements for the posting of a penalty bond. The parties are not precluded from pursuing noncontractual remedies to the extent permitted by law.

(3) A Fire Chief, as that term is defined in G.S. 95-174, who determines that an emergency exists and that the information is necessary to address the emergency. Regardless of the existence of a written statement of need or a confidentiality agreement, the Department shall immediately disclose the confidential information to the Fire Chief upon request. If confidential information is disclosed pursuant to this subdivision, the Department shall notify the owner of the confidential information as soon as practicable, but no later than 24 hours after disclosure. The owner of the confidential information may require execution of a written statement of need and a confidentiality agreement from the Fire Chief as soon as circumstances permit. The confidentiality agreement (i) may restrict the use of the information to the emergency purposes indicated in a written statement of need; (ii) may provide for appropriate legal remedies in the event of a breach
of the agreement, including stipulation of a reasonable pre-estimate of likely damages; and (iii) may not include requirements for the posting of a penalty bond. The parties are not precluded from pursuing noncontractual remedies to the extent permitted by law.

(d) Penalties for Unlawful Disclosure. — Except as provided in subsection (c) of this section or as otherwise provided by law, any person who has access to confidential information pursuant to this section and who knowingly and willfully discloses it to any person not authorized to receive it shall be guilty of a Class 1 misdemeanor and shall be subject to civil action for damages and injunction by the owner of the confidential information, including, without limitation, actions under Article 24 of Chapter 66 of the General Statutes.

(c) Appeal From Commission Decisions Concerning Confidentiality. — Within 10 days of any decision made pursuant to subsection (b) of this section, the Commission shall provide notice to any person who submits information asserted to be confidential (i) that the information is not entitled to confidential treatment and (ii) of any decision to release such information to any person who has requested the information. Notwithstanding the provisions of G.S. 132-9, or procedures for appeal provided under Article 4 of Chapter 150B of the General Statutes, any person who requests information and any person who submits information who is dissatisfied with a decision of the Commission to withhold or release information made pursuant to subsection (b) of this section shall have 30 days after receipt of notification from the Commission to appeal by filing an action in superior court and in accordance with the procedures for a mandatory complex business case set forth in G.S. 7A-45.4. Notwithstanding any other provision of G.S. 7A-45.4, the appeal shall be heard de novo by a judge designated as a Business Court Judge under G.S. 7A-45.3. The information may not be released by the Commission until the earlier of (i) the 30-day period for filing of an appeal has expired without filing of an appeal or (ii) a final judicial determination has been made in an action brought to appeal a decision of the Commission. In addition, the following shall apply to actions brought pursuant to this section:

1. Such actions shall be set down for immediate hearing.
2. The burden shall be on the owner of the information to show that the information is entitled to protection as confidential information pursuant to G.S. 132-1.2.
3. The court shall allow a party seeking disclosure of information who substantially prevails to recover its reasonable attorneys' fees if attributed to the information. The court may not assess attorneys' fees against the Commission or the Department, however, but shall impose such fees on the owner of the information asserting confidentiality.
4. If the court determines that an action brought pursuant to this section was filed in bad faith or was frivolous, the court shall assess reasonable attorneys' fees against the person or persons instituting the action and award to the prevailing party or parties."

SECTION 8.(b) G.S. 113-391(b1) reads as rewritten:

"(b1) In the exercise of their respective authority over oil and gas exploration and development activities, the Commission and the Department, as applicable, shall have access to all data, records, and information related to such activities, including, but not limited to, seismic surveys, stratigraphic testing, geologic cores, proposed well bore trajectories, hydraulic fracturing fluid chemicals and constituents, drilling mud chemistry, and geophysical borehole logs. With the exception of information designated as a trade secret, as defined in G.S. 66-152(3), and that is designated as confidential or as a trade secret under G.S. 132-1.2, the Department shall make any information it receives available to the public. The State Geologist or the State Geologist's designee shall serve as the custodian of all data, information, and records received by the Department pursuant to this subsection, including information designated as a trade secret, as defined in G.S. 66-152(3), and that is designated as confidential or as a trade secret under G.S. 132-1.2, and shall ensure that all of
the information, including information designated as a trade secret, as defined in G.S. 66-152(3), and that is designated as confidential or as a trade secret under G.S. 132-1.2, is maintained securely as provided in G.S. 132-7."

SECTION 8(c) This section is effective when it becomes law, except that 113-391A(d), as enacted by Section 8(a) of this act, shall become effective December 1, 2014.

SECTION 9. G.S. 113-391(a)(6) is repealed.

SECTION 10. G.S. 113-392(c) is repealed.

SECTION 11. G.S. 113-395 reads as rewritten:

"§ 113-395. Permits, fees, and notice required for oil and gas activities.
(a) Before any well, in search of oil or gas, shall be drilled, the person desiring to drill the same shall submit an application for a permit to the Department upon such form as the Department may prescribe and shall pay a fee of three thousand dollars ($3,000) for each well, the first well to be drilled on a pad and fifteen hundred dollars ($1,500) for each additional well to be drilled on the same pad. The drilling of any well is prohibited unless the Department has issued a permit for the activity.
(b) Any person desiring to use hydraulic fracturing treatments in conjunction with oil and gas operations or activities shall submit an application for a permit to the Department upon such form as the Department may prescribe. The use of hydraulic fracturing treatments is prohibited unless the Department has issued a permit for the activity.
(c) Each abandoned well and each dry hole shall be plugged promptly in the manner and within the time required by rules prescribed by the Department, and the owner of such well shall give notice, upon such form as the Department may prescribe, of the abandonment of each dry hole and of the owner's intention to abandon, and shall pay a fee of four hundred fifty dollars ($450.00). No well shall be abandoned until such notice has been given and such fee has been paid."

SECTION 12. G.S. 113-420 reads as rewritten:

"§ 113-420. Notice and entry to property.
(a) Notice Required for Activities That Do Not Disturb Surface of Property. Property to Surface Owner. – If an oil or gas developer or operator is not the surface owner of the property on which oil and gas operations are to occur, before entering the property for oil or gas operations that do not disturb the surface, including inspections, staking, surveys, measurements, and general evaluation of proposed routes and sites for oil or gas drilling operations, the developer or operator shall give written notice to the surface owner at least 14 days before the desired date of entry to the property. Notice shall be given by certified mail, return receipt requested. The requirements of this subsection may not be waived by agreement of the parties. The notice, at a minimum, shall include all of the following:
(1) The identity of person(s) requesting entry upon the property.
(2) The purpose for entry on the property.
(3) The dates, times, and location on which entry to the property will occur, including the estimated number of entries.
(b) Notice Required for Land-Disturbing Activities. Activities to Surface Owner. – If an oil or gas developer or operator is not the surface owner of the property on which oil or gas operations are to occur, before entering the property for oil or gas operations that disturb the surface, the developer or operator shall give written notice to the surface owner at least 30 days before the desired date of entry to the property. Notice shall be given by certified mail, return receipt requested. The notice, at a minimum, shall include all of the following:
(1) A description of the exploration or development plan, including, but not limited to (i) the proposed locations of any roads, drill pads, pipeline routes, and other alterations to the surface estate and (ii) the proposed date on or after which the proposed alterations will begin.
(2) An offer of the oil and gas developer or operator to consult with the surface owner to review and discuss the location of the proposed alterations.
(3) The name, address, telephone number, and title of a contact person employed by or representing the oil or gas developer or operator who the surface owner may contact following the receipt of notice concerning the location of the proposed alterations.

(b1) Persons Entering Land; Identification Required; Presumption of Proper Protection While on Surface Owners’ Property. – Persons who enter land on behalf of an oil or gas developer or operator for oil and gas operations shall carry on their person identification sufficient to identify themselves and their employer or principal and shall present the identification to the surface owner upon request. Entry upon land by such a person creates a rebuttable presumption that the surface owner properly protected the person against personal injury or property damage while the person was on the land.

(b2) Notice of Initiation of Exploration, Development, and Production Activities to Owner of Subsurface Oil or Gas Resources. – If an oil or gas developer or operator is the lessee of subsurface oil or gas resources, before initiating oil or gas exploration or development operations with respect to those resources, the developer or operator shall give written notice to the lessor of those resources at least 30 days before the oil and gas operations are to be initiated. The notice, at a minimum, shall include all of the following:

1. A description of the exploration or development plan, including the proposed date on which the exploration or development will begin.
2. The name, address, telephone number, and title of a contact person employed by or representing the oil or gas developer or operator who the lessor may contact following the receipt of notice.

(c) Venue. – If the oil or gas developer or operator fails to give notice or otherwise comply with the provisions of this section, the surface owner may seek appropriate relief in the superior court for the county in which the oil or gas well is located and may receive actual damages.”

SECTION 13.(a) G.S. 113-421 reads as rewritten:

"§ 113-421. Presumptive liability for water contamination; compensation for other damages; responsibility for reclamation.

(a) Presumptive Liability for Water Contamination. – It shall be presumed that an oil or gas developer or operator is responsible for contamination of all water supplies that are within 5,000 feet a one-half mile radius of a wellhead that is part of the oil or gas developer's or operator's activities unless the presumption is rebutted by a defense established as set forth in subsection (a1) of this subsection. If a contaminated water supply is located within 5,000 feet a one-half mile radius of a wellhead, in addition to any other remedy available at law or in equity, including payment of compensation for damage to a water supply, the developer or operator shall provide a replacement water supply to the surface owner and other persons using the water supply at the time the oil or gas developer's activities were commenced on the property, which water supply shall be adequate in quality and quantity for those persons' use.

(a1) [Rebuttal of Presumption. –] In order to rebut a presumption arising pursuant to subsection (a) of this section, an oil or gas developer or operator shall have the burden of proving by a preponderance of the evidence any of the following:

1. The contamination existed prior to the commencement of the drilling activities of the oil or gas developer or operator, as evidenced by a pre-drilling test of the water supply in question conducted in conformance with G.S. 113-423(f).
2. The surface owner or owner of the water supply in question refused the oil or gas developer or operator access to conduct a pre-drilling test of the water supply conducted in conformance with G.S. 113-423(f).
3. The water supply in question is not within 5,000 feet a one-half mile radius of a wellhead that is part of the oil or gas developer's or operator's activities.
(4) The contamination occurred as the result of a cause other than activities of the developer or operator.

(a3) Reclamation of Surface Property Required. – An oil or gas developer or operator shall reclaim:

(1) Reclaim all surface areas affected by its operations no later than two years following completion of the operations. If the developer or operator is not the surface owner of the property, prior to commencement of activities on the property, the oil or gas developer or operator shall provide a bond running to the surface owner sufficient to cover reclamation of the surface owner's property. Upon registration with the Department pursuant to G.S. 113-378, a developer shall request that the Mining and Energy Commission set the amount of the bond required by this subsection. As part of its request, the developer shall provide supporting documentation, including information about the proposed oil and gas activities to be conducted, the site on which they are to occur, and any additional information required by the Commission. The Commission shall set the amount of the bond in accordance with the criteria adopted by the Commission pursuant to G.S. 113-391(a)(13a) and notify the developer and surface owner of the amount within 30 days of setting the amount of a bond. A surface owner or developer may appeal the amount of a bond set pursuant to this subsection to the Commission within 60 days after receipt of notice from the Commission of the amount required. After evaluation of the appeal and issuance of written findings, the Commission may order that the amount of the bond be modified. Parties aggrieved by a decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 4 of Chapter 150B of the General Statutes within 30 days of the date of the decision.

(2) Provide a bond running to the State sufficient to cover any potential environmental damage caused by the drilling process in an amount no less than one million dollars ($1,000,000). The Commission may increase the amount of the bond required by this subdivision if the Commission determines that the drilling operation would be sited in an environmentally sensitive area.

(e) Joint and Several Liability. – In order to provide maximum protection for the public interest, any actions brought for recovery of cleanup costs, damages, or for civil penalties brought pursuant to this section or any other section of this Article or rules adopted thereunder may be brought against any one or more of the persons having control over the activities that contributed to the contamination, damage to property, or other violations. All such persons shall be jointly and severally liable, but ultimate liability as between the parties may be determined by common-law principles."

SECTION 13.(b) G.S. 113-423(f) reads as rewritten:

"(f) Pre-Drilling Testing of Water Supplies. – Any lease of oil or gas rights or any other conveyance of any kind separating rights to oil or gas from the freehold estate of surface property shall include a clause that requires the oil or gas developer or operator to pay for the reasonable costs involved in testing conduct a test of all water supplies within 5,000 feet a one-half mile radius from a proposed wellhead that is part of the oil or gas developer's or operator's activities at least 30 days prior to initial drilling activities and at least two follow-up tests within a 24-month period—six months, 12 months, 18 months, and 24 months after production has commenced and a test within 30 days after completion of production activities at the site. The Department shall identify the location of all water supplies, including wells, on a property on which drilling operations are proposed to occur. A surface
owner may elect to have the Department shall use an independent third party selected from a laboratory certified by the Department's Wastewater/Groundwater Laboratory Certification program to sample wells located on their property, and in lieu of sampling conducted by the oil or gas developer or operator, in which case the developer or operator shall pay reimburse the Department for the reasonable costs involved in testing of the wells in question. Developers and operators may share analytical results obtained with other developers and operators as necessary or advisable. All analytical results from testing conducted pursuant to this section (i) shall be provided to the Department within 30 days of testing and (ii) shall constitute a public record under Chapter 132 of the General Statutes, and the Department shall post any results to the Department's Web site within 30 days of receipt of the results. Nothing in this subsection shall be construed to preclude or impair the right of any surface owner to refuse pre-drilling testing of wells located on their property.

SECTION 14. Article 27 of Chapter 113 of the General Statutes is amended by adding a new section to read:

§ 113-415.1. Local ordinances prohibiting oil and gas exploration, development, and production activities invalid; petition to preempt local ordinance.

(a) It is the intent of the General Assembly to maintain a uniform system for the management of oil and gas exploration, development, and production activities, and the use of horizontal drilling and hydraulic fracturing for that purpose, and to place limitations upon the exercise by all units of local government in North Carolina of the power to regulate the management of oil and gas exploration, development, and production activities by means of special, local, or private acts or resolutions, ordinances, property restrictions, zoning regulations, or otherwise. Notwithstanding any authority granted to counties, municipalities, or other local authorities to adopt local ordinances, including, but not limited to, those imposing taxes, fees, or charges or regulating health, environment, or land use, any local ordinance that prohibits or has the effect of prohibiting oil and gas exploration, development, and production activities that the Mining and Energy Commission has preempted pursuant this section, shall be invalid to the extent necessary to effectuate the purposes of this Article. To this end, all provisions of special, local, or private acts or resolutions are repealed that do the following:

(1) Prohibit the siting of wells for oil and gas exploration, development, and production within any county, city, or other political subdivision.
(2) Prohibit the use of horizontal drilling or hydraulic fracturing for the purpose of oil or gas exploration or development within any county, city, or other political subdivision.
(3) Place any restriction or condition not placed by this Article upon oil and gas exploration, development, and production activities and use of horizontal drilling or hydraulic fracturing for that purpose within any county, city, or other political subdivision.
(4) In any manner are in conflict or inconsistent with the provisions of this Article.

(b) No special, local, or private act or resolution enacted or taking effect hereafter may be construed to modify, amend, or repeal any portion of this Article, unless it expressly provides for such by specific references to the appropriate section of this Article. Further to this end, all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that prohibit or have the effect of prohibiting oil and gas exploration, development, and production activities and use of horizontal drilling or hydraulic fracturing for that purpose within the jurisdiction of a local government are invalidated to the extent preempted by the Commission pursuant to this section.

(c) When oil and gas exploration, development, and production activities would be prevented from construction or operation by a county, municipal, or other local ordinance, the operator of the proposed activities may petition the Mining and Energy Commission to review the matter. After receipt of a petition, the Commission shall hold a hearing in accordance with the procedures in subsection (d) of this section and shall determine whether or to what extent to
(d) When a petition described in subsection (c) of this section has been filed with the Mining and Energy Commission, the Commission shall hold a public hearing to consider the petition. The public hearing shall be held in the affected locality within 60 days after receipt of the petition by the Commission. The Commission shall give notice of the public hearing by both of the following means:

(1) Publication in a newspaper or newspapers having general circulation in the county or counties where the activities are to be conducted, once a week for three consecutive weeks, the first notice appearing at least 30 days prior to the scheduled date of the hearing.

(2) First-class mail to persons who have requested notice. The Commission shall maintain a mailing list of persons who request notice in advance of the hearing pursuant to this section. Notice by mail shall be complete upon deposit of a copy of the notice in a postage-paid wrapper addressed to the person to be notified at the address that appears on the mailing list maintained by the Commission, in a post office or official depository under the exclusive care and custody of the United States Postal Service.

(e) Any interested person may appear before the Mining and Energy Commission at the hearing to offer testimony. In addition to testimony before the Commission, any interested person may submit written evidence to the Commission for the Commission's consideration. At least 20 days shall be allowed for receipt of written comment following the hearing.

(f) A local zoning or land-use ordinance is presumed to be valid and enforceable to the extent the zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, unless the Mining and Energy Commission makes a finding of fact to the contrary. The Commission shall determine whether or to what extent to preempt local ordinances so as to allow for the establishment and operation of the facility no later than 60 days after conclusion of the hearing. The Commission shall preempt a local ordinance only if the Commission makes all of the following findings:

(1) That there is a local ordinance that would prohibit or have the effect of prohibiting oil and gas exploration, development, and production activities, or use of horizontal drilling or hydraulic fracturing for that purpose.

(2) That all legally required State and federal permits or approvals have been issued by the appropriate State and federal agencies or that all State and federal permit requirements have been satisfied and that the permits or approvals have been denied or withheld only because of the local ordinance.

(3) That local citizens and elected officials have had adequate opportunity to participate in the permitting process.

(4) That the oil and gas exploration, development, and production activities, and use of horizontal drilling or hydraulic fracturing for that purpose, will not pose an unreasonable health or environmental risk to the surrounding locality and that the operator has taken or consented to take reasonable measures to avoid or manage foreseeable risks and to comply to the maximum feasible extent with applicable local ordinances.

(g) If the Mining and Energy Commission does not make all of the findings under subsection (f) of this section, the Commission shall not preempt the challenged local ordinance. The Commission's decision shall be in writing and shall identify the evidence submitted to the Commission plus any additional evidence used in arriving at the decision.

(h) The decision of the Mining and Energy Commission shall be final unless a party to the action files a written appeal under Article 4 of Chapter 150B of the General Statutes, as modified by this section, within 30 days of the date of the decision. The record on appeal shall consist of all materials and information submitted to or considered by the Commission, the
Commission's written decision, a complete transcript of the hearing, all written material presented to the Commission regarding the location of the oil and gas exploration, development, and production activities, the specific findings required by subsection (f) of this section, and any minority positions on the specific findings required by subsection (f) of this section. The scope of judicial review shall be as set forth in G.S. 150B-51, except as this subsection provides regarding the record on appeal.

(i) If the court reverses or modifies the decision of the Mining and Energy Commission, the judge shall set out in writing, which writing shall become part of the record, the reasons for the reversal or modification.

(j) In computing any period of time prescribed or allowed by this procedure, the provisions of Rule 6(a) of the Rules of Civil Procedure, G.S. 1A-1, shall apply.”

SECTION 15.(a) Article 27 of Chapter 113 of the General Statutes is amended by adding four new sections to read:

"§ 113-395.1. Miscellaneous permit requirements.
The Department shall require that all natural gas compressor stations associated with an oil and gas drilling operation be located inside a baffled building.

"§ 113-395.2. Subsurface injection of waste prohibited.
(a) Disposal of wastes produced in connection with oil and gas exploration, development, and production, and use of horizontal drilling and hydraulic fracturing treatments for that purpose by injection to subsurface or groundwaters of the State by means of wells is prohibited in accordance with G.S. 143-214.2.
(b) Notwithstanding G.S. 143-214.2, a violation of subsection (a) of this section shall constitute a Class 1 misdemeanor.

"§ 113-395.3. Environmental compliance review requirements for applicants and permit holders.
(a) For purposes of this section, "applicant" means an applicant for a permit and a permit holder and includes the owner or operator of the facility, and if the owner or operator is a business entity, applicant also includes (i) the parent, subsidiary, or other affiliate of the applicant; (ii) a partner, officer, director, member, or manager of the business entity, parent, subsidiary, or other affiliate of the applicant; and (iii) any person with a direct or indirect interest in the applicant, other than a minority shareholder of a publicly traded corporation who has no involvement in management or control of the corporation or any of its parents, subsidiaries, or affiliates.
(b) The Department shall conduct an environmental compliance review of each applicant for a new permit under this Article. The environmental compliance review shall evaluate the environmental compliance history of the applicant for a period of five years prior to the date of the application and may cover a longer period at the discretion of the Department. The environmental compliance review of an applicant may include consideration of the environmental compliance history of the parents, subsidiaries, or other affiliates of an applicant or parent that is a business entity, including any business entity or joint venturer with a direct or indirect interest in the applicant, and other facilities owned or operated by any of them. The Department shall determine the scope of the review of the environmental compliance history of the applicant, parents, subsidiaries, or other affiliates of the applicant or parent, including any business entity or joint venturer with a direct or indirect interest in the applicant, and of other facilities owned or operated by any of them. An applicant for a permit shall provide environmental compliance history information for each facility, business entity, joint venture, or other undertaking in which any of the persons listed in this subsection is or has been an owner, operator, officer, director, manager, member, or partner, or in which any of the persons listed in this subsection has had a direct or indirect interest as requested by the Department.
(c) The Department shall determine the extent to which the applicant, or a parent, subsidiary, or other affiliate of the applicant or parent, or a joint venturer with a direct or indirect interest in the applicant, has substantially complied with the requirements applicable to any activity in which any of these entities previously engaged and has substantially complied
with federal, North Carolina, and other states' laws, regulations, and rules for the protection of the environment. The Department may deny an application for a permit if the applicant has a history of significant or repeated violations of statutes, rules, orders, or permit terms or conditions for the protection of the environment or for the conservation of natural resources as evidenced by civil penalty assessments, administrative or judicial compliance orders, or criminal penalties.

(d) A permit holder shall notify the Department of any significant change in its environmental compliance history or any significant change in the (i) identity of any person or structure of the business entity that holds the permit for the facility; (ii) identity of any person or structure of the business entity that owns or operates the facility; or (iii) assets of the permit holder, owner, or operator of the facility. The permit holder shall notify the Department within 30 days of a significant change. A change shall be considered significant if it would result in a change in the identity of the permit holder, owner, or operator for purposes of environmental compliance review. Based on its review of the changes, the Department may modify or revoke a permit, or require issuance of a new permit.

"§ 113-395.4. Seismic or geophysical data collection.

(a) Notwithstanding any other provision of law, no liability for trespass shall arise from activities conducted for the purpose of seismic or geophysical data collection. Provided, however, (i) persons conducting seismic and geophysical data collection may only conduct such activity by undershooting from an off-site location and without physical entry to private land, unless the landowner's consent for such activity is obtained in writing and (ii) persons conducting seismic or geophysical data collection shall be civilly liable for any physical or property damage determined to be a direct result of their seismic or geophysical data collection activities, whether or not the seismic or geophysical data collection was conducted by undershooting the land at an off-site location or by physical entry to land as permitted by the landowner.

(b) Conduct of seismic or geophysical data collection activities through physical entry to land without a landowner's written consent shall constitute a Class 1 misdemeanor."

SECTION 15.(b) This section is effective when it becomes law, except that G.S. 113-395.4(b) and G.S. 113-395.2(b), as enacted by Section 15(a) of this act, shall become effective December 1, 2014, and shall apply to offenses committed on or after that date.

SECTION 16. G.S. 87-98.4(b) is amended by adding a new subdivision to read:

"§ 87-98.4. Well contractor certification required; exemptions.

(a) Certification Required. – No person shall perform, manage, or supervise any well contractor activity without being certified under this Article. A person who is not a certified well contractor or who is not employed by a certified well contractor shall not offer to perform any well contractor activity unless the person utilizes a certified well contractor to perform the well contractor activity and, prior to the performance of the well contractor activity, the person discloses to the landowner in writing the name of the certified well contractor who will perform the well contractor activity, the certification number of the well contractor, and the name of the company that employs the certified well contractor.

(b) Exempt persons and activities. – This Article does not apply to any of the following persons or activities:

(14) Construction, repair, or abandonment of a well used for the exploration or development of oil or gas.

...."

PART VI. ESTABLISH SEVERANCE TAX

SECTION 17.(a) Chapter 105 of the General Statutes is amended by adding a new Article to read:
"Article 5I
"Severance Tax.

§ 105-187.71. Definitions.
The following definitions apply in this Article:

1. Casinghead gas. – Gas or vapor indigenous to an oil stratum and produced from the stratum with oil.
3. Condensate. – Liquid hydrocarbon that is or can be recovered from gas by a separator or other means.
4. Energy mineral. – All forms of natural gas, oil, and related condensates.
5. First purchaser. – A person who purchases an energy mineral from a producer.
6. Gas. – All natural gas, including casinghead gas, and all other hydrocarbons not defined as condensates.
7. Gross price. – The total price paid by the first purchaser of the energy mineral at the wellhead.
8. Marginal gas well. – A well incapable of producing more than 100 MCF per day, as determined by the Commission using the current wellhead deliverability rate methodology utilized by the Commission, during the calendar month for which the severance tax report is filed.
9. MCF. – One thousand cubic feet of natural gas.
10. Oil. – Crude petroleum oil, and other hydrocarbons, regardless of gravity, which are produced at the well in liquid form by ordinary production methods and which are not the result of condensation of gas after it leaves the reservoir.
11. Owner. – An owner of a landowner's royalty interest, of an overriding royalty, of profits and working interests, or any combination thereof in energy minerals. The term does not include an owner of federal, State, or local governmental royalty interest.
12. Person. – Defined in G.S. 105-228.90.
13. Producer. – A person who takes an energy mineral from the soil or water in this State.
14. Return. – Any report or statement required to be filed under this Article to determine the tax due.
15. Royalty interest. – An interest in mineral rights in a producing leasehold in the State. A royalty interest does not include the interest of a person having only the management and operation of a well.
16. Secretary. – The Secretary of Revenue.
17. Severance. – The extraction or other removal of an energy mineral from the soil or water of this State.
18. Severed. – The point at which the energy mineral has been separated from the soil or water of this State.
19. Standard barrel of oil. – A barrel of oil containing 42 gallons.
20. Taxpayer. – Any person required to pay the severance tax levied by this Article.

§ 105-187.72. Tax on severance of energy minerals.
(a) Purpose. – An excise tax is levied on the privilege of engaging in the severance of energy minerals from the soil or water of this State. The purpose of the tax is to provide revenue to administer and enforce the provisions of this Article, to administer the State's natural gas and oil reclamation regulatory program, to meet the environmental and resource management needs of this State, and to reclaim land affected by exploration for, drilling for, and production of natural gas and oil. The severance tax is imposed upon all energy minerals severed when sold.
(b) Calculation of Tax. – The amount of the severance tax is calculated as follows:

1. Condensates. – The applicable percentage rate of the gross price paid.
2. Gas. – The applicable percentage rate of the market value as determined in G.S. 105-187.73.
3. Oil. – The applicable percentage rate of the gross price paid.

(c) Oil and Condensates Rate. – The percentage rate for condensates and oil is two percent (2%).

(d) Marginal Gas Rate. – The producer of a proposed or existing gas well may apply to the Mining and Energy Commission for a determination that the well qualifies as a marginal gas well. The producer may elect to have the gas taxed at the marginal gas rate or the gas rate. For severance of gas from a marginal gas well the percentage rate is four-tenths of one percent (0.4%).

(e) Gas Rate. – The percentage rate for gas is nine-tenths of one percent (0.9%).

§ 105-187.73. Delivered to Market Value.

(a) Delivered to Market Value of Natural Gas. – The delivered to market value of natural gas is the total actual gross price as adjusted in this section. The delivered to market value of gas is determined by subtracting the producer's actual costs to deliver the gas to the market from the producer's total gross cash receipts from the sale of the natural gas. A producer receiving a cost reimbursement from the gas purchaser shall include the reimbursement in the gross cash receipts and is entitled to deduct the actual costs of delivering the gas to market incurred.

(b) Records. – In order to be eligible to subtract the actual costs to deliver the gas to the market from the producer's gross receipts for purposes of calculating the delivered-to-market value of natural gas, the producer shall provide any information required by the Secretary. Every producer subtracting the costs to deliver the gas to the market as permitted under this subsection shall maintain and make available for inspection by the Secretary any records the Secretary considers necessary to determine and verify the amount of the costs to deliver the gas to the market the producer is eligible to subtract. The burden of proving eligibility for subtracting the costs to deliver the gas to the market and the amount of the costs to deliver the gas to the market to be subtracted shall rest upon the producer, and no subtraction of costs to deliver the gas to the market shall be allowed to a producer that fails to maintain adequate records or to make them available for inspection.

(c) Costs to Deliver the Gas to the Market and Facilities Used to Deliver the Gas to the Market. – A “facility used to deliver the gas to market” includes flow lines or gathering systems from the separator to the purchaser's transmission line, compressor stations, dehydration units, line heaters after the separator, and treating facilities. “Costs to deliver the gas to the market” are the actual and reasonable costs incurred by the producer to get the gas from the mouth of the well to the first purchaser, except costs incurred in normal lease separation of the oil or condensate from the gas, and costs associated with insurance premiums on a facility used to deliver the gas to market. Costs to deliver the gas to the market include only the following:

1. Costs for compressing the gas sold.
2. Costs for dehydrating the gas sold.
3. Costs for sweetening and treating the gas sold.
4. Costs for delivering the gas to the purchaser.
5. Reasonable charges for depreciation of the facility used to deliver the gas to market being used, provided that, if the facility is rented, the actual rental fee is added.
6. Costs of direct or allocated labor associated with the facility used to deliver the gas to market.
7. Costs of materials, supplies, maintenance, repairs, and fuel associated with the facility used to deliver the gas to market.
8. Property taxes paid on the facility used to deliver the gas to market.
(9) Charges for fees paid by the producer to any provider of dehydration, treating, compression, and delivery services.

"§ 105-187.74. On-site use exemption from the tax.
On-site use is exempt from the tax imposed under this Article. On-site use is the severance of energy minerals from land or water in this State owned legally or beneficially by the producer, which energy minerals are used on the land from which they are taken by the producer as part of the improvement of or use in the producer's homestead and which have a yearly cumulative delivered to market value of not greater than one thousand two hundred dollars ($1,200). When severed energy minerals so used exceed a cumulative delivered to market value of one thousand two hundred dollars ($1,200) during any year, the further severance of energy minerals shall be subject to the tax imposed by this Article.

"§ 105-187.75. Returns and payment of tax.
(a) General. – Severance taxes are payable when a return is due. A return is due quarterly or monthly as specified in this section. A return must be filed by the producer of the energy mineral with the Secretary on a form prescribed by the Secretary and in the manner required by the Secretary. A return must be signed by the taxpayer or the taxpayer's agent.

(b) Payment. – A producer of energy minerals shall pay the tax for all owners of the energy minerals. The producer shall withhold from any payment due owners the proportionate tax due for remittance to the Secretary.

(c) Quarterly. – A taxpayer who is consistently liable for less than one thousand dollars ($1,000) a month in severance taxes must file a return and pay the taxes due on a quarterly basis. A quarterly return covers a calendar quarter and is due by the 25th day of the second month following the end of the quarter.

(d) Monthly. – A taxpayer who is consistently liable for at least one thousand dollars ($1,000) a month in severance taxes must file a return and pay the taxes due on a monthly basis. A monthly return is due by the 25th day of the second month following the calendar month covered by the return.

(e) Category. – The Secretary must monitor the amount of severance taxes paid by a taxpayer or estimate the amount of taxes to be paid by a new taxpayer and must direct each taxpayer to pay tax and file returns as required by this section. In determining the amount of taxes due from a taxpayer, the Secretary must consider the total amount due from all places of business owned or operated by the same person as the amount due from that person. A taxpayer must file a return and pay tax in accordance with the Secretary's direction.

(f) Information on Return. – The amount of tax due and any other information required by the Secretary must be included on the return. Returns that do not contain the required information will not be accepted. When an unacceptable return is submitted, the Secretary will require a corrected return to be filed. The return must contain the following information concerning energy minerals produced during the month being reported:

(1) The gross amount of energy minerals produced that are subject to the tax imposed by this Article;

(2) The leases from which the energy minerals were produced;

(3) The names and addresses of the first purchasers of the energy minerals.

(g) Additional Information. – To claim an exemption for on-site use, the producer or taxpayer of a proposed or existing gas well shall apply to the Secretary for determination of eligibility. The Secretary may require an applicant to provide any information required to administer this provision. The Secretary shall make the determination within 15 calendar days of the receipt of all information required by the Secretary from the producer or taxpayer, and the producer or taxpayer shall attach the determination of eligibility to its severance tax form next due, as applicable. The taxpayer shall provide any information required by the Secretary. Every taxpayer claiming the exemption shall maintain and make available for inspection by the Secretary of Revenue any records the Secretary considers necessary to determine and verify the claim to which the taxpayer is entitled. The burden of proving eligibility shall rest upon the taxpayer, and no exemption shall be allowed to a taxpayer who fails to maintain adequate
records or to make them available for inspection. The portion of the severance tax that is required to be deducted from the royalty owner or other interest shall be calculated in the same manner as the portion of the severance tax borne by the producer.

(h) Commission Determination. – To claim the marginal gas rate, the producer or taxpayer of a proposed or existing gas well shall provide to the Secretary proof that the Mining and Energy Commission has determined the well qualifies as a marginal gas well.

"§ 105-187.76. Bond or letter of credit required.

A producer must file with the Secretary a bond or an irrevocable letter of credit if the producer fails to file a return required under this Article. A bond or an irrevocable letter of credit must be conditioned upon compliance with the requirements of this Article, be payable to the State, and be in the form required by the Secretary. The amount of the bond or irrevocable letter of credit is two times the applicant's average expected monthly tax liability under this Article, as determined by the Secretary. When notified to do so by the Secretary, a person who is required to file a bond or an irrevocable letter of credit must file the bond or irrevocable letter of credit in the amount required by the Secretary within 30 days after receiving the notice from the Secretary.

"§ 105-187.77. Liability of producer for tax.

The tax imposed by this Article is the primary liability of the producer, except as provided in this section. A first purchaser may not take delivery of energy minerals from a producer unless the producer furnishes the purchaser with a taxpayer identification number assigned by the Secretary. A first purchaser failing to secure the producer's taxpayer number, either from the producer or the Secretary, will be liable for any tax, penalty, and interest due on the energy minerals purchased from the producer.

"§ 105-187.78. Royalty owner's records.

The owner of a royalty interest shall keep and provide to the Secretary, upon request, both of the following:

1. A record of all money received as royalty from each producing leasehold in the State.
2. A copy of all settlement sheets furnished by a purchaser or operator or other statement showing the amount of energy minerals for which a royalty was received and the amount of severance tax deducted.

"§ 105-187.79. Permits suspended for failure to report.

If an entity fails to file any report or return or to pay any tax or fee required by this Article for 90 days after it is due, the Secretary shall inform the Secretary of Environment and Natural Resources of this failure. The Secretary of Environment and Natural Resources shall suspend permits for oil and gas exploration using horizontal drilling and hydraulic fracturing under G.S. 113-395 of any entity that fails to file a return under this Article. The Secretary of Environment and Natural Resources shall immediately notify by mail an entity of a suspension under this section.

"§ 105-187.80. No local taxation.

A city or county may not impose a franchise, privilege, license, income, or excise tax on the severing, production, treating, processing, ownership, sale, storage, purchase, marketing, or transportation on any energy minerals produced in the State, or upon the business of severing, producing, treating, processing, owning, selling, buying, storing, marketing, or transporting such energy minerals, or upon the ownership, operation, or maintenance of plants, facilities, machinery, pipelines, and gathering lines related to the severing, production, treating, processing, ownership, storage, sale, purchase, marketing, or transportation of energy minerals. This section does not preclude the taxation of the property in accordance with Article 11 of this Chapter.

SECTION 17.(b) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(46) To furnish to the Department of Environment and Natural Resources the name, address, tax year end, and account and identification numbers of an
entity liable for severance tax to enable the Secretary of Environment and Natural Resources to notify the entity that the Department of Environment and Natural Resources shall suspend permits of the entity for oil and gas exploration using horizontal drilling and hydraulic fracturing under G.S. 113-395.”

SECTION 17.(c) G.S. 113-387 and G.S. 113-388 are repealed.

SECTION 17.(d) G.S. 105-187.72, as enacted by Section 17(a) of this act, reads as rewritten:

"§ 105-187.72. Tax on severance of energy minerals.

(c) Oil and Condensates Rate. – The percentage rate for condensates and oil is two percent (2%).

(d) Marginal Gas Rate. – The producer of a proposed or existing gas well may apply to the Mining and Energy Commission for a determination that the well qualifies as a marginal gas well. The producer may elect to have the gas taxed at the marginal gas rate or the gas rate. For severance of gas from a marginal gas well the percentage rate is four-tenths of one percent (0.4%).

(e) Gas Rate. – The percentage rate for gas is nine tenths of one percent (0.9%).

Over Up to Rate
-0- $3.00 per MCF 0.9% $3.01 per MCF $4.00 1.9%
$4.01 N/A 2.9%

SECTION 17.(e) G.S. 105-187.72, as enacted by Section 17(a) of this act, and amended by Section 17(d) of this act, reads as rewritten:

"§ 105-187.72. Tax on severance of energy minerals.

(c) Oil and Condensates Rate. – The percentage rate for condensates and oil is five percent (5%).

(d) Marginal Gas Rate. – The producer of a proposed or existing gas well may apply to the Mining and Energy Commission for a determination that the well qualifies as a marginal gas well. The producer may elect to have the gas taxed at the marginal gas rate or the gas rate. For severance of gas from a marginal gas well the percentage rate is eight-tenths of one percent (0.8%).

(e) Gas Rate. – The percentage rate for gas is set in the table below. The tax rate is applied to the delivered to market value of the gas sold.

Over Up to Rate
-0- $3.00 per MCF 0.9% $3.01 per MCF $4.00 1.9%
$4.01 N/A $5.00 2.9%
$5.01 $6.00 3.9%
$6.01 $7.00 4.9%
$7.01 N/A 5%

SECTION 17.(f) G.S. 105-187.72(e), as enacted by Section 17(a) of this act, and amended by Sections 17(d) and 17(e) of this act, reads as rewritten:

"(e) Gas Rate. – The percentage rate for gas is set in the table below. The tax rate is applied to the delivered to market value of the gas sold.

Over Up to Rate
-0- $3.00 per MCF 0.9% $3.01 per MCF $4.00 1.9%
$4.01 $5.00 2.9%
$5.01 $6.00 3.9%
$6.01 $7.00 4.9%
SECTION 18. G.S. 105-275 is amended by adding a new subdivision to read:

"(47) Energy mineral interest in property for which a permit has not been issued under G.S. 113-395. For the purposes of this subdivision, "energy mineral" has the same meaning as in G.S. 105-187.71."

SECTION 19. Sections 17(a), 17(b), and 17(c) become effective July 1, 2015, and apply to energy minerals severed on or after that date. Section 17(d) becomes effective January 1, 2019, and applies to energy minerals severed on or after that date. Section 17(e) becomes effective January 1, 2021, and applies to energy minerals severed on or after that date. Section 17(f) becomes effective January 1, 2023, and applies to energy minerals severed on or after that date. Section 18 is effective for taxes imposed for taxable years beginning on or after July 1, 2015. The remainder of this Part is effective when it becomes law.

PART VII. STUDIES

SECTION 20. The Local Government Division of the Department of Revenue shall study how other states value energy minerals for the purpose of property taxation. The Division shall establish guidelines for counties to ensure the consistent and fair taxation of energy minerals throughout the State. The Local Government Division shall report its findings to the Joint Legislative Commission on Energy Policy by January 1, 2015.

SECTION 21. The Joint Legislative Commission on Energy Policy shall study how the development of the oil and gas industry in the State would affect the property tax revenues of local governments. The study shall examine how the presence of energy minerals will affect property enrolled in the present use value program. The study shall also study ways to limit the growth of property tax revenues that result from increased property valuations due to the development of the oil and gas industry in the State. The Commission shall report to the 2015 General Assembly on its findings and recommendations, including any legislative recommendations.

SECTION 22.(a) The Department of Commerce, in consultation with the Department of Environment and Natural Resources, the North Carolina Ports Authority, and the Department of Administration, shall study the desirability and feasibility of siting, constructing, and operating a liquefied natural gas (LNG) export terminal in North Carolina. At a minimum, as a part of the study, the agencies shall:

1. Identify the State, federal, and local regulatory programs under which LNG export terminals are permitted and approved.
2. Identify any State statutory or regulatory barriers to siting, constructing, or operating a LNG export terminal in the State.
3. Evaluate infrastructure needs and impacts as follows:
   a. Identify the infrastructure that is necessary to support a LNG export terminal.
   b. Identify any idle publicly owned infrastructure that may be utilized to support LNG export terminal operations.
   c. Identify publicly owned unutilized or underutilized lands that may be used to support LNG export terminal operations.
   d. Identify potential impacts on infrastructure, including roads, pipelines, and water and wastewater services, and other provision of services by local governments including schools, law enforcement, and development.
(4) Conduct a cost-benefit analysis for the construction and operation of an LNG export terminal. The analysis shall evaluate scenarios in which the State is the primary producer of the exported natural gas and scenarios in which the State is not the primary producer of the exported natural gas.

(5) Examine potential economic impacts, including:
   a. Possible sources of revenue that could accrue to the benefit of the State if LNG is exported from a terminal in North Carolina.
   b. The number of jobs that may be expected as a result from the construction and operation of an LNG export terminal.

(6) Identify and evaluate potential environmental impacts of construction and operation of an LNG export terminal. In examining this issue, the agencies shall gather information on regulatory programs in other states where LNG export terminals are in operation.

(7) Identify potential social impacts, including impacts of construction and operation of an LNG export terminal on nearby communities and quality of life within those communities, recreational activities, and commercial and residential development.

(8) Examine any other pertinent issues that the agencies deem relevant to the construction and operation of an LNG export facility in the State.

SECTION 22.(b) The Department of Commerce shall report its findings and recommendations to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission on or before January 1, 2015.

SECTION 23.(a) The Department of Transportation shall study (i) additional statutory authority that may be necessary or advisable for the Department to adequately address energy-related traffic, including authority that pertains to permitting and assessment of fees; (ii) the feasibility and advisability of including any requirements that the Department may recommend to manage energy-related traffic, and resulting impacts, in a coordinated permit in conjunction with requirements of the Department of Environment and Natural Resources, or whether such requirements should be implemented through a separate permitting process; and (iii) performance bonding and other surety mechanisms, including road use agreements, to reclaim and repair any State posted roads that are damaged due to heavy vehicle, equipment, and machinery traffic used in support of and conjunction with horizontal drilling and hydraulic fracturing operations on State posted roads. For purposes of this study, the term "posted roads" means a system that records any secondary road on the State Highway System that is unable to carry heavy vehicles or equipment. In the conduct of its study, the Department shall do the following:

   (1) Consider mechanisms for requiring performance bonds running to the Department.
   (2) Develop criteria for setting the amount of the bond, including the weight and size of the proposed vehicles, equipment and machinery projected to utilize posted roads, the planned route and projected number of trips, and the duration of the activity necessitating travel of heavy vehicles, equipment, and machinery along posted roads.
   (3) Identify documentation necessary to support bonding of posted roads.
   (4) Identify any statutory or regulatory changes necessary to maintain and protect the State's transportation infrastructure network.

SECTION 23.(b) The Department of Transportation shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Energy Policy Commission and the Joint Legislative Transportation Oversight Committee on or before January 1, 2015.

SECTION 24.(a) The State Board of Community Colleges shall study the feasibility and desirability of developing a program to prepare students with a general education foundation and technical competencies for employment opportunities in the oil and
natural gas drilling, gathering, and field operations industry. In particular, the State Board shall consider developing such a program at one or more of the community colleges located where the potential for shale gas resources is highest. In the conduct of its study, the State Board shall evaluate similar education programs in community college systems in other states.

SECTION 24.(b) The State Board shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Energy Policy Commission and the Joint Legislative Education Oversight Committee on or before January 1, 2015.

SECTION 25.(a) The General Assembly finds the following:

1. Section 2(l) of S.L. 2012-143 directed the Mining and Energy Commission, in conjunction with the Department of Environment and Natural Resources and the Consumer Protection Division of the North Carolina Department of Justice, to study the State's current law on the issue of integration or compulsory pooling and other states' laws on the matter; and

2. Whereas, the Department was directed to report its findings and recommendations, including legislative proposals, to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission on or before January 1, 2013; and

3. The Mining and Energy Commission and the Department issued separate reports pursuant to the study; and

4. The Mining and Energy Commission's report included specific recommendations for legislative changes related to compulsory pooling; and

5. The Department's report did not include specific recommendations for legislative changes related to compulsory pooling; and

6. In lieu of specific recommendations for legislative changes, the Department recommended that "prior to establishing new laws related to compulsory pooling, the General Assembly should consider the rules adopted by the Mining and Energy Commission related to oil and gas exploration, including, but not limited to, rules concerning drilling units, spacing requirements, and setbacks, all of which will affect the regulation of compulsory pooling in the State." And the Department further recommended that "decisions on the status and implementation of a compulsory pooling law precede decisions related to cost sharing, notifications, and compensation for damages" and "further study on the issue of amending current dormant mineral statutes regarding extinguishment and other consumer protection issues related to split estates."

SECTION 25.(b) Based upon the findings of Section 25(a) of this act, the General Assembly directs the Department to do the following:

1. Examine the Mining and Energy Commission's rules, once adopted, related to oil and gas exploration, including, but not limited to, rules concerning drilling units, spacing requirements, and setbacks, and all rules the Department determines will affect the regulation of compulsory pooling in the State.

2. Study, in conjunction with the Mining and Energy Commission and the Consumer Protection Division of the North Carolina Department of Justice, the issue of amending current dormant mineral statutes regarding extinguishment and other consumer protection issues related to split estates.

3. Issue specific recommendations for legislative action related to compulsory pooling and dormant mineral statutes and report the findings of their study, including specific proposals for legislative action, to the Joint Legislative Commission on Energy Policy and the Environmental Review Commission on or before October 1, 2015.

SECTION 26. The Mining and Energy Commission and the Department of Environment and Natural Resources shall study the development of midstream infrastructure in
North Carolina, which is necessary or advisable to facilitate the exploration, development, and production of the State's oil and gas resources. Infrastructure examined shall include development of pipelines, gathering systems, compressor stations, pumping systems, on-site and near-site storage tanks, and natural gas liquids processing systems. All State agencies, including the constituent institutions of The University of North Carolina, shall provide information and support to the Commission and the Department in the conduct of this study. The Commission shall report the findings of this study, including specific proposals for legislative action, to the Joint Legislative Commission on Energy Policy on or before March 1, 2015.

SECTION 27. The State Energy Office in the Department of Environment and Natural Resources shall study and make legislative recommendations on a comprehensive long-range State energy policy to achieve maximum effective management and use of present and future sources of energy. The Office shall study all of the following:

1. The long-term environmental and economic impact of base load power generation of electric public utilities.
2. The comparison of base load power generation alongside all other forms of energy used for power generation, including renewable and alternative sources of energy, and the environmental and economic impact of all forms of power generation.
3. The implementation of S.L. 2007-397, including environmental and economic impacts of the law, and recommendations on any changes to the law as necessary.
4. The impact to the electrical grid and to the economy of allowing third-party sales of electricity on the State's military installations.

The State Energy Office shall report its findings to the Joint Legislative Commission on Energy Policy on or before December 1, 2014.

SECTION 28.(a) The Division of Purchase and Contract in the Department of Administration shall, in coordination with the Department of Public Instruction, provide that any fuel option may be considered for the award of a school bus contract. In the development of requests for proposals for school buses, the Departments shall include any fuel option practicable, including diesel, propane, liquefied natural gas, compressed natural gas, and electricity.

SECTION 28.(b) The consideration of any fuel sources in Section 28(a) of this act shall apply to any changes or modifications to term contracts executed on or after the effective date of this section.

SECTION 28.(c) The Department of Administration and the Department of Public Instruction shall jointly study the infrastructure that would be necessary to support school bus fleets fueled by natural gas and report any findings and recommendations to the Joint Legislative Energy Policy Commission on or before January 1, 2015.

PART VIII. MISCELLANEOUS PROVISIONS UNRELATED TO SHALE GAS

SECTION 29.(a) G.S. 114-4.2D is repealed.

SECTION 29.(b) G.S. 113B-11(e) reads as rewritten:

"(e) Staff support required by the Council shall be supplied by the Division of Energy, Mineral, and Land Resources of the Department of Environment and Natural Resources. The Department of Environment and Natural Resources shall provide legal support to the Council as needed from the Department's staff. The Department of Commerce and the Utilities Commission are hereby authorized to make their staff available to the Council to assist in the development of a State energy policy."

SECTION 30.(a) G.S. 105-449.130 is amended by adding a new subdivision to read:

"(lf) Diesel gallon equivalent of liquefied natural gas. – The energy equivalent of 6.06 pounds of liquefied natural gas."

84
SECTION 30.(b) G.S. 105-449.130 is amended by adding a new subdivision to read:

"(1g) Gas gallon equivalent of compressed natural gas. – The energy equivalent of 5.66 pounds of compressed natural gas."

SECTION 30.(c) G.S. 105-449.136 reads as rewritten:

"§ 105-449.136. Tax on alternative fuel.

(a) Rate. – A tax at the motor fuel rate is imposed on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. The tax on liquefied natural gas is imposed on each diesel gallon equivalent of liquefied natural gas. A tax at the equivalent of the motor fuel rate is imposed on all other alternative fuel used to operate a highway vehicle. The tax on compressed natural gas is imposed on each gas gallon equivalent of compressed natural gas. The Secretary must determine the equivalent rate for all other non-liquid alternative fuels.

(b) Administration. – The exemptions from the tax on motor fuel in G.S. 105-449.88 apply to the tax imposed by this section. The refunds for motor fuel tax allowed by Part 5 of Article 36C of this Chapter apply to the tax imposed by this section, except that the refund allowed by G.S. 105-449.107(b) for certain vehicles that use power takeoffs does not apply to a vehicle whose use of alternative fuel is taxed on the basis of miles driven. The proceeds of the tax imposed by this section must be allocated in accordance with G.S. 105-449.125."

SECTION 30.(d) This section becomes effective January 1, 2015.

PART IX. SEVERABILITY AND EFFECTIVE DATE

SECTION 31.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 31.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of May, 2014.

Became law upon approval of the Governor at 9:23 a.m. on the 4th day of June, 2014.

Session Law 2014-5 H.B. 230

AN ACT TO CLARIFY PROVISIONS OF THE READ TO ACHIEVE ACT AND SCHOOL PERFORMANCE GRADES AND TO EXPAND THE TESTING WINDOW FOR ONE YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-83.3(2) reads as rewritten:

"(2) "Alternative assessment" means a valid and reliable standardized assessment of reading comprehension, approved by the State Board of Education, that is not the same test as the State-approved standardized test of reading comprehension administered to third grade students. The State Board of Education shall (i) provide several valid and reliable alternative assessments to local school administrative units upon request, (ii) approve valid and reliable alternative assessments submitted by local school administrative units, and (iii) establish achievement level ranges for each approved alternative assessment. The State Board of Education shall annually review all alternative assessments to ensure ongoing relevance, validity, and reliability."

SECTION 2. G.S. 115C-83.3(8) reads as rewritten:
"(8) "Student reading portfolio" means a compilation of independently produced student work selected by the student's teacher, beginning during the first half of the school year, and signed by the teacher and principal, as an accurate picture of the student's reading ability. The student reading portfolio shall include an organized collection of evidence of the student's mastery of the State's reading standards that are assessed by the State-approved standardized test of reading comprehension administered to third grade students. A single piece of evidence may show mastery of up to two standards. For each benchmark, there shall be three examples of student work demonstrating mastery by a grade of seventy percent (70%) or above."

SECTION 3. G.S. 115C-83.3(9) reads as rewritten:

"(9) "Summer reading "Reading camp" means an additional educational program outside of the instructional calendar provided by the local school administrative unit to any student who does not demonstrate reading proficiency. Parents or guardians of the student not demonstrating reading proficiency shall make the final decision regarding the student's summer reading camp attendance. Summer reading camps shall (i) be six to eight weeks long, four or five days per week; (ii) include at least three hours of instructional time per day; (iii) offer at least 72 hours of reading instruction to yield positive reading outcomes for participants; (ii) be taught by compensated, licensed teachers selected based on demonstrated student outcomes in reading proficiency; and (iv) allow volunteer mentors to read with students at times other than during the 72 hours of reading instruction. The 72 hours of reading instruction shall be provided over no less than three weeks for students in schools using calendars other than year-round calendars."

SECTION 4. G.S. 115C-83.5(d) reads as rewritten:

"(d) The kindergarten entry assessment shall (i) address the five essential domains of school readiness: language and literacy development, cognition and general knowledge, approaches toward learning, physical well-being and motor development, and social and emotional development and (ii) yield both qualitative and quantitative data in each of these domains. Data obtained through administration of the kindergarten entry assessment shall be used to populate relevant fields in a longitudinal data base. The language and literacy component of the kindergarten entry assessment may be used as a formative and diagnostic reading assessment as provided in G.S. 115C-83.6."

SECTION 5. G.S. 115C-83.7(b) reads as rewritten:

"(b) Students may be exempt from mandatory retention in third grade for good cause, but shall continue to be eligible to participate in reading camps, receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

(1) Limited English Proficient students with less than two years of instruction in an English as a Second Language program.

(2) Students with disabilities, as defined in G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions, whose individualized education program indicates (i) the use of the NCEXTEND1 alternate assessment, (ii) at least a two school year delay in educational performance, or (iii) receipt of intensive reading interventions for at least two school years.

(3) Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment approved by the State Board of Education. Teachers may administer alternative assessment following the administration of the State-approved standardized test of reading.
comprehension typically given to third grade students at the end of the school year or after a student's participation in the local school administrative unit's summer reading camp.

(4) Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students. Teachers may submit the student reading portfolio at the end of the school year or after a student's participation in the local school administrative unit's summer reading camp. The student reading portfolio and review process processes used by local school administrative units shall be established approved by the State Board of Education.

(5) Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades."

SECTION 6. G.S. 115C-83.8 reads as rewritten:

"§ 115C-83.8. Successful reading development for retained students.

(a) Parents or guardians of students not demonstrating reading proficiency shall be enrolled encouraged to enroll their student in a summer reading camp provided by the local school administrative unit prior to being retained. Students who demonstrate reading proficiency on an alternative assessment of reading comprehension or student reading portfolio after completing a summer reading camp shall be promoted to the fourth grade. Students who do not demonstrate reading proficiency on these measures after completing a summer reading camp shall be retained under G.S. 115C-83.7(a) and provided with the instruction listed in subsection (b) of this section during the retained year. Parents or guardians of a student not demonstrating reading proficiency shall make the final decision regarding a student's reading camp attendance. Local school administrative units shall provide at least one opportunity for students not participating in a reading camp to demonstrate reading proficiency appropriate for third grade students on an alternative assessment or through a student reading portfolio process approved by the State Board of Education prior to retaining the student.

(b) Students retained under G.S. 115C-83.7(a) shall be provided with a teacher selected based on demonstrated student outcomes in reading proficiency and placed in an accelerated reading class or a transitional third and fourth grade class combination, as appropriate. Classroom instruction shall include at least 90 minutes of daily, uninterrupted, evidence-based reading instruction, not to include independent reading time, and other appropriate instructional supports and services and reading interventions.

(c) The State Board of Education shall establish a midyear promotion policy for any student retained under G.S. 115C-83.7(a) who, by November 1, demonstrates reading proficiency through administration of the alternative assessment of reading comprehension or student reading portfolio review. Principals shall use the provisions under G.S. 115C-288(a) to grade and classify students demonstrating reading proficiency after the November 1 midyear promotion deadline.

(d) Repealed by Session Laws 2013-360, s. 8.30, effective July 1, 2013.

(e) Parents or guardians of students who have been retained twice under the provisions of G.S. 115C-83.7(a) shall be offered supplemental tutoring for the retained student in evidence-based reading services outside the instructional day."

SECTION 7. G.S. 115C-83.9 reads as rewritten:

"§ 115C-83.9. Notification requirements to parents and guardians.

(a) Parents or guardians shall be notified in writing, and in a timely manner, that the student shall be retained, unless he or she is exempt from mandatory retention for good cause, if the student is not demonstrating reading proficiency by the end of third grade. Parents or guardians shall receive this notice when a kindergarten, first, second, or third grade student (i) is demonstrating difficulty with reading development; (ii) is not reading at grade level; or (iii) has a personal education plan under G.S. 115C-105.41.

(b) Parents or guardians of any student who is to be retained under the provisions of G.S. 115C-83.7(a) shall be notified in writing of the reason the student is not eligible for a good
cause exemption as provided in G.S. 115C-83.7(b). Written notification shall also include a description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(c) Parents or guardians of students retained under G.S. 115C-83.7(a) shall receive at least monthly written reports on student progress toward reading proficiency. The evaluation of the student's progress shall be based upon the student's classroom work, observations, tests, assessments, and other relevant information.

(d) Teachers and principals shall provide opportunities to discuss with parents and guardians the notifications listed in this section.

SECTION 8. Part 1A of Article 8 of Chapter 115C of the General Statutes is amended by adding a new section to read:

§ 115C-83.11. Continued support for students demonstrating reading proficiency.

(a) Parents or guardians of a student demonstrating reading proficiency appropriate for a third grade student as provided under G.S. 115C-83.7 may choose to enroll the student in the reading camp as defined in G.S. 115C-83.9 but may be charged an attendance fee. Local boards of education may establish a fee amount to be equal to the per student program cost of participating in the reading camp, not to exceed eight hundred twenty-five dollars ($825.00).

(b) Priority enrollment in the reading camp is for students not demonstrating reading proficiency as provided under G.S. 115C-83.8. Local boards of education shall establish application procedures and enrollment priorities for reading camps for students demonstrating reading proficiency.

SECTION 9. G.S. 115C-238.29F(d1) reads as rewritten:

"§ 115C-238.29F(d1) reads as rewritten:

(d1) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two school years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), and whose individualized education program indicates the use of alternative assessments and reading interventions (i) the use of the NCEXTEND1 alternate assessment, (ii) at least a two school year delay in educational performance, or (iii) receipt of intensive reading interventions for at least two school years.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.
d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

SECTION 10. The State Board of Education shall implement the developmental screening instrument as provided in G.S. 115C-83.5 in each school in a local school administrative unit enrolling kindergarten students, and according to the approved time line for the administration of the Kindergarten Entry Assessment as provided under Section 3.9 of S.L. 2013-363. Additional components of the Kindergarten Entry Assessment shall be fully implemented in each school in a local school administrative unit enrolling kindergarten students beginning with the 2016-2017 school year.

SECTION 11. The title of Part 5 of Article 10A of Chapter 115C of the General Statutes reads as rewritten:

"CAREER AND COLLEGE READINESS."


SECTION 13. G.S. 115C-83.15(b) reads as rewritten:

"(b) Calculation of the School Achievement Score. — In calculating the overall school achievement score earned by schools, the State Board of Education shall total the sum of points earned by a school on all of the following indicators that are measured for that school:

(1) One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight.

(2) One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.

(3) One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.

(4) One point for each percent of students who score at or above proficient on the Algebra I or Integrated Math I end-of-course test.

(5) One point for each percent of students who score at or above proficient on the English II end-of-course test.

(6) One point for each percent of students who score at or above proficient on the Biology end-of-course test.

(7) One point for each percent of students who complete Algebra II or Integrated Math III with a passing grade.

(8) One point for each percent of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.

(9) One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

(10) One point for each percent of students who graduate within four years of entering high school.

Each school achievement indicator shall be of equal value when used to determine the overall school achievement score. In calculating the overall school achievement score earned by schools, the State Board of Education shall (i) use a composite approach to weigh the achievement elements based on the number of students measured by any given achievement element and (ii) proportionally adjust the scale to account for the absence of a school achievement element for award of scores to a school that does not have a measure of one of the school achievement elements annually assessed for the grades taught at that school. The overall school achievement score shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-238.29F, and 115C-238.66."
SECTION 14. G.S. 115C-83.15(d) reads as rewritten:
"(d) Calculation of the School Performance Scores and Grades. - For schools exceeding or not meeting expected school growth, the State Board of Education shall use EVAAS to calculate the school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. For schools meeting expected growth, and with a school achievement score of eighty percent (80%) or higher, the school performance score shall solely reflect the achievement score. For schools meeting expected growth, and with a school achievement score below eighty percent (80%), the school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. If a school has met expected growth and inclusion of the school’s growth score reduces the school’s performance score and grade, a school may choose to use the school achievement score solely to calculate the performance score and grade. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

(1) A school performance score of at least 90 is equivalent to an overall school performance grade of A.
(2) A school performance score of at least 80 is equivalent to an overall school performance grade of B.
(3) A school performance score of at least 70 is equivalent to an overall school performance grade of C.
(4) A school performance score of at least 60 is equivalent to an overall school performance grade of D.
(5) A school performance score of less than 60 points is equivalent to an overall school performance grade of F."

SECTION 15. Notwithstanding G.S. 115C-83.15(d), for the 2013-2014 school year only, for all schools the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

(1) A school performance score of at least 85 is equivalent to an overall school performance grade of A.
(2) A school performance score of at least 70 is equivalent to an overall school performance grade of B.
(3) A school performance score of at least 55 is equivalent to an overall school performance grade of C.
(4) A school performance score of at least 40 is equivalent to an overall school performance grade of D.
(5) A school performance score of less than 40 points is equivalent to an overall school performance grade of F.

SECTION 16. For the 2014-2015 school year only, local boards of education may apply for waivers from the requirements in G.S. 115C-174.12(4) which limit the administration of final exams for year-long courses to the final 10 instructional days of the school year and for semester courses to the final 5 instructional days of the semester. Local boards of education shall apply for these waivers to the State Board of Education by September 1, 2014. The State Board of Education shall grant the waivers for up to five additional days in order to allow the administration of final exams for year-long courses within the final 15 instructional days of the school year and for semester courses within the final 10 instructional days of the semester. By October 1, 2014, the State Board of Education shall notify the local boards of education whether the requested waivers have been granted.
SECTION 17. This act is effective when it becomes law. Section 16 of this act applies only for the 2014-2015 school year.

In the General Assembly read three times and ratified this the 9th day of June, 2014.

Became law upon approval of the Governor at 5:42 p.m. on the 10th day of June, 2014.

Session Law 2014-6

H.B. 1108

AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE DUPLIN COUNTY BOARD OF EDUCATION AND THE BOARD OF COMMISSIONERS OF DUPLIN COUNTY, TO PROVIDE THAT VACANCIES ON THE HARNETT COUNTY BOARD OF COMMISSIONERS AND SCHOOL BOARD ARE FILLED IN ACCORDANCE WITH G.S. 153A-27.1 AND G.S. 115C-37.1, AND TO PROVIDE THAT ANY EMPLOYMENT CONTRACT FOR CERTAIN LOCAL OFFICIALS IN HARNETT COUNTY MUST BE DONE BY UNANIMOUS VOTE IN CERTAIN INSTANCES.

The General Assembly of North Carolina enacts:

SECTION 1. Sections 2 and 7 of Chapter 966 of the 1987 Session Laws are repealed.

SECTION 2. Section 3 of Chapter 966 of the 1987 Session Laws reads as rewritten:

"Sec. 3. Following the 1988 election incumbent commissioners Vance Alphin and Willis Sholar, each of whose term does not expire until 1990, shall be designated as the members representing the districts in which they reside, which are Districts II and III, respectively. If either of these members leaves office before the expiration of his term, the person appointed to replace him must reside in the same district effective the first Monday in December of 2014, the terms of office of the commissioners elected in 2010 to represent District II or III respectively, or any person appointed to replace those commissioners, shall expire. Effective the first Monday in December of 2014 until the expiration of the commissioner's term of office in 2016, the incumbent commissioner previously representing District IV shall be designated as the commissioner representing District III, the incumbent commissioner previously representing District V shall be designated as the commissioner representing District IV, and the incumbent commissioner previously representing District VI shall be designated as the commissioner representing District V. If any commissioner leaves office prior to the end of commissioner's term, the person appointed or elected to replace that commissioner must reside in the same district that commissioner was designated to represent."

SECTION 3. Section 4 of Chapter 966 of the 1987 Session Laws reads as rewritten:

"Sec. 4. Following the 1988 election, incumbent commissioner Dovie L. Penney, whose term does not expire until 1990, shall be designated as an at-large member, giving the Board of Commissioners a temporary, seventh member. When Ms. Penney leaves office, through the expiration of her term, resignation or otherwise, no replacement will be selected and the board will then consist of six members only. Effective the first Monday in December of 2014, the terms of office of the Board of Education members elected in 2010 to represent District II, III, or IV respectively, or any person appointed to replace those members, shall expire. Effective the first Monday in December of 2014 until the expiration of the Board of Education member's term of office in 2016, the incumbent Board of Education member previously representing District V shall be designated as the member representing District IV, and the incumbent Board of Education member previously representing District VI shall be designated as the member representing District V. If any Board of Education member leaves office prior to the end of member's term, the person appointed or elected to replace that member must reside in the same district that Board of Education member was designated to represent."

91
SECTION 4. Section 6 of Chapter 966 of the 1987 Session Laws, as amended by S.L. 2013-320, reads as rewritten:

"Sec. 6. In 2014, and every four years thereafter, one member of the Board of Education each shall be elected from Districts II and III. In 2016, and every four years thereafter, one member of the Board of Education each shall be elected from Districts I, IV, and V."

SECTION 5.(a) G.S. 153A-27.1(h) reads as rewritten:

"(h) This section shall apply only in the following counties: Alamance, Alexander, Alleghany, Avery, Beaufort, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Carteret, Cherokee, Clay, Cleveland, Cumberland, Dare, Davidson, Davie, Forsyth, Graham, Guilford, Harnett, Haywood, Henderson, Hyde, Jackson, Lee, Lincoln, Macon, Madison, McDowell, Mecklenburg, Moore, Pender, Polk, Randolph, Rockingham, Rutherford, Sampson, Stanly, Stokes, Transylvania, and Yancey."

SECTION 5.(b) G.S. 115C-37.1(d) reads as rewritten:

"(d) (Effective until December 5, 2016) This section shall apply only in the following counties: Alleghany, Brunswick, Graham, Harnett, Lee, New Hanover, Vance, and Washington.

(d) (Effective December 5, 2016) This section shall apply only in the following counties: Alleghany, Brunswick, Graham, Guilford, Harnett, Lee, New Hanover, Vance, and Washington."

SECTION 5.(c) This section applies only to the County of Harnett.

SECTION 6.(a) G.S. 115C-47(13) reads as rewritten:

"(13) To Elect a Superintendent. – The local boards of education shall elect superintendents subject to the requirements and limitations set forth in G.S. 115C-271. If the election of the superintendent by the local board occurs within seven months before the meeting in which newly elected members of the local board qualify under G.S. 115C-37(d), the election and terms thereof shall be by unanimous vote of the local board."

SECTION 6.(b) G.S. 153A-81 reads as rewritten:

"§ 153A-81. Adoption of county-manager plan; appointment or designation of manager.

(a) The board of commissioners may by resolution adopt or discontinue the county-manager plan. If it adopts the county-manager plan, the board may, in the alternative:

(1) Appoint a county manager to serve at its pleasure. The manager shall be appointed solely on the basis of his executive and administrative qualifications. He need not be a resident of the county or the State at the time of his appointment.

(2) Confer upon the chairman or some other member of the board of commissioners the duties of county manager. If this is done, the chairman or member shall become a full-time county official, and the board may increase his salary pursuant to G.S. 153A-28.

(3) Confer upon any other officer, employee, or agent of the county the duties of county manager.

As used in this Part, the word "manager" includes the chairman or any member of the board of commissioners exercising the duties of manager or any officer, employee, or agent of a county exercising the duties of manager.

(b) If the appointment of the manager under subsection (a) of this section by the board of commissioners occurs within seven months before the meeting in which newly elected members of the board take the oath of office under G.S. 153A-26, the appointment and terms thereof shall be by unanimous vote of the board of commissioners."

SECTION 6.(c) This section applies only to the County of Harnett.
SECTION 7. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 12th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-7  H.B. 1131

AN ACT TO EXEMPT CLAY COUNTY FROM STATE WILDLIFE LAWS WITH RESPECT TO OPOSSUMS BETWEEN THE DATES OF DECEMBER 26 AND JANUARY 2.

The General Assembly of North Carolina enacts:

SECTION 1. No State statutes, rules, or regulations related to the capture, captivity, treatment, or release of wildlife shall apply to the Virginia opossum (Didelphis virginiana) between the dates of December 26 of each year and January 2 of each subsequent year.

SECTION 2. This act applies only to Clay County.

SECTION 3. This act is effective on and after December 30, 2013.

In the General Assembly read three times and ratified this the 12th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-8  H.B. 292

AN ACT TO ESTABLISH A MORATORIUM ON FILING OF ACTIONS BY CERTAIN LOCAL BOARDS OF EDUCATION CHALLENGING THE SUFFICIENCY OF LOCAL FUNDS APPROPRIATED TO THE PUBLIC SCHOOLS BY THE COUNTY BOARD OF COMMISSIONERS.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115C-426, 115C-431, and 115C-432, a local board of education shall not file any legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both.

SECTION 2. G.S. 115C-429(b) reads as rewritten:

"(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format, appropriate moneys as follows for each indicated fiscal year:

(1) For the 2014-2015 fiscal year, at least eighty-seven million ninety-seven thousand eight hundred eighty-four dollars ($87,097,884) for the local current expense fund and at least nineteen million five hundred thirty-one thousand five hundred eighty-two dollars ($19,531,582) for capital outlay.

(2) For the 2015-2016 fiscal year, at least an amount equal to the local current expense fund appropriation for the 2014-2015 budget year plus (i) an inflationary increase based on the most recent annual consumer price index for all urban workers (CPI-U) and (ii) any increase in the average daily membership in the local school administrative unit in the first 20 days of the school year from the prior school year, and at least nineteen million seven
hundred eighty-six thousand twenty-four dollars ($19,786,024) for capital outlay.”

SECTION 3. On or before August 1, 2014, the Union County Board of Commissioners and the Union County Schools shall jointly establish a working group to develop a multiyear plan to address existing and ongoing capital needs of the Union County Schools. The working group shall consist of up to 14 people, half appointed by each board. The working group shall complete its work and report to the Union County Board of Commissioners and the Union County Schools on or before June 30, 2015.

SECTION 4. Sections 1-3 of this act apply only to Union County.

SECTION 4.5.(a) G.S. 115C-431 is repealed.

SECTION 4.5.(b) The local board of education shall not file any legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both.

SECTION 4.5.(c) This section applies only to counties of Gaston and Nash.

SECTION 4.5.(d) This section expires upon the adoption of the 2016-2017 fiscal year budget by the appropriate board of county commissioners.

SECTION 5. If any provision of this act or its application is held invalid, the invalidity does not affect the other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

SECTION 6. Section 1 of this act is effective when it becomes law and expires upon adoption of the budget ordinance by the Union County Board of Commissioners for the 2016-2017 fiscal year. The remainder of this act is effective when it becomes law and shall not affect any action filed prior to the effective date of this act.

In the General Assembly read three times and ratified this the 12th day of June, 2014.

Became law on the date it was ratified.
(1) For the 2014-2015 fiscal year, at least eighty-seven million ninety-seven thousand eight hundred eighty-four dollars ($87,097,884) for the local current expense fund and at least nineteen million five hundred thirty-one thousand five hundred eighty-two dollars ($19,531,582) for capital outlay.

(2) For the 2015-2016 fiscal year, at least an amount equal to the local current expense fund appropriation for the 2014-2015 budget year plus (i) an inflationary increase based on the most recent annual consumer price index for all urban workers (CPI-U) and (ii) any increase in the average daily membership in the local school administrative unit in the first 20 days of the school year from the prior school year, and at least nineteen million seven hundred eighty-six thousand twenty-four dollars ($19,786,024) for capital outlay.

"SECTION 1.(c) On or before August 1, 2014, the Union County Board of Commissioners and the Union County Board of Education shall jointly establish a working group to develop a multiyear plan to address existing and ongoing capital needs of the Union County Board of Education. The working group shall consist of up to 14 people, half appointed by each board. The working group shall complete its work and report to the Union County Board of Commissioners and the Union County Board of Education on or before June 30, 2015.

"SECTION 1.(d) This section applies only to Union County.

"SECTION 2.(a) G.S. 115C-431 is repealed. This subsection expires upon the adoption of the 2016-2017 fiscal year budget by the appropriate board of county commissioners.

"SECTION 2.(b) A local board of education shall not file any legal action under G.S. 115C-426, 115C-431, or 115C-432 challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both. This subsection expires upon the adoption of the 2016-2017 fiscal year budget by the appropriate board of county commissioners.

"SECTION 2.(c) This section applies only to the counties of Gaston and Nash.

"SECTION 3. If any provision of this act or its application is held invalid, the invalidity does not affect the other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

"SECTION 4. This act becomes effective June 11, 2014, and shall not affect any action filed prior to that date."

SECTION 2. This act becomes effective June 11, 2014.
In the General Assembly read three times and ratified this the 17th day of June, 2014.

Became law on the date it was ratified.
SECTION 2.(b) Section 4(b) of S.L. 2013-358 (Charlotte Douglas International Airport Oversight Committee) reads as rewritten:

"SECTION 4.(b) The Committee shall monitor the actions of the Charlotte Douglas International Airport Commission (Commission) established by this act and make regular reports and recommendations, if needed (including, but not limited to, an interim report in June of 2014-2015 and a final report in June of 2015-2016) to the Mayor and City Council on the following points:

(1) Whether the Charlotte Douglas International Airport (Airport) continues to be one of the best performing and lowest cost major hub airports.
(2) Whether that Airport finances are completely separate from those of the State or of any local government.
(3) Whether the Airport contracts and pays for only the services it needs and uses, including services from the State or from any local government.
(4) Whether the Airport continues to have a compensation system that enables it to attract and retain top talent.
(5) Whether the operations of the Commission comply with the provisions of this act."

SECTION 3. Section 5.51 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

There is created the Charlotte Douglas International Airport Commission, which shall be an agency of and within the City, having the powers, authority, and jurisdiction set out in this Article and such other and additional powers and authority as shall be conferred upon it by future acts of the General Assembly."

SECTION 4. Section 5.55(a) of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"(a) The members of the Commission shall elect annually from their membership a chair, vice-chair, and shall elect a secretary and such other officers as they deem appropriate and otherwise provide for the efficient administration of the Commission's affairs; provided, however, the Commission may provide by resolution that the finance officer of the City shall by virtue of that office be also the finance officer of the Commission, and in such case shall serve as such finance officer without additional compensation. All funds of the Commission shall be kept by its treasurer in a separate bank account or accounts from other funds of the City and shall be paid out only in accordance with procedures established by such Commission. Quarterly operating statements of the Commission and an annual audited statement shall be presented to the Council. The Commission shall be deemed a "special district," as defined in G.S. 159-7, for purposes of the Local Government Budget and Fiscal Control Act and shall budget and administer its fiscal affairs according to the provisions of that act applicable to special districts; budget and administer its fiscal affairs according to the provisions of the Local Government Budget and Fiscal Control Act, Article 3 of Chapter 159 of the General Statutes, applicable to special districts, but in no event shall the Commission be deemed a special district for any purpose."

SECTION 5. Section 5.56 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.56. Powers and Duties.
(a) The Commission shall operate the airport in a proper, efficient, economical, and business-like manner, to the end that it may effectively serve the public needs for which it was established at the least cost and expense to the City. To that end, the Commission shall have the power and authority to do the following:

(4) Operate the airport on behalf of the City.
(5) Purchase, acquire, develop, establish, construct, own, control, lease, equip, improve, administer, maintain, operate, and/or regulate, on behalf of"
the City, airports and/or landing fields for the use of airplanes and other aircraft and all facilities incidental thereto, within the limits of Mecklenburg County; and for any of such purposes, purchase, acquire, own, develop, hold, lease, sublease, and operate, on behalf of the City, real and/or personal property comprising such airports.

(6) Purchase real and personal property on behalf of the City.

…

(10) Make all reasonable rules and regulations and policies as it may from time to time deem to be necessary, beneficial, or helpful for the proper maintenance, use, occupancy, operation, and/or control of any airport or airport facility owned, leased, subleased, or controlled by the Commission; and provide and enforce civil and criminal penalties for the violation of such rules, regulations, and/or policies; provided that such rules, regulations, policies, and penalties are not in conflict with (i) any applicable law, rules, or regulation of the State of North Carolina, the United States, or any agency, department, or subdivision of either of them, including the rules and regulations of the FAA or the Transportation Security Administration; or (ii) the terms of any grant agreement in effect with the FAA.

(11) With the approval of the City Council, sell, exchange, lease, sublease, or otherwise dispose of any property, real or personal, belonging to the Commission and not needed by the Commission to operate any airport owned or operated by it or to generate revenues to pay debt obligations of the Commission, or grant easements over, through, under, or across any real property belonging to the Commission, or donate to another governmental entity within North Carolina or to the United States any surplus, obsolete, or unused personal property; provided Article 12 of Chapter 160A of the General Statutes does not apply and is not applicable to any such sale, exchange, lease, sublease, grant, donation, or other disposition.

…

(15) Accept on behalf of the City grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them, including the FAA or from any private agency, entity, or individual, upon such terms and conditions as may be imposed, and enter into contracts and grant agreements on behalf of the City with the FAA and/or with the State of North Carolina or any of its agencies, departments, or subdivisions, in the capacity of sponsor or cosponsor of any airport development project involving the acquisition, construction, development, reconstruction, improvement, extension, enlargement, or equipping of any existing or future airport facilities.

…

(18) Employ, hire, retain, or contract with such servants whose services may from time to time be deemed by the Commission to be necessary, beneficial, or helpful. In order to effectuate a seamless transfer of the Airport from the City of Charlotte to the operation by the Commission, the Commission will honor and be bound by all existing contracts between the City and such servants as presently are engaged to assist the City with respect to the Airport.

(19) Apply for and hold an airport operating certificate issued by the FAA. Should the FAA or a court of competent jurisdiction determine that the Commission lacks any necessary FAA authorizations, the Commission shall
not exercise any rights, powers, or duties that require authorization from the FAA until the Commission either obtains such authorizations or secures an appropriate determination from the FAA or a court of competent jurisdiction.

(b) As provided by general law, it shall be the responsibility of the City as governed by its Council to take all necessary actions for all issuance of revenue bonds and or refunding revenue bonds pursuant to the State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statutes, all issuance of general obligation debt pursuant to the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes, and all purchase of any of its outstanding bonds or notes. The Commission shall keep the City Manager and Council promptly apprised of any future need for such actions.

SECTION 6. Section 5.57 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.57. Eminent Domain.

The Commission may not exercise any powers of eminent domain. Any eminent domain with respect to acquisition of property for airport purposes shall be exercised by the City Council."

SECTION 7. Section 5.58 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.58. Exemptions; Taxes.

The Commission has the same exemptions with respect to payment of taxes and license fees as otherwise provided for the City by the laws of this State. The Commission is not authorized to levy any tax."

SECTION 8. Section 5.59 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.59. Funds and Property.

(a) The Commission shall have control, on behalf of the City, of the Airport Property, Airport Facilities, and all other property held or owned by the City of Charlotte with respect to the Airport, real or personal, tangible or intangible, and includes all cash and cash equivalents and checking, investment, and demand deposit bank accounts held by the City pertaining to or generated from revenues of the Airport, including, without limiting the generality hereof, amounts on deposit in or with respect to the Discretionary Fund, the Cannon Fund, the Revenue Fund, the Operating Fund, the Bond Funds, the Debt Service Funds, the Construction Funds, the Capital Projects Funds, Passenger Facility Charges, Contract Facility Charges, and all other funds and accounts of the City with respect to the Airport. This Article does not impair the City's obligations to servants and employees of the Commission and bondholders of the City's General Airport Revenue Bonds, and including, without limiting the generality hereof, the obligations under the Revenue Bond Order adopted November 18, 1985, and all Series Resolutions issued under the Bond Order, the Special Facility Bond Order adopted May 11, 1987, and all Series Resolutions adopted under the Special Facility Bond Order, and the Taxable Special Facility Revenue Bonds (Consolidated Car Rental Facilities Project) Series 2011 General Trust Indenture and the Series Indenture, Number 1, both dated November 1, 2011, and all agreements and understandings with respect to trustee(s) or paying agent(s) of the City's airport revenue bonds, letters of credit, or other credit facilities of the City with respect to airport revenue bonds, and all leases, licenses, options to purchase, and other encumbrances on the Airport Property and Airport Facilities, whether or not those encumbrances are recorded. Any such payments shall be made by the City through the Commission under the terms of such contracts first with funds under the jurisdiction of the Commission. This act does not affect the title of any property. If the property was Property titled to the City of Charlotte prior to enactment of this Article, that title remains with the City. Article remains titled to the City following enactment of this Article.
(b) The Commission acts on behalf of the City with respect to all rights, duties, and obligations of the City in any commercial or development agreements pertaining to or related to the Airport Property and Airport Facilities that are in effect at the time of the transfer, enactment of this Article, and any commercial agreements, development agreements, and other contracts of the City pertaining to or related to the Airport Property and Airport Facilities that are in effect on enactment of this Article remain in effect.

(c) The Commission, on behalf of the City, shall:

(1) Honor and be bound by all pending or executory land or real property purchase contracts by the City with respect to property and lands to be acquired for and in connection with the Airport.

(2) Honor and be bound by all existing rules and regulations of the Aviation Department of the City of Charlotte with respect to the Airport, including the Airport Security Plan, until such rules and regulations shall be amended by the Commission in accordance with the provisions of this Article.

(3) Honor and be bound by all existing contracts of the City with third-party concessionaires and management contractors with respect to the Airport.

(4) Honor and be bound by all existing contracts and grant agreements of the City with respect to the Airport.

(5) Be deemed as a matter of law to have appointed as its initial Executive Director the Aviation Director of the City of Charlotte as of February 14, 2013, with initial compensation and benefits of the initial Executive Director being the same compensation and benefits as were being received from the City of Charlotte on February 14, 2013, and the initial Executive Director shall be entitled as a matter of law to the continuation of the rights and benefits extended to him or her under the existing retirement system of the City.

(6) Be deemed as a matter of law to have adopted initially the employment and human resources policies of the Commission, such policies of the City as they applied to employees of the Airport on the effective date of this Article, and the Commission shall be deemed to have adopted the current employee handbook of the City applicable to the Airport until the Commission adopts different policies or a different employee handbook.

SECTION 9. Section 5.60 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.60. Assistance by City. Implementation; Assistance from other City departments.

(a) The Council, Mayor, and City Manager shall, and are hereby required to, take all actions within their respective powers in order to do the following:

(1) Implement the provisions of this Article.

(2) Secure for the Commission the right and ability to fully exercise the powers granted to it under this Charter and the laws of this State.

(3) Obtain a determination from the FAA that the Commission may operate the Airport under the existing operating certificate issued to the City or, in the alternative, a new operating certificate permitting the Commission to operate the Airport.

(4) Enter into such agreements or provide such assurances as the FAA may request in connection with its provisions of grants to the City or Commission for the improvement or development of the Airport.

(b) Upon the request of the Executive Director of the Commission, the City Council, City Manager, and other City departments shall continue to provide such services to the Commission as they currently provide, they previously provided to the Airport City's Aviation Department and shall receive as compensation therefor from the Commission in such amount
as is appropriate for such services as provided by OMB Circular A-87 until the Commission shall direct the City Manager to terminate such services."

SECTION 10. Section 5.61(b) of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"(b) Following the time this bill becomes law, the Airport Employees shall continue to receive, until provided otherwise by the Commission through the adoption of new personnel policies as provided by this Article, all employment benefits currently available to the Airport Employees, including, but not limited to, health care benefits, retirement benefits, disability insurance, life insurance, and accrued time off or leave, and the Commission shall promptly reimburse the City departments providing these services the costs of providing such benefits."

SECTION 11. Section 5.62 of the Charter of the City of Charlotte, being S.L. 2000-26, as added by S.L. 2013-358, reads as rewritten:

"Section 5.62. Statutory Construction.

(a) The powers of the Commission created by this Article shall be construed liberally in favor of the Commission. No listing of powers included in this Article is intended to be exclusive or restrictive, and the specific mention of, or failure to mention, particular powers in this act shall not be construed as limiting in any way the general powers of the Commission as stated in Section 5.56 of this Charter. It is the intent of this Article to grant the Commission full power and right to exercise all authority necessary for the effective operation and conduct of the Commission. It is further intended that the Commission should have all implied powers necessary or incidental to carrying out the expressed powers and the expressed purposes for which the Commission is created. The fact that this Article specifically states that the Commission possesses a certain power does not mean that the Commission must exercise such power unless this Article specifically so requires.

(b) It is intended that the Commission shall be an agency of and within the City and thus part of the City's government. Nothing in this Article is intended to transfer the Airport or any Airport-related property away from the City. It is further intended that, following the enactment of this Article, the City, acting through the Commission, shall (i) continue to own and operate the Airport, (ii) continue to serve as sponsor of the Airport in connection with any grants given by the FAA, and (iii) refrain from taking any action that would impair the Commission's exercise of the powers granted to the Commission or that would impair the efficient operation and management of the Airport by the Commission.

(c) Notwithstanding any reference in this Article to ownership by the Commission of real or personal property, all real or personal property subject to this Article is owned by the City and is operated and/or administered by the Commission."

SECTION 12. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

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

In the General Assembly read three times and ratified this the 18th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-11 S.B. 226

AN ACT TO REPEAL A 1935 DURHAM COUNTY LOCAL ACT CONCERNING FIREARM REGISTRATION.

The General Assembly of North Carolina enacts:

SECTION 2. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 19th day of June, 2014. Became law on the date it was ratified.

Session Law 2014-12 H.B. 1158

AN ACT AMENDING THE CHARTER OF THE CITY OF MORGANTON CONCERNING THE PROCEDURE FOR REMOVING THE MAYOR AND MEMBERS OF THE CITY COUNCIL FROM OFFICE AND MAKING CHANGES RELATED TO THE METHOD AND TIME OF MUNICIPAL ELECTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Article III of the Charter of the City of Morganton, being Chapter 180 of the 1975 Session Laws, as amended, reads as rewritten:

"ARTICLE III.

"ELECTIONS.

... "Sec. 3.13. Method of election. – The Mayor and members of the Council shall be elected by the nonpartisan election and runoff election plurality method as provided in G.S. 163-290(a)(1) G.S. 163-292.

"Sec. 3.14. Time of election. – Elections shall be held biennially on the fourth Tuesday before the Tuesday after the first Monday in November beginning in 1975 and runoff elections, if required, shall be held on Tuesday after the first Monday in November of odd-numbered years.

... "Sec. 3.21. Officials subject to recall. – The Mayor or a member and members of the Council shall be subject to removal pursuant to this Chapter. An official may be removed upon the filing of a sufficient recall petition and the affirmative vote of a majority of those voting on the question of removal at a recall election. No official may be subject to recall during the first year or the last six months of his term of office 12 months after the beginning of that official’s term of office or within the 12 months before the expiration of that official’s term of office. Additionally, no official may be subject of a recall election more than once per term of office.

"Sec. 3.22. Petition; procedure. – A recall petition shall be filed with the City of Morganton Board of Elections. A petition to recall the Mayor or a council member shall bear the signatures of qualified voters of the City equal in number to at least twenty-five percent (25%) of the registered voters of the City qualified to vote in the last preceding general municipal election. (a) Any registered voter of the City may make and file with the Board of Elections of Burke County, through delivery to the supervisor of elections, an affidavit containing the name of the official whose removal is sought and a statement of the grounds alleged for the official’s removal. The cause for removal must relate to the misfeasance, malfeasance, or nonfeasance of the official or for personal misconduct that brings the office into disrepute.

(b) The supervisor of elections shall thereupon deliver to the registered voter making the affidavit copies of petition blanks for demanding the removal printed forms of which the supervisor of elections shall keep on hand. The blanks shall be issued by the supervisor of elections with his or her signature thereto attached, shall be dated and addressed to the Board of Elections of Burke County, shall indicate the registered voter to whom issued, and shall state the name of the official whose removal is sought.

(c) A copy of the petition shall be promptly delivered to the City Manager, who shall enter the copy of the petition in a record book kept for that purpose in the office of the City Manager. A recall petition to be effective must be returned and filed with the supervisor of elections within 30 days after the filing of the registered voter’s affidavit and to be sufficient
must bear the signature of registered voters of the City equal in number to twenty-five percent (25%) of the registered voters of the City as shown by the registration records of the last preceding general municipal election.

(d) The signatures to the petition need not be on one petition paper, but each signer shall add to the signature that signer's residence address. One or more of the signers of the petition shall make oath before an officer competent to administer oaths that the statements therein made are true, as that signer believes, and that each signature to the paper appended is the genuine signature of the person whose name it purports to be.

(e) The City of Morganton: Within 20 days after the filing of the petition, the Board of Elections shall verify the petition signatures. If a sufficient recall petition is submitted, the City of Morganton Board of Elections shall certify its sufficiency to the Council, and Council, and shall notify the official whose removal is sought of the action. If the official whose removal is sought does not resign within five days after receiving notice from the Board of Elections, the Council shall adopt a resolution calling for a recall election to be held not less than forty-five (45) days nor more than ninety (90) days after the date the petition has been certified to the Council. The election may be held alone or at the same time as any other general or special election within the period. The City of Morganton Board of Elections shall conduct the recall election.

(f) The recall election may be held at the same time as any other general or special election within the time period provided for in subsection (e) of this section. If no other general or special election is to be held within the time period provided for in subsection (e) of this section, the Council shall call for the special recall election to be held within that time period.

(g) The proposition submitted to the voters shall be substantially in the following form:

```
[ ] FOR [ ] AGAINST

The recall of [name of official].
```

(h) All registered voters of the City of Morganton are eligible to vote in an election to recall the official subject to the recall petition.

"Sec. 3.23. Effect of recall election. – If less than a majority of the votes cast on the question are against for the official's recall, he the official shall continue in office. If a majority of the votes cast on the question are for the recall of the official, he the official is removed from office on the date the City of Morganton Burke County Board of Elections certifies the results of the recall election. A vacancy created by the removal of the Mayor or a member of the Council or the Mayor shall be filled as provided in Section 2.5 or Section 2.14 of this Charter. An official who was removed by the voters as the result of a recall election, or who resigned after a sufficient petition for the official's recall has been submitted to the Board of Elections, shall not be eligible for appointment to fill the vacancy caused by the official's removal or resignation.

"Sec. 3.24. through 3.30. Reserved."

SECTION 2. This act is effective July 1, 2014, and applies to affidavits and petitions filed on or after that date.

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-13

S.B. 370

AN ACT TO CLARIFY STUDENT RIGHTS TO ENGAGE IN PRAYER AND RELIGIOUS ACTIVITY IN SCHOOL, TO CREATE AN ADMINISTRATIVE PROCESS FOR REMEDYING COMPLAINTS REGARDING EXERCISE OF THOSE STUDENT RIGHTS, AND TO CLARIFY RELIGIOUS ACTIVITY FOR SCHOOL PERSONNEL.
The General Assembly of North Carolina enacts:

SECTION 1. Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 29D.

"Student Prayer and Religious Activity.

§ 115C-407.30. Student rights to engage in prayer and religious activity.

(a) A student shall be permitted to voluntarily do any of the following:

(1) Pray, either silently or audibly and alone or with other students, to the same extent and under the same circumstances as a student is permitted to vocally or silently reflect, meditate, or speak on nonreligious matters alone or with other students in public schools.

(2) Express religious viewpoints in a public school to the same extent and under the same circumstances as a student is permitted to express viewpoints on nonreligious topics or subjects in the school.

(3) Speak to and attempt to share religious viewpoints with other students in a public school to the same extent and under the same circumstances as a student is permitted to speak to and attempt to share nonreligious viewpoints with other students.

(4) Possess or distribute religious literature in a public school, subject to reasonable time, place, and manner restrictions, to the same extent and under the same circumstances as a student is permitted to possess or distribute literature on nonreligious topics or subjects in the school.

(5) Organize prayer groups, religious clubs, "see you at the pole" gatherings, or other religious gatherings before, during, and after school to the same extent that students are permitted to organize other noncurricular student activities and groups. Religious groups shall be given the same access to school facilities for assembling as is given to other noncurricular groups without discrimination based on the religious content of the students' expression. If student groups that meet for nonreligious activities are permitted to advertise or announce meetings of the groups, the school district shall not discriminate against groups that meet for prayer or other religious speech. A local board of education and local school administrative unit may disclaim school sponsorship of noncurricular groups and events in a manner that neither favors nor disfavors groups that meet to engage in prayer or religious speech.

(6) Express beliefs about religion in homework, artwork, and other written or oral assignments free from discrimination based on the religious content of the submission. Homework and classroom assignments shall be judged by ordinary academic standards of substance and relevance and against other legitimate pedagogical concerns identified by the local board of education. A student shall not be penalized or rewarded based on the religious content of the student's work.

(b) A student may be prohibited from engaging in the actions provided in subsection (a) of this section if the actions of the student would do any of the following:

(1) Infringe on the rights of the school to (i) maintain order and discipline, (ii) prevent disruption of the educational process, and (iii) determine educational curriculum and assignments.

(2) Harass other persons or coerce other students to participate in the activity.

(3) Otherwise infringe on the rights of other persons.

§ 115C-407.31. Administrative remedies and cause of action for complaints regarding exercise of religious activity.

(a) The local board of education may establish or make available an existing formal grievance process to allow students or the parents or guardians of students to present
allegations that a right established under this Article has been violated by a public school. The formal grievance process shall include the right of appeal to the local board of education.

(b) If a local board of education fails to provide a formal grievance process, the following process shall be provided:

(1) A student or a student’s parent or guardian shall state the complaint to the school’s principal, who shall meet with the student or the student’s parent or guardian, if requested.

(2) If the student’s concerns are not resolved by the meeting with the principal, the student or student’s parent or guardian may make a complaint in writing to the superintendent of the local school administrative unit with the specific facts of the alleged violation. The superintendent shall investigate and take appropriate action to ensure the alleged violation of the rights of the student is resolved within 30 days of receiving the written complaint.

(3) If the superintendent fails to resolve the student’s concerns within 30 days, the student or student’s parent or guardian may appeal to the local board of education as provided in G.S. 115C-45.

(c) If a right of a student established under this Article is violated by a public school and the student has exhausted the administrative remedies provided in this section, the student may assert the violation as a cause of action or defense in a judicial proceeding and obtain appropriate relief against the local board of education. The action shall be brought in the superior court of the county in which the local school administrative unit is located.

(d) No action may be maintained pursuant to this Article unless the student has exhausted the administrative remedies provided in subsections (a) and (b) of this section.

(e) If a right of a student established under this Article is violated by a public school and the student has exhausted the administrative remedies provided in subsections (a) and (b) of this section, the student may assert the violation as a cause of action or defense in a judicial proceeding and obtain appropriate relief against the local board of education. The action shall be brought in the superior court of the county in which the local school administrative unit is located.

(f) No action may be maintained pursuant to this Article unless the student has exhausted the administrative remedies provided in subsections (a) and (b) of this section.

(g) If a student prevailing in a claim brought against a local school administrative unit for a violation under this Article or any action brought by a public school against a student for conduct covered by this Article shall be entitled to reasonable attorneys’ fees and court costs.

(h) The Attorney General shall intervene and shall provide legal defense of this Article in any action which includes claims challenging the constitutionality of this Article.

§ 115C-407.32. Religious activity for school personnel.

(a) Nothing in this Article shall be construed to support, encourage, or permit a teacher, administrator, or other employee of the local board of education to lead, direct, or encourage any religious or antireligious activity in violation of that portion of the First Amendment of the Constitution of the United States prohibiting laws respecting an establishment of religion.

(b) Local boards of education may not prohibit school personnel from participating in religious activities on school grounds that are initiated by students at reasonable times before or after the instructional day so long as such activities are voluntary for all parties and do not conflict with the responsibilities or assignments of such personnel.

(c) School employees supervising extracurricular activities, including coaches, may be present while a student or group of students exercises their voluntary right to pray as provided in G.S. 115C-407.30 and, if present, shall not be disrespectful of the student exercise of such rights and may adopt a respectful posture.

(d) Nothing in this section shall prohibit local boards of education from allowing school personnel to participate in other constitutionally permissible religious activities on school grounds.

§ 115C-407.33. Limitations of Article.

This Article shall not be construed to direct any local board of education to take any action in violation of the Constitution of North Carolina or the United States. The specification of rights in this Article shall not be construed to exclude or limit religious liberty or free speech rights otherwise protected by federal, State, or local law.

SECTION 2. G.S. 115C-47(29b) is repealed.

SECTION 3. If any provision, sentence, or clause of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be
given effect without the invalid provisions, sentences, or clauses, or application, and to this end
the provisions of this act are severable.

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

In the General Assembly read three times and ratified this the 17th day of June, 2014.

Became law upon approval of the Governor at 2:42 p.m. on the 19th day of June, 2014.

Session Law 2014-14

AN ACT TO BROADEN THE PERMITTED USE OF STORMWATER FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 15 of Chapter 153A is amended by adding a new statutory section to read:

"§ 153A-274.1. Flood control activities under stormwater management programs.

(a) Findings. – The General Assembly finds that it is in the best interest of the residents of North Carolina to promote and fund the implementation of stormwater management programs to control and manage water quantity and flow in order to reduce the chances of loss of life and damage to property due to flooding. The General Assembly also finds that a county has an integral role in furthering this public purpose by promoting and funding implementation of stormwater management programs within the county's territorial jurisdiction to reduce reliance on emergency response services, to reduce negative financial impacts on the community and the public from flooding, including the cost of public infrastructure repairs, to decrease the number of flood-prone homes and businesses, to increase infiltration of stormwater into the ground, and to reduce pollutants from entering the streams.

(b) Scope. – For purposes of operating a public enterprise under this Article, a county is authorized to do any of the following activities within its stormwater management program:

1. Purchase property for the purpose of demolishing flood-prone buildings.

2. Implement flood damage reduction techniques that result in improvements to private property in accordance with subsection (c) of this section, to include:
   a. Elevating structures or their associated components.
   b. Demolishing flood-prone structures.
   c. Retrofitting flood-prone structures.

(c) Policy Document. – The county may engage in the activities listed in subdivision (2) of subsection (b) of this section only under the circumstances contained in a policy document approved by the board of county commissioners. The policy document shall, at a minimum, establish, and may elaborate on, the following:

1. Private property owner's written consent must be obtained prior to implementation of flood reduction improvements on the owner's property.

2. The county has determined that improving the stormwater system is not practically feasible or cost-effective, and the activities in subdivision (2) of subsection (b) provide savings to the stormwater fund.

3. The improvements to private property are the minimum necessary to accomplish the stormwater benefit.

4. Funding provided by the county, above a certain amount, to the property owner or expended upon improvements to the property shall be reimbursed to the county if the property is sold within five years of the completion of the flood reduction improvement project. The amount of reimbursement due to the county may be calculated as the difference between the established premitigation fair market value and the sale price of the property, not to exceed the total funding provided by the county.
(5) The minimum financial contribution the private property owner must make to the project.

(d) Advisory Committee. – An existing stormwater advisory committee established by the board of commissioners and having specific charges, duties, and representation as set forth by the board of county commissioners must review and approve projects that implement flood damage reduction techniques under subdivision (2) of subsection (b) of this section. The committee shall submit an annual report to the board of county commissioners for its review.

(e) Application. – This section applies only to counties with a population of 910,000 or greater according to the most recent annual population estimates certified by the State Budget Officer.

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 12th day of June, 2014.

Became law upon approval of the Governor at 2:49 p.m. on the 19th day of June, 2014.

Session Law 2014-15  H.B. 1060

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO IDENTIFY MILITARY-CONNECTED STUDENTS USING THE UNIFORM EDUCATION REPORTING SYSTEM, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-12(18) reads as rewritten:

'(18) Duty to Develop and Implement a Uniform Education Reporting System, Which Shall Include Standards and Procedures for Collecting Fiscal and Personnel Information. –

a. The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel.

b. The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communications Network.

c. The State Board of Education shall comply with the provisions of G.S. 116-11(10a) to plan and implement an exchange of information between the public schools and the institutions of higher education in the State. The State Board of Education shall require local boards of education to provide to the parents of children at a school all information except for confidential information received about that school from institutions of higher education pursuant to G.S. 116-11(10a) and to make that information available to the general public.

d. The State Board of Education shall modify the Uniform Education Reporting System to provide clear, accurate, and standard information on the use of funds at the unit and school level. The plan shall provide information that will enable the General Assembly to determine State, local, and federal expenditures for personnel at the unit and school level. The plan also shall allow the tracking of
expenditures for textbooks, educational supplies and equipment, capital outlay, at-risk students, and other purposes.

e. When practicable, reporting requirements developed by the State Board of Education as part of the Uniform Education Reporting System under this subdivision shall be incorporated into the PowerSchool application or any other component of the Instructional Improvement System to minimize duplicative reporting by local school administrative units.

f. The State Board of Education shall develop a process for local school administrative units to annually identify enrolled military-connected students using the Uniform Education Reporting System. The identification of military-connected students shall not be used for the purposes of determining school achievement, growth, and performance scores as required by G.S. 115C-12(9)c1. The identification of military-connected students is not a public record within the meaning of G.S. 132-1 and shall not be made public by any person, except as permitted under the provisions of the Family Educational and Privacy Rights Act of 1974, 20 U.S.C. § 1232g. For purposes of this section, a "military-connected student" means a student enrolled in a local school administrative unit who has a parent, step-parent, sibling, or any other person who resides in the same household serving in the active or reserve components of the Army, Navy, Air Force, Marine Corps, Coast Guard, or National Guard.

SECTION 2. G.S. 115C-288(m) reads as rewritten:

"(m) To Address the Unique Needs of Students With Immediate Family Members in the Military-Military-Connected Students. – The principal shall develop a means for identifying and serving the unique needs of students who have immediate family members in the active or reserve components of the Armed Forces of the United States identified as military-connected students as required in G.S. 115C-12(18)f."

SECTION 3. Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law, and the annual identification requirement for local school administrative units applies beginning with the 2015-2016 school year. Local school administrative units may begin the annual identification of military-connected students using the Uniform Education Reporting System beginning with the 2014-2015 school year.

In the General Assembly read three times and ratified this the 17th day of June, 2014.

Became law upon approval of the Governor at 2:49 p.m. on the 19th day of June, 2014.

Session Law 2014-16

H.B. 1103

AN ACT TO REQUIRE THE COURT TO CONSIDER WHETHER A JUVENILE PETITION HAS BEEN PROPERLY VERIFIED AND JURISDICTION HAS BEEN INVOKED AT THE PRE-ADJUDICATION HEARING, AS RECOMMENDED BY THE LRC COMMITTEE ON OMNIBUS FOSTER CARE AND DEPENDENCY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-800.1 reads as rewritten:

"§ 7B-800.1. Pre-adjudication hearing.

(a) Prior to the adjudicatory hearing, the court shall consider the following:

(1) Retention or release of provisional counsel.

(2) Identification of the parties to the proceeding."
(3) Whether paternity has been established or efforts made to establish paternity, including the identity and location of any missing parent.

(4) Whether relatives have been identified and notified as potential resources for placement or support.

(5) Whether all summons, service of process, and notice requirements have been met.

(5a) Whether the petition has been properly verified and invokes jurisdiction.

(6) Any pretrial motions, including (i) appointment of a guardian ad litem in accordance with G.S. 7B-602, (ii) discovery motions in accordance with G.S. 7B-700, (iii) amendment of the petition in accordance with G.S. 7B-800, or (iv) any motion for a continuance of the adjudicatory hearing in accordance with G.S. 7B-803.

(7) Any other issue that can be properly addressed as a preliminary matter.

(b) The pre-adjudication hearing may be combined with a hearing on the need for nonsecure custody or any pretrial hearing or conducted in accordance with local rules.

(c) The parties may enter stipulations in accordance with G.S. 7B-807 or enter a consent order in accordance with G.S. 7B-801."

SECTION 2. This act becomes effective October 1, 2014.

In the General Assembly read three times and ratified this the 12th day of June, 2014.

Became law upon approval of the Governor at 2:50 p.m. on the 19th day of June, 2014.

Session Law 2014-17

AN ACT CLARIFYING THAT CERTAIN CIVIL ACTIONS RELATING TO GROUNDWATER CONTAMINATION ARE NOT SUBJECT TO THE TEN-YEAR STATUTE OF REPOSE SET FORTH IN G.S. 1-52.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds that prior to the United States Supreme Court ruling in CTS Corp. v. Waldburger, that there was ambiguity and uncertainty regarding the effect of federal law on the North Carolina statute of repose in certain environmental cases. The General Assembly finds that it was the intent of the legislature to maximize under federal law the amount of time a claimant had to bring a claim predicated on exposure to a contaminant regulated by federal or State law. The General Assembly finds that the Supreme Court's decision is inconsistent with the legislature's intentions and the legislature's understanding of federal law at the time that certain actions were filed.

SECTION 2. G.S. 1-52 reads as rewritten:

"§ 1-52. Three years.

Within three years an action -

... (16) Unless otherwise provided by statute, for personal injury or physical damage to claimant's property, the cause of action, except in causes of actions referred to in G.S. 1-15(c), shall not accrue until bodily harm to the claimant or physical damage to his property becomes apparent or ought reasonably to have become apparent to the claimant, whichever event first occurs. Provided that Except as provided in G.S. 130A-26.3, no cause of action shall accrue more than 10 years from the last act or omission of the defendant giving rise to the cause of action.

...."

SECTION 3. Article 1 of Chapter 130A of the General Statutes is amended by adding a new section to read:
§ 130A-26.3 Limitations period for certain groundwater contamination actions.

The 10-year period set forth in G.S. 1-52(16) shall not be construed to bar an action for personal injury, or property damages caused or contributed to by the consumption, exposure, or use of water supplied from groundwater contaminated by a hazardous substance, pollutant, or contaminant. For purposes of this subsection, "contaminated by a hazardous substance, pollutant, or contaminant" means the concentration of the hazardous substance, pollutant, or contaminant exceeds a groundwater quality standard set forth in 15A NCAC 2L .0202.

SECTION 4. This act is effective when it becomes law and applies to actions arising or pending on or after that date. For purposes of this section, an action is pending for a plaintiff if there has been no final disposition with prejudice and mandate issued against that plaintiff issued by the highest court of competent jurisdiction where the claim was timely filed or appealed as to all the plaintiff's claims for relief to which this act otherwise applies. This act expires on June 19, 2023, and is not effective for claims for relief brought on or after that date, but does not affect actions pending on that date.

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 11:30 a.m. on the 20th day of June, 2014.

Session Law 2014-18

H.B. 1031

AN ACT TO FACILITATE ECONOMIC DEVELOPMENT WITHIN THE STATE.

The General Assembly of North Carolina enacts:

PART I. AUTHORIZE CONTRACTING OF ECONOMIC DEVELOPMENT FUNCTIONS BY THE DEPARTMENT OF COMMERCE

SECTION 1.1.(a) Part 1 of Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

§ 143B-431A. Department of Commerce – contracting of functions.

(a) Purpose. – The purpose of this section is to establish a framework whereby the Department of Commerce may contract with a North Carolina nonprofit corporation to assist the Department in fostering and retaining jobs and business development, international trade, marketing, and travel and tourism. It is the intent of the General Assembly that the Department develop a plan to work cooperatively with a nonprofit corporation for these purposes while safeguarding programmatic transparency and accountability as well as the fiscal integrity of economic development programs of the State.

(b) Contract. – The Department of Commerce is authorized to contract with a North Carolina nonprofit corporation to perform one or more of the Department's functions, powers, duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. If the Department contracts with a North Carolina nonprofit corporation to promote and grow the travel and tourism industries, then all funds appropriated to the Department for tourism marketing purposes shall be used for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The Department may not contract with a North Carolina nonprofit corporation regarding any of the following:

(1) The obligation or commitment of funds under this Article, such as the One North Carolina Fund, the Job Development Investment Grant Program, the Industrial Development Fund, or the Job Maintenance and Capital Development Fund.

(2) The Division of Employment Security, including the administration of unemployment insurance.
The functions set forth in G.S. 143B-431(a)(2).

The administration of funds or grants received from the federal government or its agencies.

(c) Oversight. – There is established the Economic Development Accountability & Standards Committee, which is a Board as that term is defined in G.S. 138A-3 of the State Government Ethics Act. The Committee shall consist of seven members as follows: the Secretary of Commerce as Chair of the Committee, the Secretary of Transportation, the Secretary of Environment and Natural Resources, the Secretary of Revenue, one member appointed by the Speaker of the House of Representatives, one member appointed by the President Pro Tempore of the Senate, and one member jointly appointed by the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

The members of the Committee who are appointed by the Speaker of the House of Representatives or by the President Pro Tempore of the Senate may not be members of the General Assembly. The Committee shall meet at least quarterly upon the call of the Chair. The duties of the Committee shall include all of the following:

(1) Monitoring and oversight of the performance of a contract entered into pursuant to this section by the Department with a North Carolina nonprofit corporation.

(2) Receiving, reviewing, and referring complaints regarding the contract or the performance of the North Carolina nonprofit corporation, as appropriate.

(3) Requesting enforcement of the contract by the Attorney General or the Department.

(4) Auditing, at least biennially, by the Office of State Budget and Management, State Auditor, or internal auditors of the Department, the records of the North Carolina nonprofit corporation with which the Department has contracted pursuant to this section during and after the term of the contract to review financial documents of the corporation, performance of the corporation, and compliance of the corporation with applicable laws.

(5) Coordination of economic development grant programs of the State between the Department of Commerce, the Department of Transportation, and the Department of Environment and Natural Resources.

(6) Any other duties deemed necessary by the Committee.

(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

(1) At least 45 days prior to entering into or amending in a nontechnical manner a contract authorized by this section, the Department shall submit the contract or amendment, along with a detailed explanation of the contract or amendment, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:
   a. The board shall be composed of 17 voting members as follows: eight members and the chair appointed by the Governor, four members appointed by the Speaker of the House of Representatives, and four members appointed by the President Pro Tempore of the Senate. The Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate shall each use best efforts to select members so as to reflect the diversity of the State's geography. The Speaker of the House and the President Pro Tempore shall each select their appointed members so that one-fourth come from a development tier one area, one-fourth come from a development tier two area, and no two members come from the same Collaboration for
Prosperity Zone. The Governor shall select appointed members so that two-ninths come from a development tier one area, two-ninths come from a development tier two area, and no more than two members come from the same Collaboration for Prosperity Zone. The Governor shall use best efforts to ensure that each member appointed by the Governor has expertise in one or more of the following areas:

1. Agribusiness, as recommended by the Commissioner of Agriculture.
2. Financial services.
3. Information technology.
4. Biotechnology or life sciences.
5. Energy.
7. Military or defense.
8. Tourism, as recommended by the North Carolina Travel and Tourism Coalition.
9. Tourism, as recommended by the North Carolina Travel Industry Association.

b. The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

c. No State officer or employee may serve on the board.

d. The board shall meet at least quarterly at the call of its chair. Each quarter and upon request, the board shall report to the Chair of the Economic Development Accountability and Standards Committee on the progress of the State's economic development.

e. The board is required to perform the following duties if the Department contracts pursuant to G.S. 143B-431A for the performance of the Secretary's responsibilities under G.S. 143B-434.01:

1. To provide advice concerning economic and community development planning for the State, including a strategic business facilities development analysis of existing, available buildings or shell or special-use buildings and sites.
2. To recommend economic development policy to the Secretary of Commerce, the General Assembly, and the Governor.
3. To recommend annually to the Governor biennial and annual appropriations for economic development programs.
4. To recommend how best to coordinate economic development efforts among the various agencies and entities, including those created by executive order of the Governor, that receive economic development appropriations, including the assignment of key responsibilities for different aspects of economic development and resource allocation and planning designed to encourage each agency to focus on its area of primary responsibility and not diffuse its resources by conducting activities assigned to other agencies.

(3) The amount of State funds that may be used for the annual salary of any one officer or employee of the nonprofit corporation with which the Department contracts pursuant to this section shall not exceed the greater of (i) one hundred twenty thousand dollars ($120,000) or (ii) the amount most recently set by the General Assembly in a Current Operations Appropriations Act.
Members of the governing board may receive only per diem and allowances pursuant to G.S. 138-5.

(4) The nonprofit corporation shall have received from fundraising efforts and sources, other than State funds, an amount totaling at least two hundred fifty thousand dollars ($250,000) to support operations and functions of the corporation.

(e) Mandatory Contract Terms. – Any contract entered into under this section must include all of the following:

(1) A provision requiring the North Carolina nonprofit corporation provide to the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Department of Commerce, and the Fiscal Research Division a copy of the corporation's annual audited financial statement within seven days of issuance of the statement.

(2) A provision requiring the nonprofit corporation to provide by September 1 of each year, and more frequently as requested, a report to the Department on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources. The report shall also include all of the following:

a. Jobs anticipated to result from efforts of the nonprofit corporation. This includes project leads that were not submitted to the Department for possible discretionary incentives pursuant to Chapter 143B of the General Statutes.

b. Developed performance metrics of economic development functions itemized by county, by development tier area designation, as defined by G.S. 143B-437.08, and by Collaboration for Prosperity Zones created pursuant to G.S. 143B-28.1.

c. Any proposed amendments to the areas of expertise required to be represented on the governing board of the nonprofit corporation.

d. A detailed explanation of how annual salaries are determined, including base pay schedules and any additional salary amounts or bonuses that may be earned as a result of job performance. The explanation shall include the proportion of State and private funds for each position and shall include the means used by the nonprofit corporation to foster employee efforts for economic development in rural and low-income areas in the State. Any bonuses paid to employees shall be based upon overall job performance and not be based on a specific project lead.

e. Any other information requested by the Department.

(3) A provision providing that, upon termination of the contract, or upon dissolution of, or repeal by the General Assembly of, the charter of the nonprofit corporation with which the Department has contracted under this section, all assets and funds of the nonprofit corporation, including interest on funds, financial and operational records, and the right to receive future funds pursuant to the contract, will be surrendered to the Department within 30 days of the termination, dissolution, or repeal. During the 30-day period, the corporation may not further encumber any assets or funds. For purposes of this subdivision, assets and funds of the nonprofit corporation include assets and funds of any subsidiary or affiliate of the nonprofit corporation. An affiliate of the nonprofit corporation exists when both are directly or indirectly controlled by the same parent corporation or by the same associated financial interests by stock ownership, interlocking directors, or by any other means whatsoever, whether the control is direct or through one or more subsidiary, affiliated, or controlled corporations.
(4) A provision providing that the nonprofit corporation shall adopt and publish a resolution or policy containing a conflict of interest policy and gift policy to guide actions by the governing board members, officers, and employees of the nonprofit corporation in the performance of their duties.

(5) The conflict of interest policy required by subdivision (4) of this subsection shall contain at a minimum the information in this subdivision. No subject person of the nonprofit corporation may take any official action or use the subject person's official position to profit in any manner the subject person, the subject person's immediate family, a business with which the subject person or the subject person's immediate family has a business association, or a client of the subject person or the subject person's immediate family with whom the subject person, or the subject person's immediate family, has an existing business relationship. No subject person shall attempt to profit from a proposed project lead if the profit is greater than that which would be realized by other persons living in the area where the project lead is located. If the profit under this subdivision would be greater for the subject person than other persons living in the area where the project lead is located, not only shall the subject person abstain from voting on that issue, but once the conflict of interest is apparent, the subject person shall not discuss the project lead with any other subject person or representative of the Department except to state that a conflict of interest exists. Under this subdivision, a subject person is presumed to profit if the profit would be realized by the subject person, the subject person's immediate family, a business with which the subject person or the subject person's immediate family has a business association, or a client of the subject person or the subject person's immediate family with whom the subject person, or the subject person's immediate family, has an existing business relationship with a company that is the subject of a proposed project lead. No subject person, in contemplation of official action by the subject person, or in reliance on information that was made known to the subject person in the subject person's official capacity and that has not been made public, shall (i) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit that may be affected by such information or official action or (ii) intentionally aid another to do any of the above acts. As used in this subdivision, the following terms mean:

a. Board. – The governing board of the nonprofit corporation with which the Department contracts pursuant to this section.

b. Board member. – A member of the board.

c. Business association. – A director, employee, officer, or partner of a business entity, or owner of more than ten percent (10%) interest in any business entity.

d. Subject person. – A board member, officer, or employee of the nonprofit corporation.

e. Department. – The Department of Commerce.

f. Immediate family. – Spouse, children, parents, brothers, and sisters.

g. Official action. – Actions taken in connection with the subject person's duties, including, but not limited to, voting on matters before the board, proposing or objecting to proposals for economic development actions by the Department discussing economic development matters with other subject persons or Department staff in an effort to further the matter after the conflict of interest has been discovered, or taking actions in the course and scope of the position as a subject person and actions leading to or resulting in profit.
h. Profit. – Receive monetary or economic gain or benefit, including an increase in value whether or not recognized by sale or trade.

(6) The gift policy required by subdivision (4) of this subsection shall at a minimum prohibit an employee, officer, or member of the board of the corporation from knowingly accepting a gift from a person whom the employee, officer, or member of the board knows or has reason to know (i) is seeking to do business of any kind in the State or (ii) has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of official duties of the employee, officer, or member of the board. This prohibition shall not apply to either of the following:

a. Gifts given to the employee, officer, or member of the board where the gift is food or beverages, transportation, lodging, entertainment or related expenses associated with industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee, officer, or member of the board is responsible for conducting the business on behalf of the State, provided (i) the employee, officer, or member of the board did not solicit the gift and did not accept the gift in exchange for the performance or nonperformance of corporate duties, and (ii) the employee, officer, or member of the board reports electronically to the corporation within 30 days of receipt of the gift, including a description and value of the gift and a description of how the gift contributed to industry recruitment, promotion of international trade, or the promotion of travel and tourism.

b. Gifts of personal property valued at less than one hundred dollars ($100.00) given to the employee, officer, or member of the board in the commission of corporate duties if the gift is given as a personal gift in another country as part of an overseas trade mission and the giving and receiving of such personal gifts is considered a customary protocol in the other country.

(7) A provision providing that the nonprofit corporation maintain a record containing the name of all persons who have contributed to the nonprofit corporation, the date of each contribution, and the aggregate total of all contributions to the nonprofit corporation. The nonprofit corporation shall include the record in the report required to be filed with the Department pursuant to subdivision (2) of subsection (e) of this section.

(8) A provision requiring the nonprofit corporation to maintain separate accounting records for and separate accounts for State and private funds and prohibiting any commingling of State and private funds. Records and accounts must be maintained according to generally accepted accounting principles.

(9) A provision stating that the nonprofit corporation will not engage in the awarding of grants of the public or private funds of the nonprofit corporation.

(10) A provision limiting the term of the contract to no more than five years. The term of the contract may be extended in one-year increments up to four times after no less than four-fifths of the original contract term has passed. A contract extension may not extend the remaining term of the contract, including the term of the extension, to more than two years. Nothing in this subdivision shall be construed as a prohibition against entering into a new contract with the nonprofit corporation.
A provision prohibiting the use of State funds for the severance pay of the chief executive officer and other officers of the nonprofit corporation and otherwise limiting the severance pay from funds other than State funds to no more than the lesser of the following:

a. The salary limitation contained in subdivision (3) of subsection (d) of this section.

b. The salary limitation contained in subdivision (3) of subsection (d) of this section multiplied by a fraction, the numerator of which is the number of whole years the chief officer has been chief officer of the corporation and the denominator of which is four.

A provision requiring annual certification by the nonprofit corporation that it is in compliance with the following:

a. The requirements of Chapter 55A of the General Statutes.

b. The requirements of each of the provisions listed in subsection (e) of this section. For any provision in this subsection that the nonprofit corporation did not comply with, the corporation shall provide a detailed explanation of the circumstances and time of the noncompliance.

A provision requiring the nonprofit corporation to comply with and perform the duties set out in G.S. 143B-434.2 in the event the Department contracts with the nonprofit corporation to promote and market tourism.

A provision requiring the nonprofit corporation to receive from fund-raising efforts and sources other than State funds an amount totaling at least five million seven hundred fifty thousand dollars ($5,750,000) during the term of the contract to support operations and functions of the corporation. The corporation shall raise at least seven hundred fifty thousand dollars ($750,000) during the first year of the term of the contract and shall raise at least one million two hundred fifty thousand dollars ($1,250,000) during each subsequent year of the term of the contract. Amounts raised prior to entering the contract or during a year preceding the current year of the contract shall not apply to the amount required to be raised during the current year.

A provision that the limitation of G.S. 143C-6-8 applies.

For any entity reported pursuant to subdivision (6) of subsection (f) of this section for a gift, contribution, or item or service of value for which fair market value exceeds one thousand dollars ($1,000) and was not paid, a provision requiring the nonprofit corporation to publish within seven days of the award: (i) the entity, (ii) the fair market value and description of that which was received from the entity by the nonprofit corporation or the affiliate entity of the corporation, and (iii) the date and amount of the award to the entity. This publication requirement is satisfied if the Department publishes the information required in this subdivision within seven days of the award either separately or as part of a press release concerning the award.

By September 30 of each year, and more frequently as requested, the Department shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on any performance for which the Department has contracted pursuant to this section. The report shall contain, at a minimum, each of the following:

A copy of the most recent report required by the Department pursuant to subdivision (2) of subsection (e) of this section.
(2) An executive summary of the report required by subdivision (1) of this subsection.

(3) A listing of each entity referred to the Department by a North Carolina nonprofit corporation with which the Department contracts pursuant to this section and any other information the Secretary determines is necessary or that is specifically requested in writing.

(4) An explanation of the response by the Department to any notifications of noncompliance submitted to the Department by the nonprofit corporation, as required by G.S. 143B-431A(6), including actions taken by the Department to prevent repeat or similar instances of noncompliance.

(5) For each activity in which the Secretary of Commerce solicits funds for the corporation, as permitted by subsection (i) of this section, a listing of each activity, including the date and the name of each person or entity from whom funds were solicited.

(6) If the nonprofit corporation or any affiliated entity of the corporation has received, directly or indirectly, any gift, contribution, or item or service of value for which fair market value was not paid and if an entity making the gift or contribution receives an award, a list of the entity and the amount of the award.

(p) Public Funds. – A North Carolina nonprofit corporation with which the Department contracts pursuant to this section shall comply with the requirements provided in this subsection regarding the use of State funds:

(1) Interest earned on State funds after receipt of the funds by the nonprofit corporation shall be used for the same purposes for which the principal was to be used.

(2) The travel and personnel policies and regulations of the State of North Carolina Budget Manual limiting reimbursement for expenses of State employees apply to reimbursements for expenses of officers, employees, or members of a governing board of the nonprofit corporation. Deviations from the policies and regulations shall be approved by the Secretary.

(3) State funds shall not be used to hire a lobbyist.

(h) Applicable Laws. – A North Carolina nonprofit corporation with which the Department contracts pursuant to this section is subject to the requirements of (i) Chapter 132 of the General Statutes and (ii) Article 33C of Chapter 143 of the General Statutes. Officers, employees, and members of the governing board of the corporation are public servants, as defined in G.S. 138A-3, and are subject to the requirements of Chapter 138A of the General Statutes. Officers, members of the governing board, and employees of the corporation whose annual compensation is equal to or greater than sixty thousand dollars ($60,000) are subject to G.S. 138A-22.

(i) Prohibition. – A State officer or employee, other than the Secretary of Commerce, shall not solicit funds for a North Carolina nonprofit corporation with which the Department contracts pursuant to this section. The Secretary of Commerce may solicit funds for the nonprofit corporation pursuant to G.S. 138A-31(b)(5).

(k) Benefits. – An officer, employee, or member of a governing board of a North Carolina nonprofit corporation with which the Department contracts pursuant to this section is not a State employee, is not covered by Chapter 126 of the General Statutes, and is not entitled to State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees.

(k) Raised Funds. – For funds raised from sources other than State funds by the nonprofit corporation, at least twenty-five percent (25%) of the funds shall be used for the benefit of or for salaried positions located in or working solely on development in development tier one or two areas, as defined in G.S. 143B-437.08.
SECTION 1.1.(b) G.S. 143B-431A(i), as enacted by this act, does not apply to employees of the Department of Commerce, other than employees involved in the recommendation and administration of State economic development incentive programs, prior to the time the Department contracts with a North Carolina nonprofit corporation pursuant to this act.

SECTION 1.1.(c) G.S. 132-6(d) reads as rewritten:

"(d) Notwithstanding the provisions of subsections (a) and (b) of this section, public records relating to the proposed expansion or location of specific business or industrial projects may be withheld so long as their inspection, examination or copying would frustrate the purpose for which such public records were created; provided, however, that nothing herein shall be construed to permit the withholding of public records relating to general economic development policies or activities. Once the State, a local government, or the specific business has announced a commitment by the business to expand or locate a specific project in this State or a final decision not to do so and the business has communicated that commitment or decision to the State or local government agency involved with the project, and that the business will receive a discretionary incentive for the project pursuant to Chapter 143B of the General Statutes, the provisions of this subsection allowing public records to be withheld by the agency no longer apply. If the specific business has requested discretionary incentives for the project pursuant to Chapter 143B of the General Statutes, but decides not to expand or locate the project in this State or does not receive such discretionary incentives, then the only records that are subject to disclosure pursuant to this Chapter are the records submitted to the Department of Commerce by the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431A. If a business decides to expand or locate a specific project in this State, but the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431A does not submit any documentation to the Department regarding a request for any discretionary incentives by the State pursuant to Chapter 143B of the General Statutes, and the business does not receive any such discretionary incentives, then any records regarding such project are not subject to disclosure pursuant to this Chapter. Once the provisions of this subsection no longer apply, the agency shall disclose as soon as practicable, and within 25 business days, public records requested for the announced project that are not otherwise made confidential by law. An announcement that a business or industrial project has committed to expand or locate in the State shall not require disclosure of local government records relating to the project if the business has not selected a specific location within the State for the project. Once a specific location for the project has been determined, local government records must be disclosed, upon request, in accordance with the provisions of this section. For purposes of this section, "local government records" include records maintained by the State that relate to a local government's efforts to attract the project."

SECTION 1.2.(a) G.S. 143B-434 is repealed.

SECTION 1.2.(b) G.S. 143B-434.01 reads as rewritten:

"§ 143B-434.01. Comprehensive Strategic Economic Development Plan.

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

(1) Board. – The Economic Development Board.

(2) Department. – The Department of Commerce.

(3) Existing Plan. – The Plan prepared and submitted to the Governor and General Assembly on or before April 1, 1994.

(4) Local government. – A county, municipality, town, city, city of villages, township, or school district in the State.

(5) Nonprofit corporation. – A corporation, other than a for-profit corporation, that is not organized for the private gain of its members.

(6) Secretary. – The Secretary of Commerce or the governing board of a North Carolina nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431A for the performance of the Secretary's responsibilities under this section.

(b) Board to Prepare Plan. – The Board Secretary shall prepare, review and update the existing Plan by April 1, 1994. The Board shall review and update this Plan by April 1 of each year. The original Plan shall cover a period of four years and each annual update shall extend the time frame by one year so that a four-year plan is always in effect. The Board Secretary shall provide copies of the Plan and each annual update..."
to the Governor and the Joint Legislative Commission on Governmental Operations. The Plan shall encompass all of the components set out in this section.

(c) Purpose. – The purpose of this section is to require the Board Secretary to apply strategic planning principles to its economic development efforts. This requirement is expected to result in:

1. The selection of a set of priority development objectives that recognizes the increasingly competitive economic environment and addresses the changing needs of the State in a more comprehensive manner.
2. The effective utilization of available and limited resources.
3. A commitment to achieve priority objectives and to sustain the process.

(d) (1) Public and Private Input. – At each stage as it develops and updates the Plan, the Board Secretary shall solicit input from all parties involved in economic development in North Carolina, including:
   a. Each of the programs and organizations that, for State budget purposes, identifies economic development as one of its global goals.
   b. Local economic development departments and regional economic development organizations.
   c. The Board of Governors of The University of North Carolina.

(2) The Board Secretary shall also hold hearings in each of the Regions to solicit public input on economic development before the initial Plan is completed. The purposes of the public hearings are to:
   a. Assess the strengths and weaknesses of recent regional economic performance.
   b. Examine the status and competitive position of the regional resource base.
   c. Identify and seek input on issues that are key to improving the economic well-being of the Region.

(3) Each component of the Plan shall be based on this broad input and, to the extent possible, upon a consensus among all affected parties. The Board Secretary shall coordinate its planning process with any State capital development planning efforts affecting State infrastructure such as roads and water and sewer facilities.

(e) Environmental Scan. – The first step in developing the Plan shall be to develop an environmental scan based on the input from economic development parties and the public and on information about the economic environment in North Carolina. To prepare the scan, the Board Secretary shall gather the following information required in this subsection and ensure that the information is updated periodically. The updated information may be provided in whatever format and through whatever means is most efficient. The information required to prepare the scan includes all of the following:

( f) Repealed by Session Laws 2012-142, s. 13.4(a), effective July 1, 2012.

(g) Vision and Mission Statements. – The Board Secretary shall develop a vision statement for economic development that would describe the preferred future for North Carolina and what North Carolina would be like if all economic development efforts were successful. The Board Secretary shall then develop a mission statement that outlines the basic purpose of each of North Carolina’s economic development programs. Because special purpose nonprofit organizations are uniquely situated to conduct the entrepreneurial and high-risk activity of investing in and supporting new business creation in the State, they should be assigned a dominant role in this key component of economic development activity.

(h) Goals and Objectives. – The Board Secretary, using data from the public input and the environmental scan, shall formulate a list of goals and objectives. Goals shall be
long-range, four years or more, and shall address both needs of economically distressed Regions and counties as well as opportunities for Regions and counties not distressed. The goals shall be developed with realism but should also be selected so as to encourage every Region and county within the State to develop to its maximum potential. Objectives shall be one year or less in scope and shall, if achieved, lead to the realization of the goals formulated by the Board Secretary as provided in this section.

Both goals and objectives should be stated largely in economic terms, that is, they should be related to specific population, employment, demographic targets, or economic sector targets. Both efficiency and equity considerations are to be addressed and balanced with special emphasis placed on the needs of disadvantaged or economically distressed populations and communities. The goals and objectives should not state how the economic targets are to be reached, but rather what the economic conditions will be if they are obtained. So that the progress of North Carolina's economic development efforts can be monitored, the Board Secretary shall set objectives for each goal that allow measurement of progress toward the goal. Objectives should be quantifiable and time-specific in order to serve as performance indicators.

... Implementation Plan. – Based upon all of the foregoing steps, the Board Secretary shall establish an implementation plan assigning to the appropriate parties specific responsibilities for meeting measurable objectives. The implementation plan shall contain all necessary elements so that it may be used as a means to monitor performance, guide appropriations, and evaluate the outcomes of the parties involved in economic development in the State.

(k) Annual Evaluation. – The Board Secretary shall annually evaluate the State's economic performance based upon the statistics listed in this subsection and upon the Board Secretary's stated goals and objectives in its Plan. The statistics upon which the evaluation is made should be available to policymakers. The information may be provided in whatever format and through whatever means is most efficient.

... (l) Accountability. – The Board Secretary shall make all data, plans, and reports available to the General Assembly, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Senate Appropriations Committee on Natural and Economic Resources, and the House of Representatives Appropriations Subcommittee on Natural and Economic Resources at appropriate times and upon request. The Board Secretary shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective.”

SECTION 1.2.(c) G.S. 143B-437.03 is repealed.

SECTION 1.3. The Department of Commerce shall study and develop a plan for contracting with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, for the performance of economic development activities and duties of the Department. The study shall include each of the following:

(1) The Department shall develop a plan for private fund-raising efforts for the nonprofit corporation for the performance of economic development functions. The study shall include the creation of a budget for the nonprofit corporation that provides for the performance of core functions of the corporation, including economic development functions, in the absence of private funds. The study shall compare the budget of the Department and the budget developed for the nonprofit corporation according to Department division and budget category, including personal services; purchased services; supplies; property, plant, and equipment; other expenses and adjustments; aid and public assistance; and other budget categories used by the Department. The study shall include a measurement and estimation of expected private fund-raising potential, and the Department shall examine
the efforts of other states that have permitted public-private partnerships for economic development activities and report on the source or sources of funds for those partnerships, separately accounting for funds provided by the State and private funds.

(2) The Department shall report on each performance metric listed in this subdivision. The report shall analyze the Department's performance for each metric for (i) the last full year prior to contracting for performance of the metric and (ii) the annual average for the five-year period preceding contracting for performance of the metric. The performance metrics to be reported upon are as follows:

a. For business recruitment:
   1. Number of jobs announced by the Department in total.
   2. Number of jobs announced resulting from recruitment of new businesses.
   3. Number of jobs announced resulting from existing business expansions.
   4. Total U.S. dollar amount of investment resulting from new projects.
   5. Total U.S. dollar amount of investment resulting from recruitment of new businesses.
   6. Total U.S. dollar amount of investment resulting from existing business expansions.
   7. Total U.S. dollar amount of foreign direct investment.

b. For business services:
   1. Number of existing businesses receiving support.
   2. Number of Business Services Team leads that lead to an expansion of existing businesses.
   3. Number of businesses receiving export assistance.
   4. Total U.S. dollar amount of exports by assisted companies.

c. For tourism and marketing:
   1. Number of consumer inquiries about travel to North Carolina.
   2. Total U.S. dollar amount of spending by visitors while in North Carolina.
   3. Total U.S. dollar amount of State and local tax revenues resulting from visitors' spending while in North Carolina.
   4. Number of business inquiries for business relocation, investment, and expansion.

d. Any other information or performance metrics allowing comparison between departmental and corporate performance for any other economic development division in the Department for which the Department contracts for performance with a North Carolina nonprofit corporation pursuant to this act.

e. Any other information or performance metrics deemed useful or necessary by the Department in the listed areas or other areas.

The Department shall make a report to the Office of State Budget Management, to the Joint Legislative Commission on Governmental Operations, to the Joint Legislative Economic Development and Global Engagement Oversight Committee, and to the Fiscal Research Division no later than December 1, 2014.

The Department shall require the nonprofit corporation to include in each report mandated by G.S. 143B-431A(e)(2) an analysis of the corporation's performance and a comparison to departmental performance using the same performance metrics studied and reported by the Department, as required by subdivision (2) of this section.
SECTION 1.4. G.S. 126-5 reads as rewritten:

"§ 126-5. Employees subject to Chapter; exemptions.

... (c2) The provisions of this Chapter shall not apply to:

... (5) Officers, employees, and members of the governing board of a North Carolina nonprofit corporation with which the Department of Commerce has contracted pursuant to the authority granted in G.S. 143B-431A.

... (d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the State Personnel Act, the Governor may designate a total of 1,000 exempt positions throughout the following departments:

... (2b) Designation of Liaison Positions. – Liaisons to the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 for the Departments of Commerce, Environment and Natural Resources, and Transportation are designated as exempt.

..."

SECTION 1.5. Section 15.7A of S.L. 2013-360 is repealed.

SECTION 1.6. Section 1.5 of this act is effective when it becomes law. The remainder of this Part becomes effective July 1, 2014.

PART II. MODIFY NORTH CAROLINA BOARD OF SCIENCE AND TECHNOLOGY

SECTION 2.1. Part 18 of Article 10 of Chapter 143B of the General Statutes reads as rewritten:

"Part 18. North Carolina Board of Science and Technology; Science, Technology, and Innovation.

§ 143B-472.80. North Carolina Board of Science and Technology; Science, Technology, and Innovation; creation; powers and duties.

The North Carolina Board of Science and Technology of the Department of Commerce is created. The Board has the following powers and duties:

... (4) To advise and make recommendations to the Governor, the General Assembly, the Secretary of Commerce, and the Economic Development Board any North Carolina nonprofit corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431A on the role of science and technology; science, technology, and innovation in the economic growth and development of North Carolina.

..."

§ 143B-472.81. North Carolina Board of Science and Technology; Science, Technology, and Innovation; membership; organization; compensation; staff services.

(a) The North Carolina Board of Science and Technology; Science, Technology, and Innovation consists of the Governor, the Secretary of Commerce, and 23 members appointed as follows: the Governor shall appoint one member from the University of North Carolina at Chapel Hill, one member from North Carolina State University at Raleigh, and two members from other components of the University of North Carolina, one of which shall be from a historically black college or university; all nominated by the President of the University of North Carolina; one member from Duke University, nominated by the President of Duke University; one member from a private college or university, other than Duke University, in North Carolina, nominated by the President of the Association of Private Colleges and Universities; one member of the North Carolina Community College System; one member...
representing K-12 public education; one member from the Research Triangle Institute, nominated by the executive committee of the board of that institute; one member from the Microelectronics Center of North Carolina, nominated by the executive committee of the board of that center; one member from the North Carolina Biotechnology Center, nominated by the executive committee of the board of that center; four members from private industry in North Carolina, at least one of whom shall be a professional engineer registered pursuant to Chapter 89C of the General Statutes or a person who holds at least a bachelor's degree in engineering from an accredited college or university; and two members from public agencies in North Carolina; and seven at-large members. Two members shall be appointed by the General Assembly, one shall be appointed upon the recommendation of the President Pro Tempore of the Senate, and one shall be appointed upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. The nominating authority for any vacancy on the Board among members appointed by the Governor shall submit to the Governor two nominations for each position to be filled, and the persons so nominated shall represent different disciplines.

SECTION 2.2. G.S. 143B-437.80 reads as rewritten:

"§ 143B-437.80. North Carolina SBIR/STTR Incentive Program.

(a) Program. – There is established the North Carolina SBIR/STTR Incentive Program to be administered by the North Carolina Board of Science, Technology, and Innovation. In order to foster job creation and economic development in the State, the Board may provide grants to eligible businesses to offset costs associated with applying to the United States Small Business Administration for Small Business Innovative Research (SBIR) grants or Small Business Technology Transfer Research (STTR) grants. The grants shall be paid from the One North Carolina Small Business Account established in G.S. 143B-437.71.

(c) Grant. – The North Carolina Board of Science, Technology, and Innovation may award grants to reimburse an eligible business for up to fifty percent (50%) of the costs of preparing and submitting a SBIR/STTR Phase I proposal, up to a maximum of three thousand dollars ($3,000). A business may receive only one grant under this section per year. A business may receive only one grant under this section with respect to each federal proposal submission. Costs that may be reimbursed include costs incurred directly related to preparation and submission of the grant such as word processing services, proposal consulting fees, project-related supplies, literature searches, rental of space or equipment related to the proposal preparation, and salaries of individuals involved with the preparation of the proposals. Costs that shall not be reimbursed include travel expenses, large equipment purchases, facility or leasehold improvements, and legal fees.

(d) Application. – A business shall apply, under oath, to the North Carolina Board of Science, Technology, and Innovation for a grant under this section on a form prescribed by the Board that includes at least all of the following:

""
through a SBIR/STTR Phase I proposal up to a maximum of one hundred thousand dollars ($100,000). Seventy-five percent (75%) of the total grant shall be remitted to the business upon receipt of the SBIR/STTR Phase I award and application for funds under this section. Twenty-five percent (25%) of the total grant shall be remitted to the business upon submission by the business of the Phase II application to the funding agency and acceptance of the Phase I report by the funding agency. A business may receive only one grant under this section per year. A business may receive only one grant under this section with respect to each federal proposal submission. Over its lifetime, a business may receive a maximum of five awards under this section.

(d) Application. – A business shall apply, under oath, to the North Carolina Board of Science and Technology, Science, Technology, and Innovation for a grant under this section on a form prescribed by the Board that includes at least all of the following:

SECTION 2.4. This Part becomes effective July 1, 2014.

PART III. CREATION OF COLLABORATION FOR PROSPERITY ZONES

SECTION 3.1. Intent to create Collaboration for Prosperity Zones. – It is the intent of the General Assembly to establish geographically uniform zones in this State to facilitate collaborative and coordinated planning and use of resources, to improve cooperation with other governmental and nonprofit entities at the local and regional level, to facilitate administrative efficiencies within State government, to receive advice on economic development issues by local boards established by a North Carolina nonprofit corporation with which the Department of Commerce contracts, and, to the extent feasible, to establish one-stop sources in each region for citizens and businesses seeking State services at a regional level.

SECTION 3.2. Article 1 of Chapter 143B of the General Statutes is amended by adding a new section to read:


For purposes of enhanced collaboration and cooperation between governmental agencies, planning, use of resources, and improved efficiency at a regional level, the State is hereby divided into eight permanent zones as follows:

(1) Western Region, consisting of Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, Polk, Rutherford, Swain, and Transylvania Counties.

(2) Northwest Region, consisting of Alleghany, Ashe, Alexander, Avery, Burke, Caldwell, Catawba, McDowell, Mitchell, Watauga, Wilkes, and Yancey Counties.

(3) Southwest Region, consisting of Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union Counties.

(4) Piedmont-Triad (Central) Region, consisting of Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, and Yadkin Counties.


(6) Sandhills (South Central) Region, consisting of Bladen, Columbus, Cumberland, Hoke, Montgomery, Moore, Richmond, Robeson, Sampson, and Scotland Counties.


(8) Southeast Region, consisting of Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, and Wayne Counties."

123
SECTION 3.3. The Departments of Commerce, Environment and Natural Resources, and Transportation, the Community Colleges System Office, and the State Board of Education shall, by January 1, 2015, report to the Joint Legislative Commission on Governmental Operations, the Senate Appropriations/Base Budget Committee, and the House Appropriations Committee on how they plan to establish Collaboration for Prosperity Zones as defined by this act.

SECTION 3.4. G.S. 115C-65 reads as rewritten:

"§ 115C-65. State divided into districts.
The State of North Carolina shall be divided into eight educational districts, which shall embrace the counties herein set forth:

FIRST DISTRICT
Beaufort, Bertie, Camden, Chowan, Currituck, Dare, Gates, Hertford, Hyde, Martin, Pasquotank, Perquimans, Pitt, Tyrrell, Washington.

SECOND DISTRICT
Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, Sampson, Wayne.

THIRD DISTRICT

FOURTH DISTRICT
Bladen, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, Richmond, Robeson, Scotland.

FIFTH DISTRICT
Alamance, Caswell, Chatham, Davidson, Forsyth, Guilford, Orange, Person, Randolph, Rockingham, Stokes.

SIXTH DISTRICT
Anson, Cabarrus, Cleveland, Gaston, Lincoln, Mecklenburg, Stanly, Union.

SEVENTH DISTRICT
Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Catawha, Davie, Iredell, Rowan, Surry, Watauga, Wilkes, Yadkin.

EIGHTH DISTRICT
Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey."

SECTION 3.5. Section 3.4 of this act becomes effective April 1, 2015. Members of the State Board of Education appointed by the Governor and confirmed by the General
Assembly prior to 2015 with terms ending in 2017, 2019, and 2021 shall be designated as the appointees of the following districts for the remainder of the member's current term:

a. Western Region: Wayne McDevitt
b. Southwest Region: Gregory Alcorn
c. Piedmont Triad (Central) Region: A.L. Collins
d. Sandhills (South Central) Region: Olivia Oxendine
e. Northeast Region: Rebecca Taylor
f. Southeast Region: Reginald Kenan

The remainder of this Part becomes effective July 1, 2014.

PART IV. REQUIRE AT LEAST ONE LIAISON IN EACH COLLABORATION FOR PROSPERITY ZONE

SECTION 4.1. No later than January 1, 2015, the Departments of Commerce, Environment and Natural Resources, and Transportation shall have at least one employee physically located in the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to serve as that department's liaison with the other departments and with local governments, schools and colleges, planning and development bodies, and businesses in that zone. The departments shall jointly select the office. For purposes of this Part, the Department of Commerce may contract with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to fulfill the departmental liaison requirements for each office in each of the Collaboration for Prosperity Zones.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

No later than January 1, 2015, the State Board of Education shall designate at least one representative from a local school administrative unit or from the Department of Public Instruction to serve as a liaison in each Collaboration for Prosperity Zone for the local school administrative units and other public schools within the zone. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

SECTION 4.2. In addition to other related tasks assigned by their respective agencies, liaisons in each Collaboration for Prosperity Zone shall work to enhance collaboration and cooperation between their departments and other State agencies, local governmental agencies, and other regional public and nonprofit entities. The liaisons from the Departments of Environment and Natural Resources and Transportation shall work to consolidate and simplify the process for citizens and businesses seeking permits from their respective agencies. The liaisons from the Department of Commerce shall be used to support local economic development efforts, to coordinate such efforts, and to coordinate the Department of Commerce's activities within each Collaboration for Prosperity Zone. The liaisons from the community college system and local school administrative units shall work closely with the Department of Commerce and other State and local governmental agencies and local businesses in the zone to promote job development through career technical education.

SECTION 4.3.(a) The Departments of Transportation and Environment and Natural Resources shall jointly report to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, the Environmental Review Commission, the Senate Appropriations/Base Budget Committee, and the House Appropriations Committee, as follows:
(1) No later than January 1, 2015, on the establishment of collocated liaisons within each Collaboration for Prosperity Zone and a description of the activities the liaisons have been assigned to perform.

(2) No later than April 1, 2015, on the activities of the liaisons, specifically any activities undertaken that resulted in enhanced collaboration and coordination with the other Department and with other governmental agencies, improved administrative efficiencies, and any steps taken to make services to citizens and businesses within each zone more efficient, economical, and user-friendly.

SECTION 4.3.(b) The Community Colleges System Office and the State Board of Education shall each report to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Education Oversight Committee, the Senate Appropriations/Base Budget Committee, and the House Appropriations Committee, as follows:

(1) No later than January 1, 2015, on the establishment of liaisons within each Collaboration for Prosperity Zone and a description of the activities the liaisons have been assigned to perform.

(2) No later than April 1, 2015, on the activities of the liaisons, specifically any activities undertaken that resulted in enhanced collaboration and coordination with other governmental agencies, improved planning on use of educational resources, and improved administrative efficiencies.

SECTION 4.3.(c) The Department of Commerce shall include in its first report under G.S. 143B-431A(f), as enacted by this act, a report on the establishment and activities of its liaisons in each Collaboration for Prosperity Zone. The Department of Commerce shall send a copy of this report to the Office of State Budget and Management, the Senate Appropriations/Base Budget Committee, and the House Appropriations Committee.

SECTION 4.4. The Departments of Commerce, Environment and Natural Resources, and Transportation, the Community Colleges System Office, and the State Board of Education shall use funds available to carry out the requirements of this section. Nothing in this act shall be construed as an authorization for payment of additional compensation for persons serving as liaisons.

SECTION 4.5. This Part becomes effective July 1, 2014, and expires July 1, 2018.

PART V. GENERAL ASSEMBLY REVIEW OF REPORTS

SECTION 5. It is the intent of the General Assembly to receive and review the reports required by Section 4.3 of this act concerning the creation of the Collaboration for Prosperity Zones and to use those reports to further address the following topics:

(1) Enhancing collaboration and cooperation between State and other governmental agencies in order to streamline and improve services to citizens and businesses, to make such services more user-friendly, and to implement collaborative and cooperative interagency measures to enhance access to services.

(2) Reducing barriers faced by citizens and businesses in accessing services that are unnecessarily caused by agency specialization, which may produce a "silo mentality."

(3) Additional recommendations regarding liaison personnel, including expanding the requirement to other State departments.

(4) Ways to integrate collaboration between educational institutions in each Collaboration for Prosperity Zone on the one hand and other governmental agencies and local businesses on the other.

(5) Requiring the establishment of interagency one-stop shops in each Collaboration for Prosperity Zone.

(6) Consolidating programs or services.
(7) Cross-training employees.
(8) Identifying offices, equipment, and support services that may be efficiently and economically shared between agencies in each Collaboration for Prosperity Zone.
(9) The grouping of counties within each Collaboration for Prosperity Zone to determine whether there is a better configuration while keeping the same overall number of zones.

PART VI. EFFECTIVE DATE AND CONSTRUCTION

SECTION 6.1. Nothing in this act shall be construed to obligate the General Assembly to appropriate funds to implement this act.

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

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 1:08 p.m. on the 24th day of June, 2014.

Session Law 2014-19 H.B. 183

AN ACT TO DELAY THE TRANSFER DATE OF THE CLEVELAND COUNTY CORRECTIONAL FACILITY.

The General Assembly of North Carolina enacts:

SECTION 1. Section 4 of S.L. 2012-177 reads as rewritten:

"SECTION 4. Sections 1 through 3 of this act become effective July 1, 2014. The remainder of this act becomes effective January 1, 2013."

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

In the General Assembly read three times and ratified this the 18th day of June, 2014.

Became law upon approval of the Governor at 1:20 p.m. on the 24th day of June, 2014.

Session Law 2014-20 H.B. 558

AN ACT TO ALLOW SALES TAX REFUNDS FOR SOIL AND WATER CONSERVATION DISTRICTS AND REGIONAL JAILS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.14(c) is amended by adding a new subdivision to read:

"(c) Certain Governmental Entities. – A governmental entity listed in this subsection is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services, other than electricity, telecommunications service, and ancillary service. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year. This subsection applies only to the following governmental entities:

..."
(25) A soil and water conservation district organized under Chapter 139 of the General Statutes.
(26) A district confinement facility created pursuant to G.S. 153A-219, including a local act modifying G.S. 153A-219.

SECTION 2. This act becomes effective July 1, 2015, and applies to sales made on or after that date.

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 1:21 p.m. on the 24th day of June, 2014.

Session Law 2014-21

AN ACT TO AMEND THE LAW THAT IMPOSES RESIDENTIAL RESTRICTIONS ON SEX OFFENDERS TO PROVIDE THAT A SEX OFFENDER IS PROHIBITED FROM RESIDING WITHIN ONE THOUSAND FEET OF A SITE WHERE A BOYS AND GIRLS CLUB OF AMERICA IS LOCATED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-208.16(b) reads as rewritten:
"(b) As used in this section, "school" does not include home schools as defined in G.S. 115C-563 or institutions of higher education, and the education. The term "child care center" is defined by G.S. 110-86(3); however, for purposes of this section, the term "child care center" does include the permanent locations of organized clubs of Boys and Girls Clubs of America. The term "registrant" means a person who is registered, or is required to register, under this Article."

SECTION 2. This act is effective when it becomes law and applies to all persons registered or required to register on or after that date. This act does not apply to a person who has established a residence prior to the effective date of this act in accordance with G.S. 14-208.16(d)(1), (2), or (3).

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 1:21 p.m. on the 24th day of June, 2014.

Session Law 2014-22

AN ACT TO AMEND THE LAW PROVIDING FOR MINIMUM STANDARDS FOR JAIL DORMITORIES TO ALLOW COUNTIES TO HOUSE SIXTY-FOUR INMATES PER DORMITORY SO LONG AS CERTAIN MINIMUM STANDARDS ARE MET.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-221(d) reads as rewritten:
"(d) Notwithstanding any law or rule to the contrary, each dormitory in a county detention facility may house up to 64 inmates as long as the dormitory provides all of the following:

1. A minimum floor space of 70 square feet per inmate, including both the sleeping and dayroom areas.
2. One shower per eight inmates, one toilet per eight inmates, one sink with a security mirror per eight inmates, and one water fountain.
3. A telephone jack or other telephone arrangement provided within the dormitory.
4. Space designed to allow a variety of activities.
(5) Sufficient seating and tables for all inmates.

(6) A way for officers to observe the entire area from the entrance.

This subsection applies only to those counties that have a population in excess of 300,000, according to the most recent decennial federal census."

SECTION 2. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 18th day of June, 2014. Became law upon approval of the Governor at 1:22 p.m. on the 24th day of June, 2014.

Session Law 2014-23 S.B. 845

AN ACT TO ALLOW THE VILLAGE OF BALD HEAD ISLAND TO OPERATE A CONTRACT POST OFFICE WITH A GOVERNMENTAL OR COMMERCIAL ENTITY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 350 of the 1991 Session Laws is repealed.

SECTION 2. Section 2 of Chapter 16 of the 1991 Session Laws, as amended by Chapter 350 of the 1991 Session Laws and Chapter 631 of the 1993 Session Laws, reads as rewritten:

"Sec. 2. This act applies to the Towns of Stallings and White Lake and the Village of Bald Head Island only."

SECTION 3.(a) G.S. 160A-311 reads as rewritten:


As used in this Article, the term "public enterprise" includes:

... (11) Post office facility and service under contract with a governmental or commercial entity, including mail and package delivery and necessary related services such as packing and shipping supplies; courier package and envelope services; online computer access; copying, fax, and printing services; postage; shipping and delivery charges; parcel storage; and mailboxes."

SECTION 3.(b) This section applies to the Village of Bald Head Island only.

SECTION 4. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 24th day of June, 2014. Became law on the date it was ratified.

Session Law 2014-24 S.B. 867

AN ACT TO EXTEND THE TERMS OF OFFICE FROM TWO TO FOUR YEARS FOR THE MAYOR AND THE MEMBERS OF THE BOARD OF ALDERMEN OF THE TOWN OF MCDONALD.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of the Charter of the Town of McDonald, being Chapter 443 of the Private Laws of 1911, reads as rewritten:

"Sec. 3. The officers of said the town shall consist of a mayor and three aldermen, who shall be styled the Board of Aldermen of McDonald, and the said mayor and the aldermen shall be elected by the qualified voters of said town on the first Monday in May, one thousand nine hundred and eleven, and annually thereafter, under the same rules and regulations as are prescribed by the laws for holding such elections under chapter seventy-three
of The Revisal of one thousand nine hundred and five of North Carolina, a constable and secretary and treasurer, to be chosen by the board of aldermen immediately after its organization, to hold office one year or until their successors are duly elected and qualified; and until the first Monday in May, one thousand nine hundred and eleven, Spurgeon McLean shall fill the office of mayor, F. M. Davis, A. L. Hall and F. M. Townsend shall act as aldermen, Foster Williams shall act as constable, and T. S. Gryard shall act as secretary and treasurer of the town. In 2015, and quadrennially thereafter, a mayor shall be elected to serve for a term of four years. In 2015, three aldermen shall be elected to serve for a term of four years. In 2019, and quadrennially thereafter, the mayor and three aldermen shall be elected to a four-year term."

SECTION 2. Section 15 of the Charter of the Town of McDonald, being Chapter 443 of the Private Laws of 1911, is repealed.

SECTION 3. This act does not affect the terms of office of persons elected in 2013.

SECTION 4. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 24th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-25

AN ACT TO EXTEND THE TERMS OF OFFICE FROM TWO TO FOUR YEARS FOR THE MAYOR AND THE MEMBERS OF THE BOARD OF ALDERMEN OF THE TOWN OF PROCTORVILLE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of the Charter of the Town of Proctorville, being Chapter 369 of the Private Laws of 1913, as amended by Chapter 306 of the 1963 Session Laws, reads as rewritten:

"Sec. 3. There shall be a board of aldermen, consisting of a mayor and three aldermen. Beginning with the regular municipal election to be held on the first Monday of May, 1963, and biennially thereafter, a mayor and three aldermen who shall be elected by the qualified voters of Proctorville to serve for a term of two (2) years and until their successors are elected and qualified. The municipal election shall be held and conducted in accordance with the provisions of Article 3, Chapter 160 of the General Statutes of North Carolina, insofar as the same are not inconsistent with the provisions of this Charter of the Town of Proctorville. In 2015, and quadrennially thereafter, a mayor shall be elected to serve for a term of four years. In 2015, and quadrennially thereafter, three aldermen shall be elected to serve for a term of four years."

"The board of aldermen shall, upon taking office, appoint a constable and a secretary and treasurer of the town who shall hold office for two (2) years and until their successors are duly elected and qualified."

SECTION 2. Section 15 of the Charter of the Town of Proctorville, being Chapter 369 of the Private Laws of 1913, as amended by Chapter 306 of the 1963 Session Laws, is repealed.

SECTION 3. This act does not affect the terms of office of persons elected in 2013.

SECTION 4. This act is effective when it becomes law. In the General Assembly read three times and ratified this the 24th day of June, 2014.

Became law on the date it was ratified.
Session Law 2014-26

AN ACT TO AMEND THE EXTRATERRITORIAL JURISDICTION AUTHORITY OF THE TOWN OF WEAVERVILLE, TO MAKE A SIMILAR TECHNICAL CORRECTION AS TO THE CITY OF ASHEVILLE, TO ALLOW THE COUNTY OF BUNCOMBE TO ZONE CERTAIN DONUT HOLES, TO REPEAL THE BUNCOMBE COUNTY CULTURE AND RECREATION AUTHORITY, AND TO ALLOW THE BOARD OF COMMISSIONERS OF HENDERSON COUNTY TO STANDARDIZE THE CEILING ON FIRE DISTRICT TAXES IN HENDERSON COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. (a) G.S. 160A-360 is amended by adding a new subsection to read:

"(n) The Town of Weaverville shall have no authority to exercise any power under this section outside its corporate limits."

SECTION 1. (b) Upon relinquishment of the jurisdiction over an area that the Town of Weaverville is regulating under Article 19 of Chapter 160A of the General Statutes, the city regulations and powers of enforcement shall remain in effect until (i) Buncombe County has adopted the regulation or (ii) a period of 120 days has elapsed following the effective date of this section, whichever is sooner. During this period, Buncombe County may hold hearings and take other measures that may be required in order to adopt county regulations for the area.

SECTION 1. (c) This section applies to the Town of Weaverville only.

SECTION 2. G.S. 160A-360(m), as it applies to the City of Asheville under S.L. 2013-30, reads as rewritten:

"(m) The City of Asheville shall have no authority to exercise any power under this section outside its corporate limits."

SECTION 3. (a) G.S. 153A-342(d) reads as rewritten:

"(d) A county may determine that the public interest does not require that the entire territorial jurisdiction of the county be zoned and may designate one or more portions of that jurisdiction as a zoning area or areas. A zoning area must originally contain at least 640 acres and at least 10 separate tracts of land in separate ownership and may thereafter be expanded by the addition of any amount of territory. A zoning area may be regulated in the same manner as if the entire county were zoned, and the remainder of the county need not be regulated."

SECTION 3. (b) This section applies to the County of Buncombe only.

SECTION 4. S.L. 2013-262 is repealed.

SECTION 5. (a) G.S. 69-25.1 reads as rewritten:

"§ 69-25.1. Election to be held upon petition of voters.

Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area lying outside the corporate limits of any city or town, which area is described in the petition and designated as "_________________________ Fire District," the board of

 (Here insert name)

county commissioners of the county shall call an election in said district for the purpose of submitting to the qualified voters therein the question of levying and collecting a special tax on all taxable property in said district, of not exceeding fifteen cents (15¢) on the one hundred dollars ($100.00) valuation of property, for the purpose of providing fire protection in said district. The county tax office shall be responsible for checking the freeholder status of those individuals signing the petition and confirming the location of the property owned by those individuals. Unless specifically excluded by other law, the provisions of Chapter 163 of the General Statutes concerning petitions for referenda and elections shall apply. If the voters reject the special tax under the first paragraph of this section, then no new election may be held under the first paragraph of this section within two years on the question of levying and collecting a special tax under the first paragraph of this section in that district, or in any proposed district which includes a majority of the land within the district in which the tax was rejected.
The Board of Commissioners of a county may, by ordinance applicable to Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area which has previously been established as a fire protection district and in which there has been authorized by a vote of the people a special tax not exceeding ten cents (10¢) on the one hundred dollars ($100.00) valuation of property within the area, the board of county commissioners shall call an election in said area for the purpose of submitting to the qualified voters therein the question of increasing the maximum allowable special tax for fire protection within said district from ten cents (10¢) on the one hundred dollars ($100.00) valuation to fifteen cents (15¢) on the one hundred dollars ($100.00) valuation on all taxable property within such district. Elections on the question of increasing the allowable tax rate for fire protection shall not be held within the same district at intervals less than two years.

SECTION 5.(b) G.S. 69-25.4(a) reads as rewritten:

"§ 69-25.4. Tax to be levied and used for furnishing fire protection.  
(a) If a majority of the qualified voters voting at said election vote in favor of levying and collecting a tax in said district, then the board of county commissioners is authorized and directed to levy and collect a tax in said district in such amount as it may deem necessary, not exceeding ten cents (10¢) on the one hundred dollars ($100.00) valuation of property in said district from year to year, and shall keep the same as a separate and special fund, to be used only for furnishing fire protection within said district, as provided in G.S. 69-25.5.  
Provided, that if a majority of the qualified voters voting at such elections vote in favor of levying and collecting a tax in such district, or vote in favor of increasing the tax limit in said district, Upon adoption of an ordinance pursuant to G.S. 69-25.1, then the board of county commissioners is authorized and directed to levy and collect a tax in such districts in such amount as it may deem necessary, not exceeding fifteen cents (15¢) on the one hundred dollars ($100.00) valuation of property in said district from year to year."

SECTION 5.(c) This section applies to Henderson County only.

SECTION 6. Section 1 of this act becomes effective July 1, 2014. Section 2 of this act is effective on and after April 17, 2013. Section 4 of this act becomes effective June 30, 2014. The remainder of this act is effective when it becomes law.  
In the General Assembly read three times and ratified this the 24th day of June, 2014.  
Became law on the date it was ratified.

Session Law 2014-27 H.B. 698

AN ACT TO AUTHORIZE CRIMINAL HISTORY CHECKS FOR CURRENT VOLUNTEERS OR PAID FIRE DEPARTMENT PERSONNEL AND EMERGENCY MEDICAL SERVICES PERSONNEL AND TO ESTABLISH THE URBAN SEARCH AND RESCUE PROGRAM AND THE URBAN SEARCH AND RESCUE TEAM ADVISORY COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 114-19.12 reads as rewritten:

"§ 114-19.12. Criminal history record checks of applicants to and current members of fire departments and emergency medical services.  
(a) Definitions. – The following definitions apply in this section:  

(3) Current member. – A person who serves in a paid or volunteer position with a fire department or an emergency medical service.  
(b) When requested by a designated local Homeland Security director, a local fire chief, chief of a rated fire department, a county fire marshal, or an emergency services director or director, or when if there is no designated local Homeland Security director, local fire chief, chief of a rated fire department, county fire marshal, or emergency services director,
when requested by a local law enforcement agency, the North Carolina Department of Justice may provide to the requesting director, chief, marshal, director, or agency an applicant's or current member's criminal history from the State and National Repositories of Criminal Histories. The local Homeland Security director, local fire chief, marshal, director, or local law enforcement agency shall provide to the North Carolina Department of Justice the fingerprints of the applicant to be checked, any additional information required by the Department of Justice, and a form signed by the applicant to be checked consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The local Homeland Security director, local fire chief, county fire marshal, emergency services director, or local law enforcement agency shall keep all information pursuant to this section confidential. The Department of Justice shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section.

... (d) If the applicant's or current member's verified criminal history record check reveals one or more convictions covered under subdivision (a)(2) of this section, then the conviction shall constitute just cause for not selecting the applicant for the position or for dismissing the person current member from a current position with the local fire department or emergency medical services. The conviction shall not automatically prohibit volunteering or employment; however, the following factors shall be considered by the local Homeland Security director, local fire chief, county fire marshal, emergency services director, or local law enforcement agency in determining whether the position shall be denied or the current member dismissed from a current position:

(1) The level and seriousness of the crime;
(2) The date of the crime;
(3) The age of the person at the time of the conviction;
(4) The circumstances surrounding the commission of the crime, if known;
(5) The nexus between the criminal conduct of the person and the duties of the person;
(6) The prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and
(7) The subsequent commission by the person of a crime listed in subsection (a) of this section.

(e) The local fire department or emergency medical services may deny the applicant or current member the position or dismiss an applicant or current member who refuses to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories. This refusal constitutes just cause for the denial of the position or the dismissal from the current position.

... (g) For purposes of this section, "local fire chief" shall include only fire chiefs who are paid employees of a city; the fire chief of any bona fide fire department certified to the Commissioner of Insurance with at least a Class 9S rating for insurance grading purposes; "county fire marshal" shall include only fire marshals who are paid employees of a county; and "emergency services director" shall include only emergency services directors who are paid employees of a city or county."

SECTION 2. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the feasibility of having the Department of Insurance, under the direction of the North Carolina Fire and Rescue Commission, to provide the request for the criminal check and any required identifying information to the Department of Justice. The Committee shall report its findings to the 2015 General Assembly upon its convening.
SECTION 3. G.S. 166A-19.12 reads as rewritten:  
The Division of Emergency Management shall have the following powers and duties as delegated by the Governor and Secretary of Public Safety:  

...  

(21) Maintenance of an effective statewide urban search and rescue program."  

SECTION 4. Chapter 166A of the General Statutes is amended by adding a new Article to read:  

"Article 6.  
Urban Search and Rescue.  

§ 166A-65. Definitions.  
The following definitions apply in this Article:  

(1) Urban search and rescue team. – A specialized team or group of teams, organized with capabilities equivalent to urban search and rescue teams established under the Federal Emergency Management Agency in order to assist in the removal of trapped victims during emergencies, including, but not limited to, collapsed structures, trench excavations, elevated locations, and in other technical rescue situations.  

(2) Specialty rescue team. – A specialized response team, organized to provide technical rescue assistance to first responders. The term includes, but is not limited to, a canine search and rescue or disaster response team, a cave search and rescue team, a collapse search and rescue team, a mine and tunnel search and rescue team, and a swift water or flood search and rescue team. A specialty rescue team shall be aligned with one or more of the search and rescue categories within the Federal Emergency Management Agency's national resource typing system.  

(3) Incident support team. – A team of trained emergency response personnel, organized to provide coordination between governmental agencies and nongovernmental organizations as well as technical and logistical support to urban search and rescue teams and specialty rescue teams.  

(4) Contract response team. – An urban search and rescue team, specialty rescue team, or incident support team.  

(5) Secretary. – The Secretary of the Department of Public Safety.  

(a) The Secretary shall adopt rules establishing a program for urban search and rescue that relies on contracts with contract response teams. The program shall be administered by the Division of Emergency Management. To the extent possible, the program shall be coordinated with other emergency planning activities of the State. The program shall include contract response teams located strategically across the State that are available to provide 24-hour dispatch from the Division of Emergency Management Operations Center. The rules for the program shall include:  

(1) Standards, including training, equipment, and personnel standards required to operate a contract response team.  

(2) Guidelines for the dispatch of a contract response team to an urban search and rescue team or specialty rescue team mission.  

(3) Guidelines for the on-site operations of a contract response team.  

(4) Standards for administration of a contract response team, including procedures for reimbursement of response costs.  

(5) Refresher and specialist training for members of contract response teams.  

(6) Procedures for recovering the costs of an urban search and rescue team or specialty rescue team mission.  

(7) Procedures for bidding and contracting for urban search and rescue team and specialty rescue team missions.
(8) Criteria for evaluating bids for urban search and rescue team and specialty rescue team missions.

(9) Delineation of the roles of the contract response team, local public safety personnel, the Division of Emergency Management's area coordinator, and other State agency personnel participating in an urban search and rescue team or specialty rescue team mission.

(10) Procedures for the Division of Emergency Management to audit the contract response teams to ensure compliance with State and federal guidelines.

(b) Within available appropriations, the Division of Emergency Management shall spend the necessary funds for training, equipment, and other items necessary to support the operations of contract response teams. The Division of Emergency Management may also administer any grants of other funds made available for contract response teams, in accordance with applicable rules and regulations approved by the Director of the State Budget.

(c) In developing the Urban Search and Rescue Program and adopting the rules required by this section, the Secretary shall consult with the Urban Search and Rescue Team Advisory Committee established pursuant to G.S. 166A-69.

"§ 166A-67. Contracts; equipment loans.

(a) The Secretary may contract with any unit or units of local government for the provision of a contract response team to implement the Urban Search and Rescue Program. Contracts are to be let consistent with the bidding and contract standards and procedures adopted pursuant to G.S. 166A-66(a)(7) and G.S. 166A-66(a)(8). In entering into contracts with units of local government, the Secretary may agree to provide any of the following:

1. A loan of equipment.
2. Reimbursement of personnel costs, including the cost of callback personnel, when a contract response team is authorized by the Department to respond to urban search and rescue team and specialty rescue team missions.
3. Reimbursement for use of equipment and vehicles owned by the contract response team.
4. Replacement of disposable materials and damaged equipment.
5. Training expenses.
6. Anything else agreed to by the Secretary and the contract response team.

(b) The Secretary shall not agree to provide reimbursement for standby time.

(c) Any contract entered into between the Secretary and a unit of local government for the provision of a contract response team shall specify that the members of the contract response team, when performing under the contract, shall not be employees of the State and shall not be entitled to benefits under the Teachers' and State Employees' Retirement System or for the payment by the State of federal Social Security, employment insurance, or workers' compensation.

(d) Contract response teams that have the use of a State vehicle may use the vehicle for local purposes. Where a State vehicle is used for purposes other than authorized contract response to an urban search and rescue team and specialty rescue team mission, the contract response team shall be liable for repairs or replacements directly attributable to that use.

"§ 166A-68. Immunity of contract response team personnel.

Members of a contract response team shall be protected from liability under the provisions of G.S. 166A-19.60(a) while on an urban search and rescue team or specialty rescue team mission pursuant to authorization from the Division of Emergency Management.


(a) The Urban Search and Rescue Team Advisory Committee is created. The Secretary shall appoint the members of the Committee and shall designate the Director or Deputy Director of the North Carolina Division of Emergency Management as the chair. In making appointments, the Secretary shall take into consideration the expertise of the appointees in the management of urban search and rescue or specialty response team missions. The Secretary shall appoint one representative from each of the following:
(1) The Division of North Carolina Emergency Management, who shall be the Director or Deputy Director of the North Carolina Division of Emergency Management and who shall serve as the chair.

(2) Each state USAR regional contract response team’s Chief or Deputy Chief.

(3) The North Carolina Office of State Fire Marshal.

(4) The North Carolina Highway Patrol.

(5) The North Carolina National Guard.

(6) The North Carolina Association of Rescue and E.M.S., Inc.

(7) The North Carolina Association of Fire Chiefs.


(b) The Advisory Committee shall meet on the call of the chair, or at the request of the Secretary, provided that the Committee shall meet no less than once every year. The Department of Public Safety shall provide space for the Advisory Committee to meet. The Department shall also provide the Advisory Committee with necessary support staff and supplies to enable the Committee to carry out its duties in an effective manner.

c) Members of the Advisory Committee shall serve without pay, but shall receive travel allowance, lodging, subsistence, and per diem as provided by G.S. 138-5.

d) The Contract Response Team Advisory Committee shall advise the Secretary on the establishment of the Urban Search and Rescue Program. The Committee shall also evaluate and advise the Secretary of the need for additional contract response teams to serve the State.

SECTION 5. Prior to implementation of the Urban Search and Rescue Program established by Section 4 of this act, the Department of Public Safety shall study the costs of implementing the program, including the apportionment of costs between State and local government entities. The Department shall report the results of its study to the Joint Legislative Justice and Public Safety Oversight Committee and the Fiscal Research Division on or before January 15, 2015.

SECTION 6. Section 1 of this act becomes effective January 1, 2015. Section 4 of this act becomes effective July 1, 2014. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 12:10 p.m. on the 25th day of June, 2014.

Session Law 2014-28

S.B. 719

AN ACT TO PROVIDE THAT STUDENT ORGANIZATIONS AT CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES MAY DETERMINE THE ORGANIZATION’S CORE FUNCTIONS AND RESOLVE ANY DISPUTES OF THE ORGANIZATION AND TO PROHIBIT CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES FROM DENYING RECOGNITION TO ORGANIZATIONS FOR EXERCISING THESE RIGHTS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-40.12. Student organizations; rights and recognition.

(a) No constituent institution that grants recognition to any student organization shall deny recognition to a student organization or deny to a student organization access to programs, funding, facilities, or other privileges associated with official recognition otherwise available to another student organization, on the basis of the organization’s exercise of its rights pursuant to subsection (b) of this section."
(b) To the extent allowed by State and federal law, a religious or political student organization may, in conformity with the organization's established written doctrines expressing the organization's faith or mission, (i) determine that only persons professing the faith or mission of the group, and comporting themselves in conformity with, are qualified to serve as leaders of that organization, (ii) order its internal affairs according to the established written doctrines, and (iii) resolve the organization's disputes according to the established written doctrines."

SECTION 2. Article 2 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-20.2. Student organizations; rights and recognition.

(a) No community college that grants recognition to any student organization shall deny recognition to a student organization or deny to a student organization access to programs, funding, facilities, or other privileges associated with official recognition otherwise available to another student organization, on the basis of the organization's exercise of its rights pursuant to subsection (b) of this section.

(b) To the extent allowed by State and federal law, a religious or political student organization may, in conformity with the organization's established written doctrines expressing the organization's faith or mission, (i) determine that only persons professing the faith or mission of the group, and comporting themselves in conformity with, are qualified to serve as leaders of that organization, (ii) order its internal affairs according to the established written doctrines, and (iii) resolve the organization's disputes according to the established written doctrines."

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

In the General Assembly read three times and ratified this the 19th day of June, 2014.

Became law upon approval of the Governor at 12:12 p.m. on the 25th day of June, 2014.

Session Law 2014-29

AN ACT TO ALLOW BLADEN COUNTY, COLUMBUS COUNTY, FRANKLIN COUNTY, AND HOKE COUNTY TO NOT ACCEPT THE REGISTRATION OF A DEED TRANSFERRING REAL PROPERTY WHEN TAXES ARE DELINQUENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 161-31 reads as rewritten:


(a) Tax Certification. – The board of commissioners of a county may, by resolution, require the register of deeds not to accept any deed transferring real property for registration unless the county tax collector has certified that no delinquent ad valorem county taxes, ad valorem municipal taxes, or other taxes with which the collector is charged are a lien on the property described in the deed. The county commissioners may describe the form the certification must take in its resolution.

(a1) Exception to Tax Certification. – If a board of county commissioners adopts a resolution pursuant to subsection (a) of this section, notwithstanding the resolution, the register of deeds shall accept without certification a deed submitted for registration under the supervision of a closing attorney and containing this statement on the deed: "This instrument prepared by: ________, a licensed North Carolina attorney. Delinquent taxes, if any, to be paid by the closing attorney to the county tax collector upon disbursement of closing proceeds.

(b) Applicability. – This section applies only to Alamance, Alexander, Anson, Beaufort, Bertie, Bladen, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Catawba, Cherokee, Chowan, Clay, Cleveland, Columbus, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gaston, Gates, Graham, Granville, Greene, Halifax,

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 25th day of June, 2014.
Became law on the date it was ratified.

Session Law 2014-30

H.B. 569

AN ACT REMOVING CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE VILLAGE OF FOXFIRE AND TO REMOVE CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWN OF HARRISBURG.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 160A-58.1(b)(4) is repealed.

SECTION 1.(b) This section applies to the Village of Foxfire only.

SECTION 2.(a) G.S. 160A-58.1(b)(5) reads as rewritten:
"(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

SECTION 2.(b) This section applies to the Town of Harrisburg only.

SECTION 3. This act becomes effective June 30, 2014.
In the General Assembly read three times and ratified this the 25th day of June, 2014.
Became law on the date it was ratified.

Session Law 2014-31

S.B. 848

AN ACT CONCERNING PUBLIC-PRIVATE REIMBURSEMENT AGREEMENTS FOR INFRASTRUCTURE DEVELOPMENT BY THE TOWN OF MINT HILL, BY THE CITY OF CONCORD, AND BY THE CITY OF KANNAPOLIS.
The General Assembly of North Carolina enacts:

SECTION 1. A municipality may enter into reimbursement agreements with private developers and property owners for the design and construction of municipal infrastructure that is included on the municipality's Capital Improvement Plan or similar Municipal Infrastructure Development Plan and serves the developer or property owner. For the purpose of this act, municipal infrastructure includes, without limitation, water mains, sanitary sewer lines, lift stations, stormwater lines, streets, curbs and gutters, sidewalks, traffic control devices, and other associated facilities.

SECTION 2. A municipality shall enact ordinances setting forth procedures and terms under which such agreements may be approved.

SECTION 3. A municipality may provide for such reimbursements to be paid from any lawful source.

SECTION 4. No reimbursement pursuant to an agreement authorized by this act shall be deemed to be construction subject to Article 8 of Chapter 143 of the General Statutes or to be deemed to be a violation or evasion of any provision of said Article. Notwithstanding the foregoing provisions of this section, a construction contract subject to a reimbursement agreement authorized by this act shall not be awarded by a developer or property owner who is a party to such reimbursement agreement without complying with the requirements of G.S. 143-129 and G.S. 143-128.2 relating to public advertising and bid opening requirements which would be applicable if the construction contract had been awarded by the municipality.

SECTION 5. This act applies only to the Town of Mint Hill and the Cities of Concord and Kannapolis.

SECTION 6. This act is effective when it becomes law and expires on June 30, 2021.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-32

AN ACT TO PERMIT EMPLOYEES OF THE TOWN OF YANCEYVILLE TO OPERATE MOTORIZED ALL-TERRAIN VEHICLES ON CERTAIN HIGHWAYS PURSUANT TO G.S. 20-171.24.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-171.24(f) reads as rewritten:

"(f) This section applies to the Towns of Ansonville, Atlantic Beach, Burgaw, Carolina Beach, Cramerton, Dallas, Davidson, Duck, Emerald Isle, Franklin, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Lowell, Manteo, Murphy, Nags Head, North Topsail Beach, Oakboro, Ocean Isle Beach, Pine Knoll Shores, Stanley, Surf City, Sylva, Topsail Beach, Williamson, and Wrightsville Beach, and Yanceyville, the Cities of Albemarle, Belmont, Cherryville, Gastonia, Hamlet, Kings Mountain, Mount Holly, and Rockingham and the Counties of Cleveland, Currituck, Gaston, Surry, and Wilkes only."

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

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-33

AN ACT PROVIDING THAT THE TOWN OF BOONE SHALL NOT EXERCISE THE POWERS OF EXTRATERRITORIAL JURISDICTION.
The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any other provision of law, the Town of Boone shall not exercise any powers of extraterritorial jurisdiction as provided in Article 19 of Chapter 160A of the General Statutes.

SECTION 2. This act becomes effective January 1, 2015.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-34 S.B. 870

AN ACT AUTHORIZING THE CITY OF DURHAM TO ALLOW PAYMENT FOR ON-STREET PARKING BY VARIOUS MEANS AND TO USE PROCEEDS FROM ON-STREET PARKING FOR PARKING PROGRAMS AND PROVIDING PARKING FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-301 reads as rewritten:

"§ 160A-301. Parking.
(a) On-Street Parking. – A city may by ordinance regulate, restrict, and prohibit the parking of vehicles on the public streets, alleys, and bridges within the city. When parking is permitted for a specified period of time at a particular location, a city may install a parking meter at that location and require any person parking a vehicle therein to place the meter in operation, pay a fee for the entire time that the vehicle remains in that location, up to the maximum time allowed for parking there. Parking meters may be activated by coins or tokens. The city may require that payment for vehicle parking be made by a means of payment specified by the city, including coins, currency, tokens, credit cards, or electronic means. Proceeds from the use of parking meters or devices for parking on public streets must be used to defray the cost of enforcing and administering traffic and parking ordinances and regulations, operating the city's parking program or providing parking facilities.

...."

SECTION 2. This act applies to the City of Durham only.

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

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-35 H.B. 1045

AN ACT PROVIDING THAT REGULAR MUNICIPAL ELECTIONS IN THE TOWN OF ELKIN BE CONDUCTED IN EVEN-NUMBERED YEARS AND LENGTHENING THE TERMS OF CURRENT TOWN COMMISSIONERS TO THE NEW ELECTION SCHEDULE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3.1 of the Charter of the Town of Elkin, being Chapter 740 of the 1987 Session Laws, reads as rewritten:

"Section 3.1. Regular Municipal Elections. Regular municipal elections are shall be held in each odd-numbered-every-numbered year in accordance with the uniform municipal elections laws of North Carolina. Elections are conducted on a nonpartisan basis and the results determined using the plurality method as provided in G.S. 163-292."

SECTION 2. No regular election shall be conducted in the Town of Elkin in 2015, and the terms of the mayor and the two commission members elected in 2011 are extended
until the organizational meeting after the 2016 regular municipal election held in accordance with Section 1 of this act, and the terms of the three commission members elected in 2013 are extended until the organizational meeting after the 2018 regular municipal election held in accordance with Section 1 of this act.

SECTION 3. This act becomes effective January 1, 2015.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-36

H.B. 1134

AN ACT TO REVISE THE REQUIREMENTS FOR A PETITION SUBMITTED TO CLEVELAND COUNTY BY PROPERTY OWNERS SEEKING COUNTY FINANCING OF ROAD IMPROVEMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-205(c) reads as rewritten:

"§ 153A-205. Improvements to subdivision and residential streets.

... (c) Before a county may finance all or a portion of the cost of improvements to a subdivision or residential street, it must receive a petition for the improvements signed by at least seventy-five percent (75%) of the owners of property to be assessed, who must represent at least seventy-five percent (75%) seventy percent (70%) of all the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved. The petition shall state that portion of the cost of the improvement to be assessed, which shall be the local share required by policies of the Secondary Roads Council. A county may treat as a unit and consider as one street two or more connecting State-maintained subdivision or residential streets in a petition filed under this subsection calling for the improvement of subdivision or residential streets subject to property owner sharing in the cost of improvement under policies of the Department of Transportation.

Property owned by the United States shall not be included in determining the lineal feet of frontage on the improvement, nor shall the United States be included in determining the number of owners of property abutting the improvement. Property owned by the State of North Carolina shall be included in determining frontage and the number of owners only if the State has consented to assessment as provided in G.S. 153A-189. Property owned, leased, or controlled by railroad companies shall be included in determining frontage and the number of owners to the extent the property is subject to assessment under G.S. 160A-222. Property owned, leased, or controlled by railroad companies that is not subject to assessment shall not be included in determining frontage or the number of owners.

No right of action or defense asserting the invalidity of street assessments on grounds that the county did not comply with this subsection in securing a valid petition may be asserted except in an action or proceeding begun within 90 days after the day of publication of the notice of adoption of the preliminary assessment resolution.

..."

SECTION 2. This act applies to Cleveland County only.

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

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.
AN ACT AUTHORIZING THE CITY OF GREENVILLE TO CONVEY BY PRIVATE NEGOTIATION AND SALE CERTAIN REAL PROPERTY OWNED BY THE CITY THAT DOES NOT MEET THE MINIMUM LOT SIZE REQUIREMENTS PRESCRIBED BY THE CITY'S ZONING ORDINANCE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding the provisions of Article 12 of Chapter 160A of the General Statutes, the City of Greenville may convey by private negotiation and sale, with monetary consideration, under the terms and conditions it deems proper, any or all of its right, title, and interest in real property owned by the City and located within an area with a single-family residential zoning district classification if the real property consists of a vacant parcel or parcels which, in the aggregate, do not meet the minimum lot size requirement for a lot as required by the City's zoning ordinance. The sale may only be to a person who owns property adjacent to the real property being sold by the City. The City may attach to the conveyance of title such covenants or conditions necessary to assure that the property is used and maintained in a manner deemed appropriate by the City.

SECTION 1.(b) Any sale pursuant to the authority granted in this act must be approved by the City Council, by resolution, upon 10 days' public notice. Notice shall be given by describing the property to be sold, stating the proposed monetary consideration, and stating the City Council's intent to approve the sale and subsequent conveyance.

SECTION 1.(c) For purposes of this act, a single-family residential zoning district means a zoning district established by the City's zoning ordinance which allows a single-family dwelling as a permitted use.

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

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

AN ACT TO AMEND THE CHARTER OF THE CITY OF HIGH POINT TO ALLOW THE CITY COUNCIL TO HIRE THE CITY ATTORNEY AND TO MAKE CERTAIN TECHNICAL CORRECTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 2 of Article IV of the Charter of the City of High Point, being Chapter 501 of the 1979 Session Laws, as amended, reads as rewritten:

"CHAPTER 2.
"CITY CLERK.
"Sec. 4.1. Sec. 4.6. Appointment; term; compensation.
"Sec. 4.2. Sec. 4.7. Duties.
"Sec. 4.1. Sec. 4.6. Appointment; term; compensation. The council shall appoint a city clerk, who shall serve at the pleasure of the council. The compensation of the city clerk shall be as fixed by the council.
"Sec. 4.2. Sec. 4.7. Duties. The city clerk shall keep a journal of the proceedings of the council, maintain in a safe place all records and documents pertaining to the affairs of the city and perform such other duties as may be required by law or as the council or city manager may direct."

SECTION 2. Article IV of the Charter of the City of High Point, being Chapter 501 of the 1979 Session Laws, as amended, is amended by adding a new Chapter to read as follows:
"CHAPTER 3
"CITY ATTORNEY.
"Sec. 4.10. Appointment; term; compensation.
"Sec. 4.11. Duties.
"Sec. 4.10. Appointment; term; compensation. The council shall appoint a city attorney who shall serve at the pleasure of the council. The compensation of the city attorney shall be as fixed by the council.
"Sec. 4.11. Duties. The city attorney shall act as the council's legal advisor and shall provide such other legal services to the City as prescribed by the council."

SECTION 3. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-39 S.B. 790

AN ACT TO PHASE IN THE SALES TAX RATE ON ELECTRICITY SOLD BY CAPE HATTERAS ELECTRICAL MEMBERSHIP CORPORATION AND THE SALES TAX RATE ON PIPED NATURAL GAS SOLD BY GAS CITIES, TO MODIFY THE PROPERTY TAX DEFERRAL PROGRAM FOR SITE INFRASTRUCTURE LAND, AND TO DELAY THE CHANGE IN THE HIGHWAY USE TAX BASE TO INCLUDE DEALER ADMINISTRATIVE FEES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-164.4(a) is amended by adding two new subdivisions to read:

"(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is four and three-quarters percent (4.75%).

(14) Notwithstanding subdivision (9) of this subsection, the rate of three and one-half percent (3.5%) applies to the gross receipts derived from sales of piped natural gas (i) received by a gas city for consumption by that city and (ii) delivered by a gas city to a sales customer or transportation customer of the gas city. For purposes of this subdivision, the following definitions apply:

a. Gas city. – A city in this State that operated a piped natural gas distribution system as of July 1, 1998. These cities are Bessemer City, Greenville, Kings Mountain, Lexington, Monroe, Rocky Mount, Shelby, and Wilson.

b. Sales customer. – An end user who does not have direct access to an interstate gas pipeline and whose piped natural gas is delivered by the seller of the gas.

c. Transportation customer. – An end user who does not have direct access to an interstate gas pipeline and whose piped natural gas is delivered by a person who is not the seller of the gas.

(14a) Notwithstanding subdivision (9) of this subsection, the rate of three and one-half percent (3.5%) applies to the gross receipts derived from sales of electricity by Cape Hatteras Electric Membership Corporation."

SECTION 1.(b) G.S. 105-164.44L(b) reads as rewritten:

"(b) Excise Tax Share. – The quarterly excise tax share of a city that is not a gas city is the amount of piped natural gas excise tax distributed to the city under repealed G.S. 105-187.44 for the same related quarter that was the last quarter in which taxes were
imposed on piped natural gas under repealed Article 5E of this Chapter. The Secretary must determine the excise tax share of a gas city and divide that amount by four to calculate the quarterly distribution amount for a gas city. The excise tax share of a gas city is the amount the gas city would have received under repealed G.S. 105-187.44 for the last year in which taxes were imposed under repealed Article 5E of this Chapter if piped natural gas consumed by the city or delivered by the city to a customer had not been exempt from tax under repealed G.S. 105-187.41(c)(1) and (c)(2). A gas city must report the information required by the Secretary to make the distribution under this section in the form, manner, and time required by the Secretary. For purposes of this subsection, the term “gas city” has the same meaning as defined in repealed G.S. 105-187.40. The determination made by the Department with respect to a city's excise tax share is final and is not subject to administrative or judicial review.

The excise tax share of a city that has dissolved, merged with another city, or divided into two or more cities since it received a distribution under repealed G.S. 105-187.44 is adjusted as follows:

1. If a city dissolves and is no longer incorporated, the excise tax share of the city is added to the amount distributed under subsection (c) of this section.
2. If two or more cities merge or otherwise consolidate, their excise tax shares are combined.
3. If a city divides into two or more cities, the excise tax share of the city that divides is allocated among the new cities in proportion to the total amount of ad valorem taxes levied by each on property having a tax situs in the city.

SECTION 1.(c) G.S. 105-164.44L(a) reads as rewritten:
"(a) Distribution. – The Secretary must distribute to cities twenty percent (20%) of the net proceeds of the tax collected under G.S. 105-164.4 on piped natural gas, less the cost to the Department of administering the distribution. Each city's share of the amount to be distributed is its excise tax share calculated under subsection (b) of this section plus its ad valorem share calculated under subsection (c) of this section. A gas city will also receive an amount calculated under subsection (b1) of this section as part of its excise tax share. If the net proceeds of the tax allocated under this section are not sufficient to distribute the excise tax share of each city under subsection (b) of this section, the gas city share under subsection (b1) of this section, the proceeds shall be distributed to each city on a pro rata basis. The Secretary must make the distribution within 75 days after the end of each quarter."

SECTION 1.(d) G.S. 105-164.44L is amended by adding a new subsection to read:
"(b1) Gas Cities. – In addition to the excise tax share calculated under subsection (b) of this section, a gas city shall receive as part of its excise tax share a distribution calculated under this subsection. The Secretary must determine the amount the gas city would have received under repealed G.S. 105-187.44 for the last year in which taxes were imposed under repealed Article 5E of this Chapter if piped natural gas consumed by the city or delivered by the city to a customer had not been exempt from tax under repealed G.S. 105-187.41(c)(1) and G.S. 105-187.41(c)(2), excluding any amount received under subsection (b) of this section, and divide that amount by four to calculate the quarterly distribution amount for a gas city under this subsection. A gas city must report the information required by the Secretary to make the distribution under this section in the form, manner, and time required by the Secretary. The determination made by the Department with respect to a gas city's share under this subsection is final and is not subject to administrative or judicial review. For purposes of this section, the term "gas city" is a city in this State that operated a piped natural gas distribution system as of July 1, 1998. These cities are Bessemer City, Greenville, Kings Mountain, Lexington, Monroe, Rocky Mount, Shelby, and Wilson."

SECTION 1.(e) Subsection (a) of this section becomes effective July 1, 2014, and expires July 1, 2015, and applies to the gross receipts of piped natural gas or electricity billed on or after July 1, 2014, and before July 1, 2015. Subsection (b) of this section is effective for quarters beginning on or after July 1, 2014. Subsection (c) and subsection (d) of this section are
effective for quarters beginning on or after July 1, 2015. The remainder of this section is effective when it becomes law.

SECTION 2. (a) G.S. 105-277.15A reads as rewritten:

"§ 105-277.15A. Taxation of site infrastructure land.

(b) Requirements. – Land qualifies as site infrastructure land if it meets the following size and use requirements:

(1) Size. – The land must consist of at least 100 contiguous acres.

(2) Use. – The land must meet all of the following requirements:
   a. It must be zoned for industrial use, office use, or both.
   b. A building permit for a primary building or structure must not have been issued for the land, and there is no primary building or structure on the land.
   c. It must be classified under G.S. 105-277.3 or have been classified under G.S. 105-277.3 within the previous six months.

(c) Deferred Taxes. – An owner may defer a portion of tax imposed on site infrastructure land that represents the sum of the following: (i) the increase in value of the property attributable solely to improvements made to the site infrastructure land, if any, and (ii) the difference between the true value of the site infrastructure land as it is currently zoned and the value of the site infrastructure land as if it were classified under G.S. 105-277.3 as agricultural land. The as if it were zoned the same as it was in the calendar year prior to the time the application for property tax relief under this section was filed.

The difference between the taxes due under this section and the taxes that would have been payable in the absence of this section is a lien on the site infrastructure land as provided in G.S. 105-355(a). The difference in taxes must be carried forward in the records of each taxing unit as deferred taxes. The deferred taxes are due and payable in accordance with G.S. 105-277.1F when the site infrastructure land loses its eligibility for deferral because of the occurrence of a disqualifying event as follows:

....."

SECTION 2. (b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2015.

SECTION 3. Section 34.29 of S.L. 2013-360, as amended by Section 8.1 of S.L. 2013-363, is repealed.

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law upon approval of the Governor at 4:20 p.m. on the 30th day of June, 2014.
council, either individually or jointly, may enforce that final judgment using any of the remedies set forth in G.S. 105-366(b) or the procedure for attachment and garnishment set forth in G.S. 105-368 as if final judgment awarding monetary damages were delinquent taxes and that finance officer were the tax collector. The provision of G.S. 105-368(a) that limits the amount of compensation that may be garnished to not more than ten percent (10%) for any one pay period shall not apply to this section."

SECTION 2. Part 1 of Article 4 of Chapter 153A of the General Statutes is amended by adding a new section to read as follows:

"§ 153A-30. Withholding compensation; money judgment against board member.
In addition to any other enforcement available, the finance officer of a county that obtains a final judgment awarding monetary damages against an elected or appointed member of the board of commissioners, either individually or jointly, may enforce that final judgment using any of the remedies set forth in G.S. 105-366(b) or the procedure for attachment and garnishment set forth in G.S. 105-368 as if final judgment awarding monetary damages were delinquent taxes and that finance officer were the tax collector. The provision of G.S. 105-368(a) that limits the amount of compensation that may be garnished to not more than ten percent (10%) for any one pay period shall not apply to this section."

SECTION 3. This act becomes effective October 1, 2014, and applies to final judgments awarding monetary damages that are unsatisfied or entered on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law upon approval of the Governor at 4:25 p.m. on the 30th day of June, 2014.

Session Law 2014-41

AN ACT TO IMPROVE SOURCE WATER PROTECTION PLANNING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-320 reads as rewritten:

"§ 130A-320. Sanitation of watersheds; rules; inspections; local source protection planning.
(a) The Commission shall adopt rules governing the sanitation of watersheds from which public drinking water supplies are obtained. In adopting these rules the Commission is authorized to consider the different classes of watersheds, taking into account general topography, nature of watershed development, density of population and need for frequency of sampling of raw water. The rules shall govern the keeping of livestock, operation of recreational areas, maintenance of residences and places of business, disposal of sewage, establishment of cemeteries or burying grounds, and any other factors which would endanger the public water supply.
(b) Any person supplier of water operating a public water system and furnishing water from unfiltered surface supplies shall inspect the watershed area at least quarterly, and more often when the Department determines that more frequent inspections are necessary.
(c) Every supplier of water operating a public water system and furnishing water from unfiltered surface supplies shall create and implement a source water protection plan (SWPP). The Commission shall adopt rules that provide all of the following:
(1) A standardized format for use by suppliers of water in creating their SWPP. The Commission may create different formats and required plan elements for public water systems based on the system type, source type, watershed classification, population served, source susceptibility to contamination, proximity of potential contamination sources to the intake, lack of water supply alternatives, or other characteristics the Commission finds to be relevant.
(2) Schedules for creating a SWPP, implementing mandatory provisions of the SWPP, and for review and update of the SWPP by suppliers of water.

(3) Reporting requirements sufficient for the Department to monitor the creation, implementation, and revision by suppliers of water. The Commission may provide different reporting requirements based on the public water system characteristics set forth in subdivision (1) of this subsection."

SECTION 2. The Commission shall provide an interim report to the Environmental Review Commission no later than April 1, 2015, regarding its progress in implementing the requirements of this act and a final report within six months of adopting final rules implementing the requirements of this act.

SECTION 3. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 26th day of June, 2014.
Became law upon approval of the Governor at 4:25 p.m. on the 30th day of June, 2014.

Session Law 2014-42

H.B. 1043

AN ACT TO CLARIFY THE STATUTES RELATED TO THE USE OF PREQUALIFICATION IN PUBLIC CONSTRUCTION CONTRACTING, AS STUDIED BY THE JOINT PURCHASE AND CONTRACT STUDY COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-135.8 reads as rewritten:

"§ 143-135.8. Prequalification.
(a) Except as provided in this section, bidders may not be prequalified for any public construction or repair work project.
(b) A governmental entity may prequalify bidders for a particular construction or repair work project when all of the following apply:
(1) The governmental entity is using one of the construction methods authorized in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3).
(2) The board or governing body of the governmental entity adopts an objective prequalification policy applicable to all construction or repair work prior to the advertisement of the contract for which the governmental entity intends to prequalify bidders.
(3) The governmental entity has adopted the assessment tool and criteria for that specific project, which must include the prequalification scoring values and minimum required score for prequalification on that project.
(c) The objective prequalification policy adopted by a governmental entity pursuant to subdivision (2) of subsection (b) of this section shall meet all of the following criteria:
(1) Must be uniform, consistent, and transparent in its application to all bidders.
(2) Must allow all bidders who meet the prequalification criteria to be prequalified to bid on the construction or repair work project.
(3) Clearly state the prequalification criteria, which must comply with all of the following:
   a. Be rationally related to construction or repair work.
   b. Not require that the bidder has previously been awarded a construction or repair project by the governmental entity.
   c. Permit bidders to submit history or experience with projects of similar size, scope, or complexity."
(4) Clearly state the assessment process of the criteria to be used.

(5) Establish a process for a denied bidder to protest to the governmental entity denial of prequalification, which process shall be completed prior to the opening of bids under G.S. 143-129(b) and which allows sufficient time for a bidder subsequently prequalified pursuant to a protest to submit a bid on the contract for which the bidder is subsequently prequalified.

(6) Outline a process by which the basis for denial of prequalification will be communicated in writing, upon request, to a bidder who is denied prequalification.

(d) If the governmental entity opts to prequalify bidders, bids submitted by any bidder not prequalified shall be deemed nonresponsive. This subsection shall not apply to bidders initially denied prequalification that are subsequently prequalified pursuant to a protest under the governmental entity's prequalification policy.

(e) Prequalification may not be used for the selection of any qualification-based services under Article 3D of this Chapter, G.S. 143-128.1A, G.S. 143-128.1B, G.S. 143-128.1C, or the selection of the construction manager at risk under G.S. 143-128.1.

(f) For purposes of this section, the following definitions shall apply:

(1) Governmental entity. – As defined in G.S. 143-128.1B(a)(6).

(2) Prequalification. – A process of evaluating and determining whether potential bidders have the skill, judgment, integrity, sufficient financial resources, and ability necessary to the faithful performance of a contract for construction or repair work.

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

"§ 143-128.1. Construction management at risk contracts.

(a) For purposes of this section and G.S. 143-64.31:

(1) "Construction management services" means services provided by a construction manager, which may include preparation and coordination of bid packages, scheduling, cost control, value engineering, evaluation, preconstruction services, and construction administration.

(2) "Construction management at risk services" means services provided by a person, corporation, or entity that (i) provides construction management services for a project throughout the preconstruction and construction phases, (ii) who is licensed as a general contractor, and (iii) who guarantees the cost of the project.

(3) "Construction manager at risk" means a person, corporation, or entity that provides construction management at risk services.

(4) "First-tier subcontractor" means a subcontractor who contracts directly with the construction manager at risk.

(b) The construction manager at risk shall be selected in accordance with Article 3D of this Chapter. Design services for a project shall be performed by a licensed architect or engineer. The public owner shall contract directly with the architect or engineer. The public owner shall make 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 when selecting a construction manager at risk.

(c) The construction manager at risk shall contract directly with the public entity for all construction; shall publicly advertise as prescribed in G.S. 143-129; and shall prequalify and accept bids from first-tier subcontractors for all construction work under this section. The construction manager at risk shall use the prequalification criteria process shall be determined by the public entity and the construction manager at risk to address quality, performance, the time specified in the bids for performance of the contract, the cost of construction oversight, time for completion, capacity to perform, and other factors deemed appropriate by the public entity in accordance with G.S. 143-135.8, provided that public entity and the construction manager at risk shall jointly develop the assessment tool and criteria for that specific project, which must include the prequalification scoring values and minimum required score for
prequalification on that project. The public entity shall require the construction manager at risk to submit its plan for compliance with G.S. 143-128.2 for approval by the public entity prior to soliciting bids for the project's first-tier subcontractors. A construction manager at risk and first-tier subcontractors shall make 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. A construction manager at risk may perform a portion of the work only if (i) bidding produces no responsible, responsive bidder for that portion of the work, the lowest responsible, responsive bidder will not execute a contract for the bid portion of the work, or the subcontractor defaults and a prequalified replacement cannot be obtained in a timely manner, and (ii) the public entity approves of the construction manager at risk's performance of the work. All bids shall be opened publicly, and once they are opened, shall be public records under Chapter 132 of the General Statutes. The construction manager at risk shall act as the fiduciary of the public entity in handling and opening bids. The construction manager at risk shall award the contract to the lowest responsible, responsive bidder, taking into consideration quality, performance, the time specified in the bids for performance of the contract, the cost of construction oversight, time for completion, compliance with G.S. 143-128.2, and other factors deemed appropriate by the public entity and advertised as part of the bid solicitation. The public entity may require the selection of a different first-tier subcontractor for any portion of the work, consistent with this section, provided that the construction manager at risk is compensated for any additional cost incurred.

When contracts are awarded pursuant to this section, the public entity shall provide for a dispute resolution procedure as provided in G.S. 143-128(f1).

(d) The construction manager at risk shall provide a performance and payment bond to the public entity in accordance with the provisions of Article 3 of Chapter 44A of the General Statutes.

(e) Construction management at risk services may be used by the public entity after the public entity has concluded that construction management at risk services is in the best interest of the project, and the public entity has compared the advantages and disadvantages of using the construction management at risk method for a given project in lieu of the delivery methods identified in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3). The public entity may not delegate this determination.

SECTION 3. G.S. 143-64.31(b), (c), and (d) are recodified as G.S. 143-133.1(a), (b), and (c).

SECTION 4. G.S. 143-64.31, as amended by Section 3 of this act, is amended to add a new subsection to read:

"(f) Except as provided in this subsection, no work product or design may be solicited, submitted, or considered as part of the selection process under this Article; and no costs or fees, other than unit price information, may be solicited, submitted, or considered as part of the selection process under this Article. Examples of prior completed work may be solicited, submitted, and considered when determining demonstrated competence and qualification of professional services; and discussion of concepts or approaches to the project, including impact on project schedules, is encouraged."

SECTION 5. G.S. 143-133.1, as created by Section 3 of this act, reads as rewritten:

"§ 143-133.1. Reporting.

(a) Public Governmental entities that contract with a construction manager at risk, design-builder, or private developer under a public-private partnership under this section shall report to the Secretary of Administration the following information on all projects where a construction manager at risk, design-builder, or private developer under a public-private partnership is utilized:

(1) A detailed explanation of the reason why the particular construction manager at risk, design-builder, or private developer was selected.

(2) The terms of the contract with the construction manager at risk, design-builder, or private developer.
(3) A list of all other firms considered but not selected as the construction manager at risk, design-builder, or private developer, and the amount of their proposed fees for services.

(4) A report on the form of bidding utilized by the construction manager at risk, design-builder, or private developer on the project.

(5) A detailed explanation of why the particular delivery method was used in lieu of the delivery methods identified in G.S. 143-128(a1) subdivisions (1) through (3) and the anticipated benefits to the public entity from using the particular delivery method.

(b) The Secretary of Administration shall adopt rules to implement the provisions of this subsection, including the format and frequency of reporting.

(c) A public body government entity letting a contract pursuant to any of the delivery methods identified in subdivisions (a1)(4), (a1)(6), (a1)(7), or (a1)(8) of G.S. 143-128 shall submit the report required by G.S. 143-64.31(b) no later than 12 months from the date the public body government entity takes beneficial occupancy of the project. In the event that the public body government entity fails to do so, the public body government entity shall be prohibited from utilizing subdivisions (a1)(4), (a1)(6), (a1)(7), or (a1)(8) of G.S. 143-128 until such time as the public body government entity completes the reporting requirement under this section. Contracts entered into in violation of this prohibition shall not be deemed ultra vires and shall remain valid and fully enforceable. Any person, corporation or entity, however, which has submitted a bid or response to a request for proposals on any construction project previously advertised by the public body government entity shall be entitled to obtain an injunction against the public body government entity compelling the public body government entity to comply with the reporting requirements of this section and from commencing or continuing a project let in violation of this subdivision until such time as the public body government entity has complied with the reporting requirements of this section. The plaintiff in such cases shall not be entitled to recover monetary damages caused by the public body government entity's failure to comply with this reporting requirements section, and neither the plaintiff nor the defendant shall be allowed to recover attorneys fees except as otherwise allowed by G.S. 1A-11 or G.S. 6-21.5. An action seeking the injunctive relief allowed by this subdivision must be filed within four years from the date that the owner governmental entity took beneficial occupancy of the project for which the report remains due.

(d) For purposes of this section, the term "governmental entity" shall have the same meaning as in G.S. 143-128.1B(a)(6)."

SECTION 6. G.S. 143-128.1B(b)(6) reads as rewritten:

"(6) The criteria utilized by the governmental entity, including a comparison of the cost and benefits 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)."

SECTION 7. G.S. 143-128.1A(b)(6) reads as rewritten:

"(6) The criteria utilized by the governmental entity, including a comparison of the costs and benefits 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)."

SECTION 8.(a) There is established a Blue Ribbon Commission to Study the Building and Infrastructure Needs of the State (Commission).

SECTION 8.(b) The Commission shall be composed of 20 members as follows:

(1) Seven members appointed by the Speaker of the House of Representatives, as follows:
   a. Three members of the House of Representatives.
   b. One person upon recommendation of the North Carolina League of Municipalities.
   c. One member of the public, licensed as an architect in this State.
d. One member of the public, licensed as a professional engineer in this State.

e. One person upon recommendation of the North Carolina Chamber.

(2) Seven members appointed by the President Pro Tempore of the Senate, as follows:

a. Three members of the Senate.

b. One person upon recommendation of the North Carolina County Commissioners Association.

c. One person upon recommendation of the North Carolina School Boards Association.

d. One member of the public, licensed as a general contractor in this State.

e. One member of the public, licensed as an attorney in this State, with experience in infrastructure financing or infrastructure bonds.

(3) Six members appointed by the Governor, as follows:

a. The State Treasurer, or the Treasurer's designee.

b. The Secretary of Administration, or the Secretary's designee.

c. The President of The University of North Carolina, or the President's designee.

d. The President of the North Carolina System of Community Colleges, or the President's designee.

e. A member of the State Water Infrastructure Authority.

f. The Secretary of the Department of Commerce, or the Secretary's designee.

SECTION 8.(c) The Commission shall study the following matters related to building and infrastructure needs, including new repairs, renovations, expansion, and new construction, in North Carolina:

(1) The anticipated building construction needs of State agencies, The University of North Carolina, and North Carolina System of Community Colleges until 2025.

(2) The anticipated water and sewer infrastructure construction needs of counties and cities until 2025.

(3) The anticipated building needs of the local school boards until 2025.

(4) The anticipated costs of such building and infrastructure needs.

(5) A process that would prioritize needs within each infrastructure category and among all categories, with an emphasis on developing criteria that focus on public safety and economic development.

(6) The feasibility of establishing a building and infrastructure fund, which would be a dedicated source of revenue for capital funding for counties, cities, local school boards, The University of North Carolina, the North Carolina System of Community Colleges, and State agencies.

(7) Funding options for meeting the anticipated capital needs until 2025.

(8) Other matters the Commission deems relevant and related.

SECTION 8.(d) The Speaker of the House of Representatives shall designate one Representative as cochair, and the President Pro Tempore of the Senate shall designate one Senator as cochair. The Commission shall meet upon the call of the cochairs. A quorum of the Commission shall be 10 members. Any vacancy on the Commission shall be filled by the appointing authority.

SECTION 8.(e) Members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1, G.S. 138-5, or G.S. 138-6, as appropriate. The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.4. The Commission may meet upon the call of the cochairs. The Commission may meet in the Legislative Building or the
Legislative Office Building. With approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Commission in its work. The House of Representatives' and the Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission.

**SECTION 8.(f)** The Commission may make an interim report of its findings and recommendations to the 2015 General Assembly and shall make a final report of its findings and recommendations to the 2016 Regular Session of the 2015 General Assembly. The Commission shall terminate on December 31, 2016, or upon the filing of its final report, whichever occurs first.

**SECTION 10.** Section 8 of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2014, and applies to contracts awarded on or after that date.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law upon approval of the Governor at 4:26 p.m. on the 30th day of June, 2014.

Session Law 2014-43

AN ACT TO PROHIBIT INSURERS AND HEALTH BENEFIT PLANS FROM LIMITING OR FIXING THE FEE AN OPTOMETRIST MAY CHARGE PATIENTS FOR SERVICES OR MATERIALS UNLESS THE SERVICES OR MATERIALS ARE COVERED BY REIMBURSEMENT UNDER THE PLAN OR INSURER CONTRACT WITH THE OPTOMETRIST.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 7 of Article 50 of Chapter 58 of the General Statutes is amended by adding a new section to read as follows:

"§ 58-50-300. Health benefit plans or insurers contracting for provision of vision services or materials; no limitation on fees for noncovered services or materials.

(a) No agreement between an insurer or an entity that writes vision insurance and an optometrist for the provision of vision services on a preferred or in-network basis to plan members or insurance subscribers in connection with coverage under a stand-alone vision plan, a medical plan, or health insurance policy may require that an optometrist provide services or materials at a fee limited or set by the plan or insurer unless the services or materials are reimbursed as covered services under the contract.

(b) For purposes of this section, "covered services" means a service for which reimbursement is available under an insurer's policy without regard to contractual limitations by a deductible, co-payment, coinsurance, waiting period, annual or lifetime maximum, frequency limitation, alternative benefit payment, or other limitation. For purposes of this section, "materials" includes lenses, devices containing lenses, prisms, lens treatments and coatings, contact lenses, orthoptics, vision training, and prosthetic devices to correct, relieve, or treat defects or abnormal conditions of the human eye or its adnexa."

**SECTION 2.** This act becomes effective October 1, 2014, and applies to contracts entered into, amended, or renewed on or after that date.

In the General Assembly read three times and ratified this the 23rd day of June, 2014.

Became law upon approval of the Governor at 4:27 p.m. on the 30th day of June, 2014.
AN ACT TO MAKE TECHNICAL CORRECTIONS TO SESSION LAW 2014-17.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 1 of S.L. 2014-17 reads as rewritten:

"SECTION 1. The General Assembly finds that prior to the United States Supreme Court ruling in CTS Corp. v. Waldburger, that there was ambiguity and uncertainty regarding the effect of federal law on the North Carolina statute of repose in certain environmental cases. The General Assembly finds that it was the intent of the legislature to maximize under federal law the amount of time a claimant had to bring a claim predicated on exposure to a contaminant regulated by federal or State law. The General Assembly finds that the Supreme Court's decision is inconsistent with the legislature's understanding of federal law at the time that certain actions were filed. The General Assembly finds that it never intended the statute of repose in G.S. 1-52(16) to apply to claims for latent disease caused or contributed to by groundwater contamination, or to claims for any latent harm caused or contributed to by groundwater contamination."

SECTION 1.(b) G.S. 130A-26.3, as enacted by Section 3 of S.L. 2014-17, reads as rewritten:

"§ 130A-26.3 Limitations period for certain groundwater contamination actions. The 10-year period set forth in G.S. 1-52(16) shall not be construed to bar an action for personal injury, or property damages caused or contributed to by the consumption, exposure, or use of water supplied from groundwater contaminated by a hazardous substance, pollutant, or contaminant, including personal injury or property damages resulting from the consumption, exposure, or use of water supplied from groundwater contaminated by a hazardous substance, pollutant, or contaminant. For purposes of this subsection, "contaminated by a hazardous substance, pollutant, or contaminant" means the concentration of the hazardous substance, pollutant, or contaminant exceeds a groundwater quality standard set forth in 15A NCAC 2L .0202."

SECTION 1.(c) Section 4 of S.L. 2014-17 reads as rewritten:

"SECTION 4. This act is effective when it becomes law and applies to actions arising, filed, arising, or pending on or after that date. For purposes of this section, an action is pending for a plaintiff if there has been no final disposition with prejudice and mandate issued against that plaintiff issued by the highest court of competent jurisdiction where the claim was timely filed or appealed as to all the plaintiff's claims for relief to which this act otherwise applies. This act expires on June 19, 2023, and is not effective for claims for relief brought on or after that date, but does not affect actions pending on that date. Nothing in this act is intended to change existing law relating to product liability actions based upon disease."

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

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law upon approval of the Governor at 4:29 p.m. on the 30th day of June, 2014.
The General Assembly of North Carolina enacts:

SECTION 1. Effective June 30, 2014, the following described properties are removed from the corporate limits of the Town of Wrightsville Beach and added to the corporate limits of the City of Wilmington:

That certain parcel or parcels of land situated in the Town of Wrightsville Beach, New Hanover County, North Carolina, and being shown on a map prepared by McKim & Creed titled "Plat Survey for State Street – Galleria, LLC., dated July 11, 2013," said tract being more particularly described as follows:

Beginning at NCGS Monument "Pilgrim" as shown on a map prepared by McKim & Creed titled "Plat Survey for State Street – Galleria, LLC., dated July 11, 2013," said point having NC grid, NAD 83 coordinates of Northing 173498.62 and Easting 2355050.30; thence South 48° 59' 46" East, a distance of 354.66 feet to a calculated point on the Southern right-of-way of Wrightsville Avenue, said point being the true Point of Beginning:

Thence from said Point of Beginning and leaving said right-of-way South 48° 14' 45" East, a distance of 43.36 feet to a calculated point; thence South 47° 49' 09" East, a distance of 260.33 feet to an iron pipe found; thence South 42° 32' 24" West, a distance of 409.27 feet to a calculated point; thence South 47° 47' 15" East, a distance of 483.11 feet to a calculated point; thence South 42° 13' 10" West, a distance of 22.20 feet to a calculated point; thence North 65° 15' 53" West, a distance of 110.90 feet to a stone; thence South 24° 11' 41" East, a distance of 104.17 feet to a calculated point; thence South 88° 16' 08" East, a distance of 215.00 feet to a calculated point; thence North 24° 11' 34" East, a distance of 633.78 feet to the Point of Beginning. Containing 550,711 sq. ft. or 12.64 acres, more or less.

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

In the General Assembly read three times and ratified this the 30th day of June, 2014.

Became law on the date it was ratified.

Session Law 2014-46

AN ACT TO DEANNEX TWO DESCRIBED TRACTS FROM THE CORPORATE LIMITS OF THE TOWN OF MURPHY.

The General Assembly of North Carolina enacts:

SECTION 1. The corporate limits of the Town of Murphy are reduced by removing the following described tracts:

FIRST TRACT:

In District #3 of Cherokee County and in Murphy Township, and bounded and more particularly described as follows:

It being a part of Tract #117, in said District.

BEGINNING on a Holly on the line of #116 and #117 standing on the North bank of a small branch that empties into Axley Mill Creek, runs up said branch with its meanders S 84 and 20 poles to a stake on said branch near two Maples; then N 39-1/2 E 27 1/2 poles to a Pine on the top of a ridge; thence N 58 1/2 W 26 poles to a small Sourwood just North of the top of the ridge; then N 78 W 14 1/2 poles to a small Black Oak on the South side of the old road on the top of the ridge and on the line of #116 and #117; then with said line S 3 1/2 W 35 poles to the BEGINNING, containing 6 1/2 acres, more or less.

SECOND TRACT:
Session Laws-2014  

This being a strip of land 16 feet wide and being the old Unica roadway and public road leading from where J.W. Dyer’s land lies in an Eastern direction with the meanders of the said old roadway to the point where the same intersects the Hayesville and Murphy public road in the West side of Hiwassee River at the old Blackwell Mill place, the said land being located and situated in Murphy Township and being a part of the G.W. Hampton farm.  

SECTION 2. This act has no effect upon the validity of any liens of the Town of Murphy for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the Town of Murphy.  

SECTION 3. This act becomes effective June 30, 2014.  

In the General Assembly read three times and ratified this the 30th day of June, 2014.  

Became law on the date it was ratified.

Session Law 2014-47  

AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE CITY OF RALEIGH AND TO ADD THE PROPERTY TO THE CORPORATE LIMITS OF THE CITY OF DURHAM AND TO MAKE CHANGES TO S.L. 2013-386.  

The General Assembly of North Carolina enacts:  

SECTION 1. (a) The following described property is removed from the corporate limits of the City of Raleigh:  

PIN 0768-39-2255 (0.35 acre)  
PIN 0768-39-4288 (0.07 acre)  
PIN 0768-39-6587 (0.65 acre).  

SECTION 1. (b) This section has no effect upon the validity of any liens of the City of Raleigh for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the City of Raleigh.  

SECTION 1. (c) The following described property is added to the corporate limits of the City of Durham:  

PIN 0768-39-2255 (0.35 acre)  
PIN 0768-39-4288 (0.07 acre)  
PIN 0768-39-6587 (0.65 acre).  

SECTION 1. (d) This section becomes effective June 30, 2014.  

SECTION 2. G.S. 160A-329(b) reads as rewritten:  

"(b) For purposes of this section, prior to the effective date of the annexation of the property, the term "municipal services" only means water and sewer services, but only if the municipality has water and sewer capacity. For purposes of this section, prior to or after the effective date of annexation into a municipality, for any property subject to a declaration of covenants, conditions, and restrictions of a subdivision that permits an association to enter into agreement with utility providers prior to July 1, 2014, "municipal services" includes water service but not sewer service despite any language to the contrary in an executed and recorded utility extension agreement. For purposes of this section, prior to the effective date of annexation, the term "municipal services" specifically does not include any of the following services of the municipality: police protection, fire protection, solid waste services, or street maintenance services.”  

SECTION 3. Section 2 of S.L. 2013-386 reads as rewritten:  

"SECTION 2. Effective June 3, 2023, the corporate limits of the City of Durham are extended by adding the following described property:  

COLVARD FARMS TRACT"
Beginning at an iron pin at the northeastern corner of the United States of America situated on the western right-of-way of N.C. Highway 751, said point being located N 34 deg.19 '27" W, 1034.39 ft. from North Carolina Geodic Survey monument "Lucas" having NAD 1983 coordinates of North 771,088.0540, and East 2,016,390.0780; thence from the point of Beginning leaving the western right-of-way of N.C. Highway 751 along the northern line of United States of America, S 38 deg.41 '06"W, 378.28 ft. to an iron pin; thence S 09 deg.12 '15"W, 316.59 ft. to an iron pin; thence S 45 deg.38 '27"W, 341.73 ft. to a point in the centerline of a stream; thence S 07 deg.47'55"W, 517.91 ft. to an iron pin in a Duke Energy Company easement; thence S 70 deg.27'24"W, 211.58 ft. to an iron pin at the northeastern corner of Jeffrey W. Massey; thence along the northern line of Jeffrey W. Massey and Lloyd Allen Massey, N 88 deg.45 '27"W, 1133.82 ft. to a 5/8" diameter iron pipe; thence S 16 deg.24 '44"W, 156.24 ft. to a point in the northern line of Cleo Cole, et al; thence S 86 deg.55 '26"W, 103.22 ft. to an iron pin; thence leaving the northern line of Cleo Cole, et al, along the eastern line of Colvard Farms Homeowners Association, N 01 deg.40'09"E, 191.46 ft. to an iron pin; thence N 00 deg.30'28"E, 214.46 ft. to an iron pin; thence N 00 deg.30'28"E, 214.46 ft. to an iron pin; thence S 07 deg.47'55"E, 517.91 ft. to an iron pin; thence S 88 deg.45 '27"W, 1133.82 ft. to a 5/8" diameter iron pipe at the southeastern corner of L&K Properties of NC, LLC; thence along the eastern line of L&K Properties, LLC and Walter J. Kozak, N 04 deg.59'54"W, 421.90 ft. to a 3/4" diameter pipe on the southern line of Millennium Commercial Properties, LLC; thence along the southern line of Millennium Commercial Properties, LLC, S 87 deg.53'21"E, 180.87 ft. to a point; thence N 01 deg.40'18"E, 97.74 ft. to an iron pin; thence N 88 deg.18'25"E, 191.41 ft. to a point; thence N 00 deg.23'08"E, 22.43 ft. to an iron pin; thence S 87 deg.53'27"W, 257.24 ft. to a 5/8" diameter iron pipe; thence N 17 deg.49 '10"W, 650.16 ft. to a 3/4" diameter iron pipe on the southern line of United States of America; thence N 67 deg.58'57"E, 130.79 ft. to a 5/8" diameter pipe; thence N 54 deg.56'04"W, 389.78 ft. to a 5/8" diameter iron pipe; thence N 75 deg.06'12"W, 165.89 ft. to a 3/4" diameter iron pipe on the southern line of Southern Durham Development, LLC; thence along the southern line of Southern Durham Development, LLC, S 89 deg.29'57"E, 839.78 ft. to a 3/4" diameter iron pipe; thence N 89 deg.56'10"E, 670.70 ft. to an iron pin; thence S 89 deg.09'26"E, 909.21 ft. to a 1" diameter iron pipe; thence S 89 deg.07'00"E, 269.18 ft. to a 3/4" diameter iron pipe on the western right-of-way of N.C. Highway 751; thence along the western right-of-way of N.C. Highway 751, S 35 deg.33'20"E, 200.13 ft. to an iron pin; said point being the point and place of Beginning; containing 87.125 acres and being a parcel situated near the southwestern corner of N.C. Highway 751 and the Chatham County line.

751 SOUTH ANNEXATION AREA TRACTS/PARCELS

A certain tract or parcel of land lying and being in the county of Durham, Triangle Township, North Carolina, being more fully described as follows:

Commencing at NC Grid Monument "Martine" having NAD 83 North Carolina State Plane values of y = 236649.284m and x = 613545.162m; thence from said monument S 30°57'01"e, for a distance of 768.77' to an existing iron pipe having North Carolina State Plane values of y = 236448.339m and x = 613665.665m and being the true point of beginning; thence in a northeasterly direction, N 57°07'16"e, for a distance of 34.66' to a point; thence in a northeasterly direction, N 57°07'16"e, for a distance of 32.72' to an existing iron pipe; thence in a southeasterly direction, S 86°16'29"e, for a distance of 1,551.59' to an existing iron pipe; thence in a southeasterly direction, S 86°24'07"e, for a distance of 216.17' to an existing iron pipe; thence in a southeasterly direction, S 86°16'29"e, for a distance of 10.45' to an existing iron pipe; thence with the line of nor or formerly Chancellors Ridge HOA, S 86°24'07"e, for a distance of 216.17' to an existing iron pipe; thence with the line of nor or formerly Chancellors Ridge HOA, S 86°24'07"e, for a distance of 335.16' to an existing iron pipe; thence in a southwestern direction, S 57°18'26"w, for a distance of 30.52'; thence with the center line of NC Highway 751, S 32°52'44"e, for a distance of 1,551.59' to a point; thence in a generally northeasterly direction, N 57°07'16"e, for a distance of 32.72' to an existing iron pipe; thence in a southeasterly direction, S 86°16'29"e, for a distance of 10.45' to an existing iron pipe; thence in a southeasterly direction, S 86°16'29"e, for a distance of 10.45' to an existing iron pipe; thence with the line of nor or formerly Chancellors Ridge HOA, S 86°24'07"e, for a distance of 216.17' to an existing iron pipe; thence with the line of nor or formerly Chancellors Ridge HOA, S 86°24'07"e, for a distance of 335.16' to an existing iron pipe; thence in a southwestern direction, S 57°18'26"w, for a distance of 30.52'; thence with the center line of NC Highway 751, S 32°52'44"e, for a distance of 1,551.59' to a point; thence continuing with said line, S 33°02'59"e, for a distance of 731.00' to a point; thence continuing with said line, S 32°57'53"e, for a distance of 415.55' to a point; thence continuing with said line, S 32°56'08"e,
for a distance of 1,126.65' to a point; thence in a northwesterly direction, N 89°14'00"w, for a distance of 36.68' to an existing iron pipe; thence with the line of now or formerly Seven Five One Investments, LLC, N 89°14'00"w, for a distance of 268.97' to an existing iron pipe; thence with the line of now or formerly Seven Five One Investments, LLC, N 89°30'43"w, for a distance of 839.77' to an existing iron pipe; thence with the line of now or formerly United States of America, N 75°00'42"w, for a distance of 519.06' to an existing concrete monument; thence continuing with said line, N 30°11'02"e, for a distance of 1,029.17' to an existing concrete monument; thence continuing with said line, N 38°16'43"w, for a distance of 784.32' to an existing iron pipe; thence continuing with said line, S 86°37'55"e, for a distance of 642.69' to an existing iron pipe; thence continuing with said line, N 16°46'38"w, for a distance of 176.43' to an existing iron pipe; thence with the line of now or formerly United States of America, N 16°47'45"w, for a distance of 433.28' to an existing iron pipe; thence continuing with said line, N 78°46'52"w, for a distance of 514.35' to an existing iron pipe; thence continuing with said line, N 16°19'20"e, for a distance of 927.30' to an existing iron pipe; thence continuing with said line, N 44°29'56"e, for a distance of 498.53' to an existing concrete monument; thence continuing with said line, S 73°14'47"e, for a distance of 133.40' to an existing iron pipe in the easterly right-of-way of NC Highway 751; thence in a generally northwesterly direction, N 05°27'49"w, for a distance of 210.87' to an existing iron pipe; thence continuing with said line, N 00°26'30"w, for a distance of 335.16' to the point and place of beginning, containing 7,426,585 square feet or 170.491 acres, more or less according to survey entitled "Land Title Survey Prepared for Southern Durham Development, Inc." dated December 2007 prepared by Jonathan F. Murphy Pls l-4382, with Murphy Geomatics located at 6308 J. Richard Drive, Raleigh, N.C. 27617, to which reference is made for a more perfect and complete description.

Also, a certain tract or parcel of land lying and being in the county of Durham, Triangle Township, North Carolina, being more fully described as follows:

Commencing at NC Grid Monument "Martine" having NAD 83 North Carolina State Plane values of y = 236649.284m and x = 613545.162m; thence from said monument S 30°57'01"e, for a distance of 768.77' to an existing iron pipe having North Carolina State Plane values of y = 236448.339m and x = 613665.665m and being the true point of beginning; thence with the line of the southwesterly right-of-way of NC Highway 751, S 32°52'44"e, for a distance of 1,507.27' to an existing iron pipe; thence continuing with said line, S 32°33'08"e, for a distance of 210.87' to an existing iron pipe; thence continuing with said line, S 32°41'34"e, for a distance of 366.69' to an existing iron pipe in the westerly right-of-way of NC Highway 751; thence in a generally northwesterly direction, N 05°27'49"w, for a distance of 133.40' to an existing iron pipe in the easterly right-of-way of NC Highway 751 and said iron pipe being the point of beginning; thence with the line of the right-of-way of NC Highway 751, N 32°37'02"w, for a distance of 414.82' to an existing iron pipe; thence continuing with said line, S 86°16'29"e, for a distance of 10.45' to an existing iron pipe; thence with the line of now or formerly Chancellors Ridge HOA, S 86°24'07"e, for a distance of 216.17' to an existing iron pipe; thence with the line of now or formerly Mary C. Turner, S 00°26'30"w, for a distance of 335.16' to the point and place of beginning, containing 37,918 square feet or 0.870 acres, more or less according to survey entitled "Rezoning Plat Prepared for Seven Five One Investments, LLC. of Colvard Farms Property" dated December 2007 prepared by Jonathan F. Murphy Pls l-4382, with Murphy Geomatics located at 6308 J. Richard Drive, Raleigh, N.C. 27617, to which reference is made for a more perfect and complete description."

SECTION 4.(a) The City of Durham may annex the property described in Section 4(b) of this act under the following conditions:

(1) The City annexes the described property during the 180 days after June 3, 2023.

(2) The City annexes the described property in one of the following ways:

b. Notwithstanding Article 4A of Chapter 160A of the General Statutes, the City holds a public hearing on the question of annexation, upon at least 10 days' notice published at least once in a newspaper having general circulation in the City. At the public hearing, any person resident or owning property in the area to be annexed or the City shall be given an opportunity to be heard. The City Council may then, in its sole discretion, approve or disapprove an ordinance annexing the described property.

SECTION 4.(b) The City of Durham may extend its corporate limits in accordance with Section 4(a) of this act by adding the following described property:

COLVARD FARMS TRACT

Beginning at an iron pin at the northeastern corner of the United States of America situated on the western right-of-way of N.C. Highway 751, said point being located N 34 deg.19'27" W, 1034.39 ft. from North Carolina Geodic Survey monument "Lucas" having NAD 1983 coordinates of North 771,088.0540, and East 2,016,390.0780; thence from the point of Beginning leaving the western right-of-way of N.C. Highway 751 along the northern line of United States of America, S 38 deg.41'06"W, 378.28 ft. to an iron pin; thence S 09 deg.12'15"W, 261.17 ft. to an iron pin; thence S 09 deg.12'15"W, 316.59 ft. to an iron pin; thence S 45 deg.38'27"W, 341.73 ft. to a point in the centerline of a stream; thence S 07 deg.47'55"W, 517.91 ft. to an iron pin in a Duke Energy Company easement; thence S 70 deg. 27'24"W, 211.58 ft. to an iron pin at the northeastern corner of Jeffrey W. Massey; thence along the northern line of Jeffrey W. Massey and Lloyd Allen Massey, N 88 deg.45'27"W, 1133.83 ft. to 5/8" diameter iron pipe; thence S 16 deg.24'44"W, 156.24 ft. to a point in the northern line of Cleo Cole, et al.; thence S 86 deg.55'26"W, 403.22 ft. to an iron pin; thence leaving the northern line of Cleo Cole, et al., along the eastern line of Colvard Farms Homeowners Association, N 01 deg.49'11"E, 214.46 ft. to an iron pin; thence N 00 deg.30'28"W, 214.46 ft. to an iron pin; thence N 02 deg.41'48"W, 106.32 ft. to a 3/4" diameter iron pipe at the southeastern corner of L&K Properties of NC, LLC; thence along the eastern line of L&K Properties, LLC, and Walter J. Kozak, N 04 deg.59'54"W, 421.90 ft. to a 3/4" diameter pipe on the southern line of Millennium Commercial Properties, LLC; thence along the southern line of Millennium Commercial Properties, LLC, N 87 deg.53'31"E, 480.87 ft. to a point; thence N 01 deg.40'48"E, 97.74 ft. to an iron pin; thence N 88 deg.18'25"E, 4.94 ft. to a point; thence N 00 deg.23'08"E, 22.43 ft. to an iron pin; thence S 87 deg.52'37"W, 257.24 ft. to a 5/8" diameter iron pipe; thence N 17 deg.49'10"W, 650.46 ft. to a 3/4" diameter iron pipe on the southern line of United States of America; thence N 67 deg.58'57"E, 130.79 ft. to a 5/8" diameter pipe; thence N 54 deg.56'04"W, 389.78 ft. to a 5/8" diameter iron pipe; thence N 75 deg.06'12"W, 185.89 ft. to a 3/4" diameter iron pipe on the southern line of Southern Durham Development, LLC; thence along the southern line of Southern Durham Development, LLC, S 89 deg.29'57"E, 839.78 ft. to a 3/4" diameter iron pipe; thence S 89 deg.56'10"E, 670.70 ft. to an iron pin; thence S 89 deg.09'36"E, 909.21 ft. to a 1" diameter iron pipe; thence S 89 deg.07'00"E, 269.18 ft. to a 3/4" diameter iron pipe on the western right-of-way of N.C. Highway 751; thence along the western right-of-way of N.C. Highway 751, S 35 deg.33'20" E, 200.13 ft. to an iron pin; said point being the point and place of Beginning; containing 87.125 acres and being a parcel situated near the southwestern corner of N.C. Highway 751 and the Chatham County line.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.
In the General Assembly read three times and ratified this the 30th day of June, 2014.

Became law upon approval of the Governor at 8:40 p.m. on the 30th day of June, 2014.

Session Law 2014-48  S.B. 767

AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE CITY OF ROCKINGHAM.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the City of Rockingham:

All and Singular, that certain tract of land located in the Rockingham Township, Richmond County, North Carolina containing 24.61 acres and identified by Richmond County parcel identification number 7474-02-89-5229. Said tract is the eastern portion of the following tract: Beginning at an iron stake in the center of State Road #1434, said point also being the southern line of the original tract of which this is a part, and also being the northwestern corner of the Richmond County Board of Education tract, and the northeastern corner of the James Wise tract, and the southwestern corner of the Robert S. Reynolds tract previously conveyed by this Executor [Charles B. Deane, Jr., executor of the estate of Hector A. Little]; and runs thence with State Road #1434 the following courses and distances: North 38-38 East, 100 feet; North 45-00 East, 100 feet; North 51-02 East, 100 feet; North 54-54 East, 100 feet; North 56-31 East, 621 feet to an iron stake in the center of rural paved road #1434, the same being the southeastern corner of the Robert S. Reynolds tract; thence South 19-38 East 5.6 feet, an original corner in the rural paved road, and also an original corner of the Cecil Terry land; thence with rural paved road #1434 the following courses and distances: North 56-27 East, 300 feet; North 64-57 East, 213.8 feet; South 78-03 East, 326.7 feet to an iron stake in the center of rural paved road #1434; thence with the Betty Knight Branch the following courses and distances: South 14-20 East, 180 feet; South 4-50 East, 215 feet; South 30-50 East, 188 feet; South 36-20 West, 95 feet; South 19-50 West, 210 feet; thence in the direction due South approximately 160 feet to an iron stake in the edge of said branch; thence South 41-47 West, 653.6 feet to an iron stake; thence with the Northern boundary of Richmond County Board of Education tract North 61-00 West, 1,306.8 feet to the beginning in the center of State Road #1434, and containing 32.8 acres, more or less.

The western portion of the above described tract, which is described as follows, was specifically excluded from the Town's annexation of the above described tract, and therefore is not affected in any way by the provisions of this act: Beginning at an iron stake in the center of State Road Number 1434, said point also being the northwestern corner of the Richmond County Board of Education tract, the northeastern corner of the James Wise tract, and the southwestern corner of the Robert S. Reynolds tract, and runs thence with the center of State Road Number 1434 as follows: North 36-59 East 75 feet; North 42-39 East 75 feet; North 47-21 East 75 feet; North 51-45 East 75 feet; North 54-53 East 75 feet; North 56-21 East 75 feet; and North 56-45 East 298.3 feet to a corner in the center of said road; thence runs a new line South 23-19 East 560.48 feet to an iron stake near a pond; thence crosses said pond South 15-33 West 352.54 feet to an iron stake in the southern line of the tract which this a part, and in the northern line of the Richmond County Board of Education tract; thence runs with said line North 61-00 West 812.3 feet to the beginning, containing 8.19 acres, more or less.

SECTION 2. This act has no effect upon the validity of any liens of the City of Rockingham for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the City of Rockingham.
AN ACT TO REVISE AND CLARIFY THE SPECIAL EDUCATION SCHOLARSHIPS FOR CHILDREN WITH DISABILITIES AND TO EXEMPT CERTAIN SCHOOLS FROM CHILD CARE LICENSURE REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 1H of Article 9 of Chapter 115C of the General Statutes is retitled as "Special Education Scholarships for Children With Disabilities."

SECTION 2. G.S. 115C-112.5 reads as rewritten:

"§ 115C-112.5. Definitions.

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(1a) Child with a disability. – As defined in G.S. 115C-106.3(1).

(1b) Disability. – As defined in G.S. 115C-106.3(2).

(1c) Educational technology. – As defined by the Authority, an item, piece of equipment, material, product, or system which may be purchased commercially off the shelf, modified, or customized and that is used primarily for educational purposes for a child with a disability.

(2) Eligible student. – A child with a disability under the age of 22 who meets all of the following criteria:

a. Requires an Individualized Education Plan.Is a child with a disability.

b. Receives special education or related services on a daily basis.Is eligible to attend a North Carolina public school pursuant to G.S. 115C-366.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not spent any time been enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. Received –Was approved for a scholarship grant for the previous semester.

4. Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.Is a child who is identified as a child with a disability prior to the end of the year of initial enrollment in kindergarten or first grade. An award by the Authority based on eligibility under this sub-subdivision shall be conditional. If documentation is not provided to the Authority that the child is a child with a disability prior to the end of the year of initial enrollment, (i) no reimbursement shall be awarded and (ii) the child shall not
qualify the following year as an eligible student under sub-sub-subdivision 3. of this section.

(3) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(3a) Related services. – As defined in G.S. 115C-106.3(18).

(4) Scholarship grants. – Scholarships. Grants Funds awarded by the Authority to eligible students to be used to receive special education on a daily basis while attending either a nonpublic school or a North Carolina public school for which payment of tuition is required.

(5) Special education. – Specially designed instruction to meet the unique needs of a child with a disability. The term includes instruction in physical education and instruction conducted in a classroom, the home, a hospital or institution, and other settings."

SECTION 3. G.S. 115C-112.6 reads as rewritten:


(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Information about scholarship grants and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarship grants to eligible students who received a scholarship grant during the previous semester. Except as otherwise provided by the Authority for prior scholarship grant recipients, scholarship grants shall be awarded to eligible students in the order in which the applications are received.

(a1) Web Site Availability. – Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall also include information on the Web site notifying parents that federal regulations adopted under IDEA provide that no parentally placed private school child with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school.

(b) Scholarship Awards. – Scholarship grants awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded grants may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarship grants shall be awarded only for the reimbursement of tuition and special education and related services, including those services provided to home schooled students, tuition, special education, related services, and educational technology, as provided in subsection (b1) of this section. The Authority shall notify parents in writing of their eligibility to receive scholarships for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1.

(b1) Scholarship Reimbursements. – Scholarship reimbursement shall be provided as follows:

(1) Preapproval process. – Prior to the start of each school semester, the parent of an eligible student may submit documentation of the tuition, special education, related services, or educational technology the parent anticipates incurring costs on in that semester for preapproval by the Authority.

(2) Reimbursement submissions. – Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester. In addition, parents shall provide documentation of the following to seek reimbursement:
a. Tuition reimbursement. – Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school or public school for which payment of tuition is required for no less than 75 days of the semester for which the parent seeks reimbursement. Tuition reimbursement shall not be provided for home schooled students.

b. Special education reimbursement. – Parents may only receive reimbursement for special education if the parent provides documentation that the student received special education for no less than 75 days of the semester for which the parent seeks reimbursement. Special education reimbursement shall not be provided for special education instruction provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

c. Related services reimbursement. – Parents may only receive reimbursement for related services if the parent provides documentation that the student also received special education for no less than 75 days of the semester for which the parent seeks reimbursement for the related services. Related services reimbursement shall not be provided for related services provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

d. Educational technology reimbursement. – Parents may only receive reimbursement for educational technology if the parent provides documentation that the student used the educational technology for no less than 75 days of the semester for which the parent seeks reimbursement.

Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or documentation that related services were provided to a home schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services.

(3) Scholarship award. – The Authority shall award a scholarship in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarships to eligible students for the following semester. The Authority shall award scholarships to the parents of eligible students at least semiannually.

c. Student Reevaluation. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

d. Rule Making. – The Authority shall establish rules and regulations for the administration and awarding of scholarships. The Authority shall annually
develop a list of educational technology for which scholarships may be used and shall provide scholarship recipients with information about the list."

**SECTION 4.** G.S. 115C-112.6 is amended by adding a new subsection to read:

"(e) Public Records Exception. – Scholarship applications and personally identifiable information related to eligible students receiving scholarships shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student’s household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, financial information, or any other information or identification number that would provide information about a specific student or members of a specific student’s household."

**SECTION 5.** G.S. 115C-112.7 reads as rewritten:

"§ 115C-112.7. Verification of eligibility.
(a) The Authority may seek verification of information on any application for scholarship grants. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.
(b) Parents of applicants for scholarship grants shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts."

**SECTION 6.** G.S. 115C-112.8 reads as rewritten:

"§ 115C-112.8. Authority reporting requirements.
(a) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the Special Education Scholarship Grants for Children with Disabilities.
(b) The annual report shall include all of the following information:
(1) Total number, age, and grade level of eligible students receiving scholarship grants.
(2) Total amount of scholarship grant funding awarded.
(3) Nonpublic schools in which scholarship grant recipients are enrolled and the number of scholarship grant students at that school.
(4) The type of special education or related services for which scholarship grants were awarded."

**SECTION 7.** Article 9 of Chapter 115 of the General Statutes is amended by adding a new section to read:

"§ 115C-112.9. Duties of State Board of Education.
The State Board, as part of its duty to monitor all local educational agencies to determine compliance with this Article and IDEA as provided in G.S. 115C-107.4, shall ensure that local educational agencies do the following:
(1) Conduct evaluations requested by a child’s parent or guardian of suspected children with disabilities, as defined in G.S. 115C-107.3, in a timely manner as required by IDEA.
(2) Provide reevaluations to identified children with disabilities receiving scholarships as provided in Part 1H of this Article at the request of the parent or guardian to ensure compliance with G.S. 115C-112.6(c)."

**SECTION 8.** G.S. 110-86 reads as rewritten:

"§ 110-86. Definitions.
Unless the context or subject matter otherwise requires, the terms or phrases used in this Article shall be defined as follows:
(2) Child care. – A program or arrangement where three or more children less than 13 years old, who do not reside where the care is provided, receive care on a regular basis of at least once per week for more than four hours but less
than 24 hours per day from persons other than their guardians or full-time
custodians, or from persons not related to them by birth, marriage, or
adoption. Child care does not include the following:

   f. Nonpublic schools described in Part 2 of Article 39 of Chapter 115C
   of the General Statutes that are accredited by national or regional
   accrediting agencies with early childhood standards and that operate
   (i) a child care facility as defined in subdivision (3) of this section for
   less than six and one-half hours per day either on or off the school
   site or (ii) a child care facility for more than six and one-half
   hours per day, but do not receive NC Pre-K or child care subsidy
   funding;

   ...

SECTION 9. Section 4 of this act becomes effective July 29, 2013. The remainder
of this act is effective when it becomes law, and Sections 1 through 7 apply to grants awarded
beginning with the 2014-2015 school year.

In the General Assembly read three times and ratified this the 26th day of June,
2014.

Became law upon approval of the Governor at 11:33 a.m. on the 1st day of July,
2014.

Session Law 2014-50

S.B. 815

AN ACT TO ENSURE THE PRIVACY AND SECURITY OF STUDENT EDUCATIONAL
RECORDS.

The General Assembly of North Carolina enacts:

PART I. ENSURE SECURITY OF STUDENT RECORDS

SECTION 1. Article 29 of Chapter 115C of the General Statutes is amended by
adding a new section to read:

"§ 115C-402.5. Student data system security.
(a) Definitions. – The following definitions apply in this section:
(1) Aggregate student data. – Data collected or reported at the group, cohort, or
institutional level.
(2) De-identified student data. – A student dataset in which parent and student
personal or indirect identifiers, including the unique student identifier, have
been removed.
(3) FERPA. – The federal Family Educational Rights and Privacy Act, 20
U.S.C. § 1232g.
(4) Personally identifiable student data. – Student data that:
   a. Includes, but is not limited to, the following:
      1. Student name,
      2. Name of the student's parent or other family members,
      3. Address of the student or student's family
      4. Personal identifier, such as the student's Social Security
         number or unique student identifier.
      5. Other indirect identifiers, such as the student's date of birth,
         place of birth, and mother's maiden name.
      6. Other information that, alone or in combination, is linked or
         linkable to a specific student that would allow a reasonable
         person in the school community, who does not have personal
         knowledge of the relevant circumstances, to identify the
         student with reasonable certainty.
7. Information requested by a person who the Department of Public Instruction or local school administrative unit reasonably believes knows the identity of the student to whom the education record relates.

b. Does not include directory information that a local board of education has provided parents with notice of and an opportunity to opt out of disclosure of that information, as provided under the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, unless a parent has elected to opt out of disclosure of the directory information.

(5) Student data system. — The student information management system used by the State Board of Education and Department of Public Instruction as part of the Uniform Education Reporting Systems for collection and reporting of student data from local boards of education.

(b) Security of Student Data System. — To ensure student data accessibility, transparency, and accountability relating to the student data system, the State Board of Education shall do all of the following:

(1) Create and make publicly available a data inventory and index of data elements with definitions of individual student data fields in the student data system, including, but not limited to:

a. Any personally identifiable student data required to be reported by State and federal education mandates.

b. Any other individual student data which has been proposed for inclusion in the student data system, with a statement regarding the purpose or reason for the proposed collection.

(2) Develop rules to comply with all relevant State and federal privacy laws and policies that apply to personally identifiable student data in the student data system, including, but not limited to, FERPA and other relevant privacy laws and policies. At a minimum, the rules shall include the following:

a. Restrictions on access to personally identifiable student data in the student data system to the following individuals:

1. Authorized staff of the State Board of Education and Department of Public Instruction and the contractors working on behalf of the Department who require such access to perform their assigned duties.

2. Authorized North Carolina public school administrators, teachers, and other school personnel and contractors working on behalf of the board of the North Carolina public school who require such access to perform their assigned duties.

3. Students and their parents or legal guardians, or any individual that a parent or legal guardian has authorized to receive personally identifiable student data.

4. Authorized staff of other State agencies and contractors working on behalf of those State agencies as required by law and governed by interagency data-sharing agreements.

b. Criteria for approval of research and data requests for personally identifiable student data in the student data system made to the State Board of Education from State or local agencies, researchers working on behalf of the Department, and the public.

(3) Prohibit the transfer of personally identifiable student data in the student data system to individuals other than those identified in subdivision (2) of this subsection, unless otherwise permitted by law and authorized by rules adopted under this section. Such rules shall authorize the release of
personally identifiable data out of State to schools or educational agencies when a student enrolls in a school out of State or a local school administrative unit seeks help with locating a student formerly enrolled in this State who is now enrolled out of State.

(4) Develop a detailed data security plan for the student data system that includes all of the following:
   a. Guidelines for authorizing access to the student data system and to individual student data, including guidelines for authentication of authorized access.
   b. Privacy compliance standards.
   c. Privacy and security audits.
   d. Breach planning, notification, and procedures.
   e. Data retention and disposition policies.
   f. Data security policies, including electronic, physical, and administrative safeguards such as data encryption and training of employees.

(5) Ensure routine and ongoing compliance by the Department of Public Instruction with FERPA, other relevant privacy laws and policies, and the privacy and security rules, policies, and procedures developed under the authority of this section related to personally identifiable student data in the student data system, including the performance of compliance audits within the Department.

(6) Ensure that any contracts for the student data system that include de-identified student data or personally identifiable student data and are outsourced to private contractors include express provisions that safeguard privacy and security and include penalties for noncompliance.

(7) Notify the Governor and the General Assembly annually by October 1 of the following:
   a. New student data, whether aggregate data, de-identified data, or personally identifiable student data, included or proposed for inclusion in the student data system for the current school year.
   b. Changes to existing data collections for the student data system required for any reason, including changes to federal reporting requirements made by the United States Department of Education.

(c) Restricting on Student Data Collection. – The following information about a student or a student's family shall not be collected in nor reported as part of the student data system:
   (1) Biometric information.
   (2) Political affiliation.
   (3) Religion.
   (4) Voting history.

PART II. INCREASE TRANSPARENCY ON STUDENT PRIVACY ISSUES

SECTION 2. Article 29 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-402.15. Parental notification regarding rights to student records and opt-out opportunities.
   (a) Annual Parental Notification. – Local boards of education shall annually provide parents, by a method reasonably designed to provide actual notice, information on parental rights under State and federal law with regards to student records and opt-out opportunities for disclosure of directory information as provided under the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and notice and opt-out opportunities for surveys covered by the Protection of Pupil Rights Amendment, 20 U.S.C. § 1232h."

166
(b) Notice Content. – The notice shall include information on parental rights under State and federal law to:

(1) Inspect and review education records.
(2) Seek to amend inaccurate education records.
(3) Provide written consent prior to disclosure of personally identifiable information from education records, except as otherwise provided by law. Information shall be included on disclosure of directory information and parental rights to opt out of disclosure of directory information.
(4) File a complaint with the U.S. Department of Education concerning alleged failures to comply with the Family Educational Rights and Privacy Act.
(5) Receive notice and the opportunity to opt out prior to the participation of the student in a protected information survey under 20 U.S.C. § 1232h."

PART III. EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law. Annual notice requirements to parents required by Section 2 apply beginning with the 2014-2015 school year.

In the General Assembly read three times and ratified this the 25th day of June, 2014.

Became law upon approval of the Governor at 11:55 a.m. on the 1st day of July, 2014.

Session Law 2014-51

H.B. 1113

AN ACT TO EXEMPT A TRANSFER OF THE BREVARD ROAD SITE PURSUANT TO AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF ASHEVILLE AND HENDERSON COUNTY FROM ARTICLE 16 OF CHAPTER 160A OF THE GENERAL STATUTES AND FROM THE SULLIVAN ACTS.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding Article 16 of Chapter 160A of the General Statutes, Chapter 399 of the 1933 Public-Local Laws, S.L. 2005-139, S.L. 2005-140, S.L. 2009-114, and S.L. 2013-65, the Henderson County Board of Commissioners and the City Council of Asheville may transfer real property located at Ferry Road, Asheville, Buncombe County, North Carolina, consisting of approximately 137.21 acres more particularly described in Deed Book 2152, Page 4, and in Plat Book 50, Page 107 of the Buncombe County Register of Deeds, commonly known as the "Brevard Road Site" and subject to a Consent Judgment entered in Buncombe County Superior Court in 01 CVS 344, as provided in the interlocal agreement entered into between the two units of government on April 16, 2014, and any subsequent amendments to that agreement, which shall remain in full force and effect.

SECTION 2. If the Brevard Road Site is sold under Section 1 of this act, Henderson County and the City of Asheville shall divide the proceeds from the sale equally. The City of Asheville shall cause its share of said proceeds to be remitted to the Buncombe County Board of Commissioners to be used for public safety purposes. The Henderson County Board of Commissioners shall use its share of said proceeds for the purchase and construction of a local law enforcement training center, the design and scope of which shall be at the discretion of the Henderson County Board of Commissioners and may include a live ammunition weapons training area.

SECTION 3. This act is effective when it becomes law and expires on December 31, 2016.

In the General Assembly read three times and ratified this the 2nd day of July, 2014.

Became law on the date it was ratified.
AN ACT TO ALLOW LIMITED APPOINTMENT OF ELECTED PUBLIC OFFICIALS TO THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY AND TO PROVIDE THAT EMINENT DOMAIN MUST BE AUTHORIZED BY THE AFFECTED APPOINTING AUTHORITY.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1.4(a1) of S.L. 2012-121, as rewritten by Section 69.1 of S.L. 2012-194, reads as rewritten:

"SECTION 1.4(a1) Notwithstanding subsection (c) of this section, no person holding any elected public office may be a member of the Authority, unless both of the following conditions are met:

1. Each appointing authority listed in subdivision (2) of this subsection may appoint one of its own members to serve as the person holding any elected public office. Otherwise, a person holding any elected public office may not be a member of the Authority.

2. At any given time, not more than one person holding any elected public office may serve as an appointee of each of the following: the Asheville City Council, the Board of Commissioners of Buncombe County, and the Board of Commissioners of Henderson County."

SECTION 2. Section 1.4(c) of S.L. 2012-121 reads as rewritten:

"SECTION 1.4(c) Members of the Authority shall serve four-year terms and may serve up to a total of two successive four-year terms. A member may not be reappointed to the Authority except after a lapse of four years following the most recent term served. In the event a member is appointed to fill an unexpired term, and at least two years of the unexpired term remain to be served, such appointment shall be counted in applying the two-term limit; otherwise it shall not be counted. Notwithstanding the foregoing, those individuals serving as ARAA members as of the effective date of this act may continue to serve as members of the Authority until the completion of their respective terms and until their successors are appointed and qualified. In the event an ARAA member resigns or is removed, the appointing authority under the agreement between the County of Buncombe and the City of Asheville shall forthwith appoint a replacement ARAA member to complete the unexpired term. Thereafter, and with respect to the four ARAA members whose terms expire June 30, 2012, the Asheville City Council, the Board of Commissioners of Buncombe County, and the Board of Commissioners of Henderson County each shall appoint one member of the Authority, and the other members shall appoint, by majority vote, the fourth member. With respect to the three ARAA members whose terms expire June 30, 2014, the Asheville City Council, the Board of Commissioners of Buncombe County, and the Board of Commissioners of Henderson County each shall appoint one member of the Authority."

SECTION 3. Section 1.4(d) of S.L. 2012-121 reads as rewritten:

"SECTION 1.4(d) Any vacancy occurring among the membership of the Authority shall be filled within 60 days after notice thereof by appointment of the appointing authority of a member to serve for the remainder of the unexpired term."

SECTION 4. Section 1.7(c) of S.L. 2012-121 reads as rewritten:

"SECTION 1.7(c) Private property needed by the Authority for any airport, landing field, or facility may be acquired by the Authority by gift, devise, or private purchase. Aviation easements needed by the Authority for any airport, landing field, or facility may likewise be acquired by gift, devise, or private purchase. Unless the power of eminent domain is required by federal law or federal regulation, Chapter 40A of the General Statutes does not apply to the Authority, and it may not exercise the power of eminent domain. If a federal law or federal regulation does require the Authority to have the power to exercise eminent domain, it may only do so for public use for an airport purpose or purposes, and any eminent domain
proceeding must be authorized jointly by all of the three appointing authorities by the appointing authority affected by such proceeding. In no case, however, may the power of eminent domain be used for purposes not necessary for the operation of the airport, and more specifically no property may be acquired by eminent domain for such uses as hotels, motels, restaurants, or industrial parks. The power of eminent domain may not be used to acquire any interest in the Ferncliff Industrial Park as it existed on June 1, 2011, except for a proven and present aviation need required by a federal agency.”

SECTION 5. Section 4 of this act is effective when it becomes law and applies to takings occurring on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 2014. Became law on the date it was ratified.

Session Law 2014-53

AN ACT TO CREATE AN INTRACTABLE EPILEPSY ALTERNATIVE TREATMENT PILOT STUDY PROGRAM AND REGISTRY FOR THE SCIENTIFIC INVESTIGATION OF THE SAFETY AND EFFICACY OF HEMP EXTRACT TREATMENT FOR INTRACTABLE EPILEPSY.

The General Assembly of North Carolina enacts:

SECTION 1. The University of North Carolina at Chapel Hill and East Carolina University may, and Duke University and Wake Forest University are encouraged to, conduct research on hemp extract development, production, and use for the treatment of seizure disorders and to participate in any ongoing or future clinical studies or trials.

SECTION 2. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 5G.

§ 90-113.100. Short title.
(a) This act may be cited as the "North Carolina Epilepsy Alternative Treatment Act."
(b) The purpose of this act is to permit medical professionals to conduct limited-scope, evidence-based studies exploring the safety and efficacy of treating intractable epilepsy using hemp extract.
(c) The General Assembly finds the following:
(1) There are children in this State suffering from intractable epilepsy for which currently available treatment options have been ineffective. Hemp extract shows promise in treating children with intractable epilepsy.
(2) Additional study of the use of hemp extract for the treatment of intractable epilepsy should be undertaken, and the medical research universities of the State of North Carolina are well-suited for this type of clinical exploration.

(a) Caregiver. – An individual who is a parent, legal guardian, or custodian of a person diagnosed with intractable epilepsy.
(b) Caregiver Registration Card. – A registration card issued by the Department of Health and Human Services under this Article to a caregiver.
(c) Database. – The Intractable Epilepsy Alternative Treatment Pilot Study database, established by the Department of Health and Human Services pursuant to this Article, to register caregivers, patients, and recommending neurologists.
(d) Department. – The Department of Health and Human Services.
(e) Hemp Extract. – An extract from a cannabis plant, as defined in G.S. 90-94.1(a).
(f) Intractable Epilepsy. – A seizure disorder that, as determined by a neurologist, does not respond to three or more treatment options overseen by the neurologist.

169
(g) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more of the following universities:

1. The University of North Carolina at Chapel Hill.
2. East Carolina University.
3. Duke University.
4. Wake Forest University.

(h) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

(i) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article.

§ 90-113.102. Intractable Epilepsy Alternative Treatment Pilot Study database; departmental duties.

(a) The Department shall create a secure, electronic, and online Intractable Epilepsy Alternative Treatment Pilot Study database registry for the registration of pilot studies, neurologists, caregivers, and patients as provided by this Article. The registry must be accessible to law enforcement agencies in order to verify registration of caregivers. The registry must prevent an active registration of a patient by multiple neurologists. At a minimum, the database shall consist of the following:

1. The name and address of each registered caregiver and the name of the pilot study the caregiver is associated with.
2. The name and address of each registered patient and the name of the pilot study the patient is associated with.
3. The name, address, and qualifying institutional affiliation of neurologists conducting pilot studies pursuant to this Article.
4. The name, institutional affiliation, affiliated neurologists, and parameters of pilot studies.

(b) The Department shall contact the county department of health where the patient resides and provide the following information:

1. The name and address of the registered caregiver.
2. Identifying information contained on the caregiver registration card.

§ 90-113.103. Registration of pilot studies and neurologists.

(a) A neurologist seeking to conduct a pilot study pursuant to this Article shall submit an application to the Department providing all of the following information:

1. The name of the pilot study.
2. The affiliated research institution.
3. The scientific and clinical parameters of the study.
4. The protocols established to ensure patient safety.
5. The name and address of the one or more neurologists associated with the pilot study.
6. Any other information deemed necessary by the Department to determine the safety and evidence-based nature of the pilot study.

(b) The Department shall examine applications received pursuant to subsection (a) of this section and register in the database the proposed pilot studies that the Department certifies follow minimal scientific methods and protect patient safety.

(c) The Department may monitor registered pilot studies to ensure continued adherence to patient safety protocols and the scientific parameters of the study.

§ 90-113.104. Caregiver registration card; application; fees.

(a) The Department shall, in coordination with recommendations from the Department of Public Safety, establish the form and content of caregiver registration cards to be issued to individuals who satisfy the requirements set forth in this section.
(b) The Department shall issue a caregiver registration card, valid for a period of one year from issuance, to an individual who satisfies all of the following criteria:

1. Is at least 18 years of age.
2. Is a resident of North Carolina.
3. Provides the Department with a statement signed by a neurologist conducting a pilot study that satisfies all of the following:
   a. Demonstrates that a patient in the caregiver’s care satisfies all of the following:
      1. Has been examined and is under the care of the neurologist.
      2. Suffers from intractable epilepsy.
      3. May benefit from treatment with hemp extract.
      4. Is eligible for inclusion in the registered pilot study.
   b. Contains a recommendation for the use of hemp extract for treatment of intractable epilepsy as part of a registered pilot study.
   c. Is consistent with records received from the neurologist, concerning the patient, contained in the database described in G.S. 90-113.102.
4. Pays the Department a fee, not to exceed fifty dollars ($50.00), established by the Department under G.S. 90-113.106.
5. Submits an application to the Department that contains all of the following:
   a. The caregiver’s name and address.
   b. The patient’s name and address.
   c. A copy of the caregiver’s valid government-issued photo identification.
   d. Any additional information the Department finds necessary to implement this Article.

(c) The Department shall renew a caregiver registration card upon certification from the caregiver and the neurologist that all information initially provided to the Department under subsection (b) of this section is current or has been updated to reflect any changes. The Department shall charge a fee for renewal of a caregiver registration card, not to exceed twenty-five dollars ($25.00), established under G.S. 90-113.106.

§ 90-113.105. Immunity for neurologists; medical records.

(a) On a case-by-case basis, neurologists conducting a registered pilot study may approve of dispensation to a registered caregiver, as approved by this Article, hemp extract acquired from another jurisdiction.

(b) A neurologist shall not be subject to arrest or prosecution, penalized or disciplined in any manner, or denied any right or privilege for approving or recommending the use of hemp extract or providing a written statement or health records to the Department for the use of hemp extract pursuant to this Article.

(c) A neurologist conducting a registered pilot study who signs a statement as described in G.S. 90-113.104(b)(3) shall do the following:

1. Keep a record of the evaluation and observation of a patient under the neurologist's care, including the patient’s response to hemp extract treatment.
2. Transmit the record described in subdivision (1) of this subsection to the Department upon request.

(d) All medical records received or maintained by the Department pursuant to this Article are confidential and may not be disclosed to the public. Nothing in this Article is intended to alter the provisions of G.S. 8-53 or G.S. 8-53.1.

§ 90-113.106. Rule making.

The Department shall adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes to implement the provisions of this Article.

SECTION 3. Article 5 of Chapter 90 of the General Statutes is amended by adding a new section to read:
§ 90-94.1. Exemption for use or possession of hemp extract.

(a) As used in this section, "hemp extract" means an extract from a cannabis plant, or a mixture or preparation containing cannabis plant material, that has all of the following characteristics:

(1) Is composed of less than three-tenths of one percent (0.3%) tetrahydrocannabinol by weight.

(2) Is composed of at least ten percent (10%) cannabidiol by weight.

(3) Contains no other psychoactive substance.

(b) Notwithstanding any other provision of this Chapter, an individual may possess or use hemp extract, and is not subject to the penalties described in this Chapter, if the individual satisfies all of the following criteria:

(1) Possesses or uses the hemp extract only to treat intractable epilepsy, as defined in G.S. 90-113.101.

(2) Possesses, in close proximity to the hemp extract, a certificate of analysis that indicates the hemp extract's ingredients, including its percentages of tetrahydrocannabinol and cannabidiol by weight.

(3) Has a current hemp extract registration card issued by the Department of Health and Human Services under Article 5G of Chapter 90 of the General Statutes.

(c) Notwithstanding any other provision of this Chapter, an individual who possesses hemp extract lawfully under this section may administer hemp extract to another person under the individual's care and is not subject to the penalties described in this Chapter for administering the hemp extract to the person if both of the following conditions are satisfied:

(1) The individual is the person's caregiver, as defined in G.S. 90-113.101.

(2) The individual is registered with the Department of Health and Human Services to administer hemp extract under G.S. 90-113.103.

SECTION 4. No later than October 1, 2014, the Department of Health and Human Services shall establish and adopt temporary rules to implement the provisions of this act.

SECTION 5. Section 3 of this act becomes effective upon adoption of rules pursuant to Section 4 of this act. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of June, 2014.

Became law upon approval of the Governor at 9:08 a.m. on the 3rd day of July, 2014.

Session Law 2014-54 S.B. 851

AN ACT TO ALLOW FIRST CRAVEN SANITARY DISTRICT TO PROVIDE FOR ABSENTEE VOTING IN THE SAME MANNER AS A MUNICIPALITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-302(a) reads as rewritten:

"(a) In any municipal election, election or sanitary district election, including a primary or general election or referendum, conducted by the county board of elections, absentee voting may, upon resolution of the municipal governing body, be permitted. Such resolution must be adopted no later than 60 days prior to an election in order to be effective for that election. Any such resolution shall remain effective for all future elections unless repealed no later than 60 days before an election. A copy of all resolutions adopted under this section shall be filed with the State Board of Elections and the county board of elections conducting the election within 10 days of passage in order to be effective. Absentee voting shall not be permitted in any municipal election unless such election is conducted by the county board of elections. In addition, absentee voting shall be allowed in any referendum on incorporation of a municipality."

172
SECTION 2. This act applies to First Craven Sanitary District only.

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

In the General Assembly read three times and ratified this the 3rd day of July, 2014. Became law on the date it was ratified.

Session Law 2014-55  S.B. 874

AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF SPRUCE PINE.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the Town of Spruce Pine:

BEGINNING at the southeast corner of the property herein described, the same being an existing iron pipe, a corner common with what is now or formerly Miller and Phillips Investments, thence N 90° 00' 00" W 157.51 feet to an existing iron pipe, the same being located S 29° 17' 35" W 137.31 feet from the southwest corner of a one story brick dwelling located on the property herein described; thence N 90° 00' 00" W 14.68 feet to a point, thence S 89° 51' 03" W 165.67 feet to an existing iron pin; thence N 01° 03' 39" E 38.06 feet to an existing iron pin; a corner common with what is now or formerly Young and Carpenter; thence N 03° 49' 29" E 99.93 feet to an existing iron pin; thence N 03° 49' 29" E 12.20 feet to an existing iron pin; thence N 16° 26' 29" W 208.12 feet to an existing iron pin; thence N 17° 32' 01" W 13.31 feet to an existing iron pin; thence N 89° 37' 44" E 63.53 feet to an existing iron pin; thence N 01° 53' 48" W 50.00 feet to an existing iron pin; thence N 89° 37' 44" W 83.57 feet to an existing iron pin; to an existing iron pin; thence N 3° 49' 29" E 291.42 feet to an existing iron pin; thence S 20° 16' 10" E 62.78 feet to an existing iron pin; thence S 31° 51" E 312.18 feet to an existing iron pin at an old apple tree corner; thence S 00° 31' 34" W 196.31 feet to an existing iron pin; thence S 00° 24' 04" W 344.12 feet to the point of beginning, containing 4.99 acres by DMD and being the property described on a survey map by High Mountain Land Surveying, David A. Wiseman, PLS L-3890, dated 22 October 2001, Map No. 02161. Rev.

SECTION 2. This act has no effect upon the validity of any liens of the Town of Spruce Pine for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the Town of Spruce Pine.

SECTION 3. This act becomes effective June 30, 2014.

In the General Assembly read three times and ratified this the 3rd day of July, 2014. Became law on the date it was ratified.

Session Law 2014-56  S.B. 875

AN ACT TO STAGGER THE TERMS OF THE MEMBERS OF THE TOWN COUNCIL OF THE TOWN OF BAKERSVILLE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of S.L. 2005-43 reads as rewritten:

"SECTION 3. In 2005, the three members of the Town Council of the Town of Bakersville shall be elected. The elected, and the candidate receiving the highest number of votes shall be elected to a four-year term, and the two candidates receiving the next highest numbers of votes shall each be elected to a two-year term. In 2007, and biennially thereafter, two members shall be elected to two-year terms. In 2009, and quadrennially thereafter, one member shall be elected to a four-year term, and the candidate receiving the highest number of votes shall be elected to a four-year term, and the candidate receiving the next highest number of votes shall be elected to a two-year term."

173
SECTION 2. This act does not affect the term of office of the person elected in 2013 for a four-year term.

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

In the General Assembly read three times and ratified this the 3rd day of July, 2014.

Became law on the date it was ratified.

Session Law 2014-57
H.B. 330

AN ACT AMENDING THE NORTH CAROLINA PLANNED COMMUNITY ACT REGARDING THE TRANSFER OF SPECIAL DECLARANT RIGHTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 47F-1-102 reads as rewritten:

"§ 47F-1-102. Applicability.

... (c) Notwithstanding the provisions of subsection (a) of this section, G.S. 47F-1-104 (Variation), G.S. 47F-2-103 (Construction and validity of declaration and bylaws), G.S. 47F-2-117 (Amendment of declaration), G.S. 47F-3-102(1) through (6) and (11) through (17)(Powers of owners' association), G.S. 47F-3-103(f)(Executive board members and officers), G.S. 47F-3-107(a), (b), and (c)(Upkeep of planned community; responsibility and assessments for damages), G.S. 47F-3-107.1 (Procedures for fines and suspension of planned community privileges or services), G.S. 47F-3-108 (Meetings), G.S. 47F-3-115 (Assessments for common expenses), G.S. 47F-3-116 (Lien for assessments), G.S. 47F-3-118 (Association records), and G.S. 47F-3-121 (American and State flags and political sign displays) apply to all planned communities created in this State before January 1, 1999, unless the articles of incorporation or the declaration expressly provides to the contrary, and G.S. 47F-3-120 (Declaration limits on attorneys' fees) applies to all planned communities created in this State before January 1, 1999. These sections apply only with respect to events and circumstances occurring on or after January 1, 1999, and do not invalidate existing provisions of the declaration, bylaws, or plats and plans of those planned communities. G.S. 47F-1-103 (Definitions) also applies to all planned communities created in this State before January 1, 1999, to the extent necessary in construing any of the preceding sections.

..."

SECTION 2. G.S. 47F-1-103 reads as rewritten:

"§ 47F-1-103. Definitions.

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this Chapter:

(1) "Affiliate of declarant" means any person who succeeds to any special declarant rights and who controls, is controlled by, or is under common control with a declarant. A person "controls" a declarant if the person is any of the following:

a. A general partner, officer, director, or employer of the declarant.

b. Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent (20%) of the voting interest in the declarant.

c. Controls in any manner the election of a majority of the directors of the declarant.

d. Has contributed more than twenty percent (20%) of the capital of the declarant.

A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person; (ii) directly or indirectly...
or acting in concert with one or more other persons, or through one or more
subsidiaries, owns, controls, holds with power to vote, or holds proxies
representing more than twenty percent (20%) of the voting interest in the
person; (iii) controls in any manner the election of a majority of the directors
of the person; or (iv) has contributed more than twenty percent (20%) of the
capital of the person. Control does not exist if the powers described in this
subdivision are held solely as security for an obligation and are not
exercised.

(11) "Development rights" means any right or combination of rights reserved by a
declarant in the declaration (i) to add real estate to a planned community; (ii)
to create lots, common elements, or limited common elements within a
planned community; (iii) to subdivide or combine lots or convert lots into
common elements; or (iv) to withdraw real estate from a planned
community.

SECTION 3. G.S. 47F-3-104 reads as rewritten:

"§ 47F-3-104. Transfer of special declarant rights.

(a) Except for transfer of declarant rights pursuant to foreclosure, no No special
declarant right (G.S. 47F-1-103(28)) defined under this Chapter may be transferred except by
an instrument evidencing the transfer recorded in every county in which any portion of the
planned community is located. TheExcept for the transfer of declarant rights pursuant to
subsection (c) of this section, the instrument is not effective unless executed by the transferee.

(b) Upon transfer of any special declarant right, the liability of a transferor declarant is
as follows:

(1) A transferor is not relieved of any obligation or liability arising before the
transfer and remains liable for warranty obligations imposed upon the
transferor by this Chapter. Lack of privity does not deprive any lot owner of
standing to maintain an action to enforce any obligation of the transferor.

(2) If a successor to any special declarant right is an affiliate of a declarant
(G.S. 47F-1-103(1)), the transferor is jointly and severally liable with the
successor for any obligations or liabilities of the successor relating to the
planned community.

(3) If a transferor retains any special declarant rights but transfers other special
declarant rights to a successor who is not an affiliate of the declarant, the
transferor is liable for any obligations or liabilities imposed on a declarant by
this Chapter or by the declaration relating to the retained special declarant
rights and arising after the transfer.

(4) A transferor has no liability for any act or omission or any breach of a
contractual or warranty obligation arising from the exercise of a special
declarant right by a successor declarant who is not an affiliate of the
transferor.

(c) Unless otherwise provided in a mortgage instrument, deed of trust, or other
agreement creating a security interest, in case of foreclosure of a security interest, sale by a
trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under
Bankruptcy Code or receivership proceedings of any lots owned by a declarant, or real estate in
a planned community subject to development rights, or real estate subject to development rights
for a planned community, a person acquiring title to all the property being foreclosed or sold,
but only upon the person's request in an instrument recorded in every county in which any
portion of the planned community is located, succeeds to all special declarant rights
(G.S. 47F-1-103(28)) related to that property held by that declarant and requested by the person
acquiring title. The judgment or instrument conveying title shall provide for transfer of only the
special declarant rights requested. The mortgage, deed of trust, tax lien, or other conveyance to
be foreclosed under this subsection shall not be required to contain specific reference to an assignment of special declarant rights but shall be deemed to include the special declarant rights as part of the right, title, and interest encumbered by the mortgage, deed of trust, tax lien, or other conveyance.

(d) Upon foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under Bankruptcy Code or receivership proceedings of all interests in a planned community owned by a declarant, the declarant ceases to have any special declarant rights and the period of declarant control (G.S. 47F-3-103(d)) terminates unless either of the following applies:

1. The judgment or instrument conveying title provides for transfer of all special declarant rights held by that declarant to a successor declarant.
2. The declarant transferred special declarant rights related to the appointment of executive board members to another person pursuant to this section prior to the foreclosure or sale.

(e) The liabilities and obligations of a person who succeeds to special declarant rights are as follows:

1. A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by this Chapter or by the declaration.
2. Unless otherwise specified in the declaration as to the holder of a mortgage instrument, deed of trust, or other agreement creating a security interest, in case of foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under Bankruptcy Code or receivership proceedings, a successor to any special declarant right who is not an affiliate of a declarant, other than a successor described in subdivision (3) or (4) of this subsection, is subject to the obligations and liabilities expressly imposed by this Chapter or the declaration:
   a. On a declarant which relate to the successor's exercise or nonexercise of special declarant rights; or
   b. On his or her transferor, other than:
      1. Misrepresentations by the transferor or any previous declarant;
      2. Warranty obligations on improvements made by the transferor or any previous declarant or made before the planned community was created;
      3. Obligations and liabilities arising out of contractual agreements between the transferor or any previous declarant and third parties other than the declaration;
      4. Breach of any fiduciary obligation by the transferor or any previous declarant or his or her appointees to the executive board; or
      5. Any liability or obligation imposed on the transferor or any previous declarant as a result of the transferor's acts or omissions after the transfer.

3. A successor to only a right reserved in the declaration to maintain sales offices, management offices, signs advertising the planned community, and models, if the successor is not an affiliate of the declarant, may not exercise any other special declarant right and is not subject to any liability or obligation as a declarant.

4. A successor to all special declarant rights held by a transferor who is not an affiliate of the declarant who succeeded to those rights pursuant to a deed or other instrument of conveyance in lieu of foreclosure or a judgment or
instrument conveying title under subsection (c) of this section may declare in
a recorded instrument the intention to hold those rights solely for transfer to
another person. Thereafter, until transferring all special declarant rights to
any person acquiring title to any lot or real estate subject to development
rights owned by the successor, or until recording an instrument permitting
exercise of all those rights, that successor may not exercise any of those
rights other than any right held by his or her transferor to control the
executive board in accordance with G.S. 47F-3-103(d) for the duration of
any period of declarant control, and any attempted exercise of those rights is
void. So long as a successor declarant does not have the right to exercise
special declarant rights under this subsection, the successor declarant is not
subject to any liability or obligation as a declarant other than liability for his
or her acts and omissions under G.S. 47F-3-103(d).

(f) Nothing in this section subjects any successor to a special declarant right to any
claims against or other obligations of a transferor declarant other than claims and obligations
expressly arising under this Chapter or the declaration.

(g) For purposes of this section, "assignment of declarant rights" shall include any
assignment by the declarant of special declarant rights to a person, including, without
limitation, an assignment pursuant to this section."

SECTION 4. This act is effective when it becomes law. Nothing in this act shall be
construed as being applicable to or affecting any pending litigation, except that the last
sentence of G.S. 47F-3-104(c) shall be applicable to any mortgage, deed of trust, tax lien, or
other conveyance providing for foreclosure recorded on or after January 1, 1999.

In the General Assembly read three times and ratified this the 2nd day of July, 2014.
Became law upon approval of the Governor at 4:15 p.m. on the 7th day of July, 2014.

Session Law 2014-58

AN ACT TO (1) AUTHORIZE CONTINUANCES OF DIVISION OF MOTOR VEHICLES
INSPECTION STATION VIOLATION CASES; (2) PROVIDE THAT AGRICULTURAL
TOURISM SIGNS ON STATE HIGHWAYS ARE SUBJECT TO DEPARTMENT OF
TRANSPORTATION LOCATION AND PLACEMENT RULES; (3) CHANGE THE
DUE DATE FOR THE NORTH CAROLINA TURNPIKE AUTHORITY ANNUAL
AUDIT REPORT TO OCTOBER; (4) REPEAL A REQUIREMENT THAT THE
DEPARTMENT OF TRANSPORTATION ANNUALLY REPORT RIGHT TURN ON
RED PEDESTRIAN CRASHES; (5) AMEND THE STATE DRIVERS LICENSE
MATERIAL TECHNICAL STANDARDS; (6) APPLY ALTERNATE PRIORITIZATION
CRITERIA UNDER THE STRATEGIC TRANSPORTATION INVESTMENTS ACT
FORMULA TO FEDERAL AND STATE FUNDS USED FOR EMERGENCY REPAIR
WORK; (7) REENACT THE AUTHORIZATION FOR THE DEPARTMENT OF
TRANSPORTATION TO PARTICIPATE IN PRIVATE DEVELOPER CONTRACTS
FOR IMPROVEMENTS TO THE STATE HIGHWAY SYSTEM, SUBJECT TO A LIMIT
OF THE LESSER OF TEN PERCENT OR TWO HUNDRED FIFTY THOUSAND
DOLLARS; (8) TO EXCLUDE FEDERAL LANDS ACCESS PROGRAM FUNDS
FROM THE STRATEGIC TRANSPORTATION INVESTMENTS ACT FORMULA, AS
RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT
COMMITTEE; (9) UPDATE STATE LAW GOVERNING DEPARTMENT OF
TRANSPORTATION OVERSIGHT OF THE SAFETY OF RAIL FIXED GUIDEWAY
PUBLIC TRANSPORTATION SYSTEMS; (10) AUTHORIZE THE DEPARTMENT OF
TRANSPORTATION TO INSTALL AND OPERATE RAMP METERS AND TO
PROVIDE THAT VIOLATION OF A RAMP METER SIGNAL IS AN INFRACTION;
(11) CLARIFY STATE LAW CONCERNING FERRY RECEIPT GENERATING

177
The General Assembly of North Carolina enacts:

DMV INSPECTION STATION CASE CONTINUANCES

SECTION 1. G.S. 20-183.8G reads as rewritten:

"§ 20-183.8G. Administrative and judicial review.

(a) Right to Hearing. – A person who applies for a license or registration under this Part or who has a license or registration issued under this Part has the right to a hearing when any of the following occurs:

(1) The Division denies the person's application for a license or registration.
(2) The Division delivers to the person a written statement of charges of a violation that could result in the suspension or revocation of the person's license.
(3) The Division summarily suspends or revokes the person's license following review and authorization of the proposed adverse action by a judge.
(4) The Division assesses a civil penalty against the person.
(5) The Division issues a warning letter to the person.
(6) The Division cancels the person's registration.

(b) Hearing After Statement of Charges. – When a license holder receives a statement of charges of a violation that could result in the suspension or revocation of the person's license, the person can obtain a hearing by making a request for a hearing. The person must make the request to the Division within 10 days after receiving the statement of the charges. A person who does not request a hearing within this time limit waives the right to a hearing. The Division must hold a hearing requested under this subsection within 30 days after receiving the request, unless the matter is continued for good cause. The hearing must be held at the location designated by the Division. Suspension or revocation of the license is stayed until a decision is made following the hearing.

If a person does not request a hearing within the time allowed for making the request, the proposed suspension or revocation becomes effective the day after the time for making the request ends. If a person requests a hearing but does not attend the hearing, the proposed suspension or revocation becomes effective the day after the date set for the hearing.

(c) Hearing After Summary Action. – When the Division summarily suspends a license issued under this Part after judicial review and authorization of the proposed action, the person whose license was suspended or revoked may obtain a hearing by filing with the Division a written request for a hearing. The request must be filed within 10 days after the person was notified of the summary action. The Division must hold a hearing requested under this subsection within 14 days after receiving the request.

(d) All Other Hearings. – When this section gives a person the right to a hearing and subsection (b) or (c) of this section does not apply to the hearing, the person may obtain a hearing by filing with the Division a written request for a hearing. The request must be filed within 10 days after the person receives written notice of the action for which a hearing is requested. The Division must hold a hearing within 90 days after the Division receives the request, unless the matter is continued for good cause.

(e) Review by Commissioner. – The Commissioner may conduct a hearing required under this section or may designate a person to conduct the hearing. When a person designated by the Commissioner holds a hearing and makes a decision, the person who requested the hearing has the right to request the Commissioner to review the decision. The procedure set by
the Division governs the review by the Commissioner of a decision made by a person designated by the Commissioner.

(f) Decision. – Upon the Commissioner's review of a decision made after a hearing on the imposition of a monetary penalty against a motorist for an emissions violation or on a Type I, II, or III violation by a license holder, the Commissioner must uphold any monetary penalty, license suspension, license revocation, or warning required by G.S. 20-183.7A, G.S. 20-183.8A or G.S. 20-183.8B, respectively, if the decision is based on evidence presented at the hearing that supports the hearing officer's determination that the motorist or license holder committed the act for which the monetary penalty, license suspension, license revocation, or warning was imposed. Pursuant to the authority under G.S. 20-183.7A(c) and G.S. 20-183.8B(c), the Commissioner may order a suspension for a first occurrence Type I violation of a station to be stayed upon reasonable compliance terms to be determined by the Commissioner. Pursuant to the authority under G.S. 20-183.7A(d1) and G.S. 183.8B(c2), the Commissioner may order the suspensions against a license holder to run consecutively or concurrently. The Commissioner may uphold, dismiss, or modify a decision made after a hearing on any other action.

(g) Judicial Review. – Article 4 of Chapter 150B of the General Statutes governs judicial review of an administrative decision made under this section."

AGRITOURISM SIGN LOCATION/DOT STANDARDS
SECTION 2. G.S. 106-22.5(a) reads as rewritten:

"(a) The Department of Agriculture and Consumer Services shall work with the Department of Transportation to provide directional signs on major highways at or in reasonable proximity to the nearest interchange or within one mile leading to an agricultural facility that promotes tourism by providing tours and on-site sales or samples of North Carolina agricultural products to area tourists. The Department shall follow the sign location and placement rules of the Department of Transportation's Tourist-Oriented Directional Signs and Logo Signs programs."

TURNPIKE AUTHORITY ANNUAL AUDIT DATE CHANGE
SECTION 3. G.S. 136-89.193(b) reads as rewritten:

"(b) Annual Reports. – The Authority shall, promptly following the close of each fiscal year, submit an annual report of its activities for the preceding fiscal year and an annual audit of its books and accounts for the preceding fiscal year to the Governor, the General Assembly, and the Department of Transportation. Each report shall be accompanied by an audit of its books and accounts. The report and audit shall be submitted no later than October 31 of the fiscal year in which the report and audit are completed."

REPEAL REPORT/RIGHT TURN ON RED
SECTION 4. G.S. 20-158(b)(2)d. is repealed.

DRIVERS LICENSE MATERIAL TECHNICAL STANDARD
SECTION 5. G.S. 20-7(n) reads as rewritten:

"(n) Format. – A drivers license issued by the Division must be tamperproof and must contain all of the following information:

1. An identification of this State as the issuer of the license.
2. The license holder's full name.
3. The license holder's residence address.
4. A color photograph, or a properly applied laser engraved picture on polycarbonate material, of the license holder, taken by the Division. A color photograph of the license holder applied to material that is measured by the industry standard of security and durability and is resistant to tampering and reproduction.
(5) A physical description of the license holder, including sex, height, eye color, and hair color.
(6) The license holder's date of birth.
(7) An identifying number for the license holder assigned by the Division. The identifying number may not be the license holder's social security number.
(8) Each class of motor vehicle the license holder is authorized to drive and any endorsements or restrictions that apply.
(9) The license holder's signature.
(10) The date the license was issued and the date the license expires.

The Commissioner shall ensure that applicants 21 years old or older are issued drivers licenses and special identification cards that are printed in a horizontal format. The Commissioner shall ensure that applicants under the age of 21 are issued drivers licenses and special identification cards that are printed in a vertical format, that distinguishes them from the horizontal format, for ease of identification of individuals under age 21 by members of industries that regulate controlled products that are sale restricted by age and law enforcement officers enforcing these laws.

At the request of an applicant for a drivers license, a license issued to the applicant must contain the applicant's race.

ALTERNATE CRITERIA FOR EMERGENCY REPAIR UNDER STRATEGIC TRANSPORTATION INVESTMENTS ACT

SECTION 6. G.S. 136-189.11 is amended by adding a new subsection to read:
"(c1) Emergency Funds With Alternative Criteria. – The following funds, obligated in support of emergency repair work necessary to restore essential travel, minimize the extent of damage, or protect remaining facilities, as a result of events that occurred during a federal- or State-declared emergency that significantly damaged the State-maintained transportation system to the extent that safe passage is jeopardized, shall be subject to subsection (d) of this section but shall not be subject to the prioritization criteria set forth in that subsection:
(1) Federal or State funds obligated for repairs for which federal Emergency Relief Funds are available pursuant to 23 U.S.C. § 125.
(2) State funds obligated for repairs to damage occurring as a result of an event that is lawfully declared to be a federal or State emergency."

DOT PARTNERSHIP WITH PRIVATE DEVELOPERS

SECTION 7. Section 2 of S.L. 2009-235 reads as rewritten:
"SECTION 2. This act is effective when it becomes law. This act shall expire on December 31, 2011."

EXCLUDE FEDERAL LANDS ACCESS FUNDS

SECTION 8. G.S. 136-189.11(b) reads as rewritten:
"(b) Funds Excluded From Formula. – The following funds are not subject to this section:
(1) Federal congestion mitigation and air quality improvement program funds appropriated to the State by the United States pursuant to 23 U.S.C. § 104(b)(2) and 23 U.S.C. § 149.
(2) Funds received through competitive awards or discretionary grants through federal appropriations either for local governments, transportation authorities, transit authorities, or the Department.
(3) Funds received from the federal government that under federal law may only be used for Appalachian Development Highway System projects.
(4) Funds used in repayment of "GARVEE" bonds related to Phase I of the Yadkin River Veterans Memorial Bridge project.
(5) Funds committed to gap funding for toll roads funded with bonds issued pursuant to G.S. 136-176.

(6) Funds obligated for projects in the State Transportation Improvement Program that are scheduled for construction as of October 1, 2013, in State fiscal year 2012-2013, 2013-2014, or 2014-2015.

(7) Toll collections from a turnpike project under Article 6H of this Chapter and other revenue from the sale of the Authority's bonds or notes or project loans, in accordance with G.S. 136-89.192.

(8) Toll collections from the State-maintained ferry system collected under the authority of G.S. 136-82.


(10) Federal Lands Access Program funds received by the State pursuant to 23 U.S.C. § 204.
overseen by the Department to the Federal Transit Administration, the Governor, and the Board of Directors, or equivalent entity, of any rail fixed guideway public transportation system the Department oversees.

g. The Department shall not receive funding for the activities authorized by sub-divisions a. through f. of this subdivision from any rail fixed guideway public transportation systems subject to the Department's authority pursuant to the provisions of sub-divisions a. through f. of this subdivision."

RAMP METER AUTHORIZED/PENALTY

SECTION 10.(a) G.S. 20-4.01 is amended by adding a new subdivision to read:

"(32a) Ramp Meter. – A traffic control device that consists of a circular red and circular green display placed at a point along an interchange entrance ramp."

SECTION 10.(b) G.S. 20-158(c) is amended by adding a new subdivision to read:

"(6) When a ramp meter is displaying a circular red display, vehicles facing the red light must stop. When a ramp meter is displaying a circular green display, a vehicle may proceed for each lane of traffic facing the meter. When the display is dark or not emitting a red or green display, a vehicle may proceed without stopping. A violation of this subdivision is an infraction. No drivers license points or insurance surcharge shall be assessed as a result of a violation of this subdivision."

SECTION 10.(c) G.S. 20-4.01(32a) reads as rewritten:

"(32a)(32b) Recreational Vehicle. – A vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use that either has its own motive power or is mounted on, or towed by, another vehicle. The basic entities are camping trailer, fifth-wheel travel trailer, motor home, travel trailer, and truck camper.

...."

SECTION 10.(d) G.S. 20-4.01(32b) reads as rewritten:

"(32b)(32c) Regular Drivers License. – A license to drive a commercial motor vehicle that is exempt from the commercial drivers license requirements or a noncommercial motor vehicle."

SECTION 10.(e) G.S. 20-305(6)d.1.I. reads as rewritten:

"I. Each new and unsold motor vehicle within the new motor vehicle dealer's inventory that has been acquired within 24 months of the effective date of the termination from the manufacturer or distributor or another same line-make dealer in the ordinary course of business, and which has not been substantially altered or damaged to the prejudice of the manufacturer or distributor while in the new motor vehicle dealer's possession, and which has been driven less than 1,000 miles or, for purposes of a recreational vehicle motor home as defined in G.S. 20-4.01(32a)a., G.S. 20-4.01(32b)a., less than 1,500 miles following the original date of delivery to the dealer, and for which no certificate of title has been issued. For purposes of this sub-subdivision, the term "ordinary course of business" shall include inventory transfers of all new, same line-make vehicles between affiliated dealerships, or otherwise between dealerships having common or interrelated ownership, provided that the
transfer is not intended solely for the purpose of benefiting from the termination assistance described in this sub-subdivision."

SECTION 10.(f) G.S. 20-305(6)f. reads as rewritten:
"f. The provisions of sub-subdivision e. above shall not be applicable when the termination, nonrenewal, or cancellation of the franchise agreement by a new motor vehicle dealer is the result of the sale of assets or stock of the motor vehicle dealership. The provisions of sub-subdivisions d. and e. above shall not be applicable when the termination, nonrenewal, or cancellation of the franchise agreement is at the initiation of a new motor vehicle dealer of recreational vehicle motor homes, as defined in G.S. 20-4.01(32a)a., G.S. 20-4.01(32b)a., provided that at the time of the termination, nonrenewal, or cancellation, the recreational vehicle manufacturer or distributor has paid to the dealer all claims for warranty or recall work, including payments for labor, parts, and other expenses, which were submitted by the dealer 30 days or more prior to the date of termination, nonrenewal, or cancellation."

CLARIFY FERRY RECEIPT GENERATING ACTIVITIES

SECTION 11.(a) G.S. 136-82(f) reads as rewritten:
"§ 136-82. Department of Transportation to establish and maintain ferries.

…

(f) Authority to Generate Certain Receipts. – The Department of Transportation, notwithstanding any other provision of law, may operate or contract for the following receipt-generating activities and use the proceeds for ferry passenger vessel replacement projects in the manner set forth in subsection (c) or (d) of this section:

(1) Operation of, concessions on the ferries and at ferry facilities to provide to passengers on the ferries food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the ferry system.

(2) The Sponsorships, including, but not limited to, the sale of naming rights to any ferry vessel, ferry route, or ferry facility.

(3) Advertising on or within any ferry vessel, including vessel or at any ferry facility, including, but not limited to, display advertising and advertising delivered to passengers through the use of video monitors, public address systems installed in passenger areas, and other electronic media.

(4) Any other receipt-generating activity not otherwise forbidden by applicable law pertaining to public health or safety.

The Department may issue rules to implement this subsection.

…"

SECTION 11.(b) G.S. 66-58(c) is amended by adding a new subdivision to read:
"(21) Any activity conducted by the Department of Transportation that is authorized by G.S. 136-82(f)."

MPO/RPO ETHICS FINES

SECTION 12.(a) G.S. 136-200.2 reads as rewritten:
"…

(g) Ethics Provisions. – All individuals with voting authority serving on a metropolitan planning organization who are not members of the Board of Transportation shall do all of the following:

…

(4) File, with and in the same manner as the statement of economic interest filed under subdivision (3) of this subsection, an additional disclosure of a list of
all real estate owned wholly or in part by the MPO member, the MPO member's extended family, or a business with which the MPO member is associated within the jurisdiction of the MPO on which the MPO member is serving. All additional disclosures of real estate filed by MPO members are public records under Chapter 132 of the General Statutes. The penalties for failure to file shall be as set forth in G.S. 138A-25(d).

(j) Violations. – A violation of subdivision (1) of subsection (g) of this section shall be a Class 1 misdemeanor. An MPO member who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a required filing under subdivisions (3) or (4) of subsection (g) of this section shall be guilty of a Class 1 misdemeanor. An MPO member who provides false information on a required filing under subdivisions (3) or (4) of subsection (g) of this section knowing that the information is false is guilty of a Class H felony. If the State Ethics Commission receives written allegations of violations of this section, the Commission shall report such violations to the Attorney General for investigation and referral to the District Attorney for possible prosecution. All written allegations or related documents are confidential and are not matters of public record.

SECTION 12.(b) G.S. 136-211 reads as rewritten:

"...

(f) Ethics Provisions. – All individuals with voting authority serving on a rural transportation planning organization who are not members of the Board of Transportation shall do all of the following:

(4) File, with and in the same manner as the statement of economic interest filed under subdivision (3) of this subsection, an additional disclosure of a list of all real estate owned wholly or in part by the rural transportation planning organization member, the rural transportation planning organization member's extended family, or a business with which the rural transportation planning organization member is associated within the jurisdiction of the rural transportation planning organization on which the rural transportation planning organization member is serving. All additional disclosures of real estate filed by members are public records under Chapter 132 of the General Statutes. The penalties for failure to file shall be as set forth in G.S. 138A-25(d).

(j) Violations. – A violation of subdivision (1) of subsection (f) of this section shall be a Class 1 misdemeanor. A rural transportation planning organization member who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a required filing under subdivisions (3) or (4) of subsection (f) of this section shall be guilty of a Class 1 misdemeanor. A rural transportation planning organization member who provides false information on a required filing under subdivisions (3) or (4) of subsection (f) of this section knowing that the information is false is guilty of a Class H felony. If the State Ethics Commission receives written allegations of violations of this section, the Commission shall report such violations to the Attorney General for investigation and referral to the District Attorney for possible prosecution. All written allegations or related documents are confidential and are not matters of public record.

SECTION 12.(c) G.S. 138A-25 is amended by adding the following new subsections to read:

"(d) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) of a failure to file the Statement of Economic Interest or the filing of an
incomplete Statement of Economic Interest. The Commission shall notify the filing person that if the Statement of Economic Interest is not filed or completed within 30 days of receipt of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section.

(1) Any filing person who fails to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) within 30 days of the receipt of the notice required under this section shall be fined two hundred fifty dollars ($250.00) by the Commission for not filing or filing an incomplete Statement of Economic Interest, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the Statement of Economic Interest within 60 days of the receipt of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Attorney General for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist.

e) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file an additional disclosure under G.S. 136-200.2(g)(4) or G.S. 136-211(f)(4) of a failure to file the additional disclosure or the filing of an incomplete additional disclosure. The Commission shall notify the filing person that if the additional disclosure is not filed or completed within 30 days of receipt of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section.

(1) Any filing person who fails to file or who files an incomplete additional disclosure within 30 days of the receipt of the notice required under this section shall be fined two hundred fifty dollars ($250.00) for not filing or filing an incomplete additional disclosure, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the additional disclosure within 60 days of the receipt of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Attorney General for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist.

DOT SPONSORSHIPS AUTHORIZED

SECTION 13. G.S. 136-18 is amended by adding a new subdivision to read:

“(44) The Department is authorized to contract for sponsorship arrangements for Department operations and may solicit contracts for such arrangements pursuant to Article 2 of this Chapter. All amounts collected and all savings realized as a result of these sponsorship arrangements shall be used by the Department toward funding of maintenance activities.”

EFFECTIVE DATE

SECTION 14. Section 1 of this act becomes effective October 1, 2014. Section 10 of this act becomes effective December 1, 2014, and applies to offenses committed on or after that date. Section 12 of this act becomes effective October 1, 2014, and applies to obligations to file additional disclosures arising on or after that date. The remaining sections of this act are effective when they become law.

In the General Assembly read three times and ratified this the 3rd day of July, 2014. Became law upon approval of the Governor at 4:15 p.m. on the 7th day of July, 2014.
AN ACT TO ADJUST THE UTILITY REGULATORY FEE TO REFLECT THE
CHANGING REGULATORY CLIMATE FOR THE TELECOMMUNICATIONS
INDUSTRY, AS RECOMMENDED BY THE LRC COMMITTEE ON THE
ASSESSMENT OF REGULATED AND NON-REGULATED INDUSTRY UTILITY
FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-302 reads as rewritten:


(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair
regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of
regulating public utilities is a burden incident to the privilege of operating as a public utility.
Therefore, for the purpose of defraying the cost of regulating public utilities, every public
utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in
addition to all other fees and taxes, as provided in this section. The fees collected shall be used
only to pay the expenses of the Commission and the Public Staff in regulating public utilities in
the interest of the public.

It is also the policy of the State to provide limited oversight of certain electric membership
corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of
providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each
electric membership corporation whose principal purpose is to furnish or cause to be furnished
bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as
provided in this section.

(b) Public Utility Rate. –


(2) For noncompetitive jurisdictional revenues as defined in
sub-subdivision (4)a. of this subsection, the public utility regulatory fee for
each fiscal year shall be is the greater of (i) a percentage rate, established by
the General Assembly, of each public utility's North Carolina
noncompetitive jurisdictional revenues for each quarter or (ii) six dollars and
twenty-five cents ($6.25) each quarter. For subsection (h) competitive
jurisdictional revenues as defined in sub-subdivision (4)b. of this subsection,
and subsection (m) competitive jurisdictional revenues as defined in
sub-subdivision (4)c. of this subsection, the public utility regulatory fee for
each fiscal year is a percentage rate established by the General Assembly of
each public utility's competitive jurisdictional revenues for each quarter.

When the Commission prepares its budget request for the upcoming
fiscal year, the Commission shall propose a percentage rate of the public
utility regulatory fee. For fiscal years beginning in an odd-numbered year,
that proposed rate shall be included in the budget message the Governor
submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years
beginning in an even-numbered year, that proposed rate shall be included in
a special budget message the Governor shall submit to the General
Assembly. The General Assembly shall set the percentage rate of the public
utility regulatory fee by law.

The percentage rate may not exceed the amount necessary to generate
funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for the upcoming fiscal year, including a
reasonable margin for a reserve fund. The amount of the reserve may not
exceed the estimated cost of operating the Commission and the Public Staff
for the upcoming fiscal year. In calculating the amount of the reserve, the
General Assembly shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated increase or decrease in North Carolina jurisdictional revenues.

(3) If the Commission, the Public Staff, or both experience a revenue shortfall, the Commission shall implement a temporary public utility regulatory fee surcharge to avert the deficiency that would otherwise occur. In no event may the total percentage rate of the public utility regulatory fee plus any surcharge established by the Commission exceed twenty-five hundredths percent (0.25%).

(4) As used in this section, the term "North Carolina jurisdictional revenues" means:

a. "Noncompetitive jurisdictional revenues" means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction.

b. "Subsection (h) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under no longer otherwise regulated by the operation of G.S. 62-133.5(h) or G.S. 62-133.5(m) for a local exchange company or competing local provider that has elected to be regulated under those subsections.

c. "Subsection (m) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(m).

(e) Recovery of fee increase. – If a utility's regulatory fee obligation is increased, the Commission shall either adjust the utility's rates to allow for the recovery of the increased fee obligation, or approve the utility's request for an accounting order allowing deferral of the increase in the fee obligation.”

SECTION 2.(a) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) for each public utility's North Carolina subsection (h) competitive jurisdictional revenues as defined by G.S. 62-302(b)(4)b. earned during each quarter that begins on or after July 1, 2015, is six hundredths of one percent (0.06%).

SECTION 2.(b) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) for each public utility's North Carolina subsection (h) competitive jurisdictional revenues as defined by G.S. 62-302(b)(4)b. earned during each quarter that begins on or after July 1, 2016, is four hundredths of one percent (0.04%).

SECTION 3.(a) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) for each public utility's North Carolina subsection (m) competitive jurisdictional revenues as defined by G.S. 62-302(b)(4)c. earned during each quarter that begins on or after July 1, 2015, is five hundredths of one percent (0.05%).

SECTION 3.(b) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) for each public utility's North Carolina subsection (m) competitive jurisdictional revenues as defined by G.S. 62-302(b)(4)c. earned during each quarter that begins on or after July 1, 2016, is two hundredths of one percent (0.02%).

SECTION 4. For the 2015-2016 and 2016-2017 fiscal years, the percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) for each public utility's North Carolina noncompetitive jurisdictional revenues as defined by G.S. 62-302(b)(4)a. shall be adjusted to reflect the decrease in the total regulatory fee collected as a result of Sections 2 and 3 of this act and shall be set to ensure the total regulatory fee
collected for each fiscal year is at least an amount sufficient to defray the cost of the operations of the Commission and the Public Staff for the upcoming fiscal year, including a reasonable margin for a reserve fund.

**SECTION 5.** This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 1st day of July, 2014. Became law upon approval of the Governor at 4:16 p.m. on the 7th day of July, 2014.

**Session Law 2014-60**

**H.B. 1182**

AN ACT TO AUTHORIZE THE ACQUISITION OR CONSTRUCTION AND THE FINANCING, WITHOUT APPROPRIATIONS FROM THE GENERAL FUND, OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** The purpose of this act is to authorize (i) the acquisition or construction of the capital improvements projects listed in the act for the respective institutions of The University of North Carolina and (ii) the financing of these projects with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare reimbursements for education costs, hospital receipts from patient care, or other funds, or any combination of these funds, but not including funds received for tuition or appropriated from the General Fund of the State unless previously authorized by General Statute.

**SECTION 2.** The capital improvements projects, and their respective costs, authorized by this act to be acquired or constructed and financed as provided in Section 1 of this act, including by revenue bonds, by special obligation bonds as authorized in Section 4 of this act, or by both, are as follows:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>East Carolina University</strong></td>
<td>New Student Union, Parking Structure &amp; Health Sciences</td>
<td>$ 156,300,000</td>
</tr>
<tr>
<td></td>
<td>Campus Student Services Building</td>
<td></td>
</tr>
<tr>
<td><strong>North Carolina State University</strong></td>
<td>Reynolds Coliseum Renovation</td>
<td>35,000,000</td>
</tr>
<tr>
<td><strong>The University of North Carolina at Asheville</strong></td>
<td>Completion of Karl Straus Track Building</td>
<td>550,000</td>
</tr>
<tr>
<td></td>
<td>Student Recreation Center Improvements</td>
<td>440,000</td>
</tr>
<tr>
<td><strong>The University of North Carolina at Chapel Hill</strong></td>
<td>Chilled Water Plant at Manning Drive</td>
<td>32,000,000</td>
</tr>
<tr>
<td><strong>The University of North Carolina at Charlotte</strong></td>
<td>Campus Infrastructure Development Phase II</td>
<td>46,000,000</td>
</tr>
<tr>
<td></td>
<td>Elm/Maple/Pine (Phase V) Renovation</td>
<td>18,550,000</td>
</tr>
<tr>
<td></td>
<td>Sanford Hall Renovation</td>
<td>19,000,000</td>
</tr>
<tr>
<td></td>
<td>Residence Hall, Phase XIV</td>
<td>45,829,000</td>
</tr>
<tr>
<td><strong>Western Carolina University</strong></td>
<td>Brown Building Renovation and Addition</td>
<td>22,510,000</td>
</tr>
</tbody>
</table>

**SECTION 3.** At the request of the Board of Governors of The University of North Carolina and upon determining that it is in the best interest of the State to do so, the Director of
the Budget may authorize an increase or decrease in the cost of, or a change in the method of, funding the projects authorized by this act. In determining whether to authorize a change in cost or funding, the Director of the Budget may consult with the Joint Legislative Commission on Governmental Operations.

SECTION 4. Pursuant to G.S. 116D-26, the Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing for the projects authorized by Section 2 of this act. The maximum principal amount of bonds to be issued shall not exceed the specified project costs in Section 2 of this act plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest and pay other related additional costs, plus any increase in the specific project costs authorized by the Director of the Budget pursuant to Section 3 of this act.

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

In the General Assembly read three times and ratified this the 1st day of July, 2014.

Became law upon approval of the Governor at 4:16 p.m. on the 7th day of July, 2014.

Session Law 2014-61

AN ACT TO CONFORM THE LAW GOVERNING THE PLEDGE OF JOINT ACCOUNTS IN CREDIT UNIONS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS BANKS TO THE LAW GOVERNING THE PLEDGE OF JOINT ACCOUNTS IN BANKS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 54-109.58(d) reads as rewritten:
"(d) A pledge of such account by any holder or holders shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. A pledge of a joint account by any one or more of the joint tenants, unless otherwise specifically agreed between the credit union and all joint tenants in writing, shall be a valid pledge and transfer of the account or of the amount so pledged, shall be binding upon all joint tenants, shall not operate to sever or terminate the joint ownership of all or any part of the account, and shall survive the death of any joint tenant."

SECTION 2. G.S. 54B-129(a) reads as rewritten:
"(a) Any two or more persons may open or hold a withdrawable account or accounts. The withdrawable account and any balance thereof shall be held by them as joint tenants, with or without right of survivorship, as the contract shall provide; the account may also be held pursuant to G.S. 41-2.1 and have incidents thereof set forth in that section, provided, however, if the account is held pursuant to G.S. 41-2.1 the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the association that withdrawals require more than one signature, payment by the association to, or on the order of, any persons holding an account authorized by this section shall be a total discharge of the association's obligation as to the amount so paid. Funds in a joint account established with right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds shall be subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established pursuant to the provisions of that section. Payment by the association of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the association for the funds so paid, but the personal representative's authority to collect such funds from the surviving joint tenant or tenants is not terminated. A pledge of such account by any holder or holders shall, unless otherwise
specifically agreed upon, be a valid pledge and transfer of such account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. A pledge of a joint account by any one or more of the joint tenants, unless otherwise specifically agreed between the association and all joint tenants in writing, shall be a valid pledge and transfer of the account or of the amount so pledged, shall be binding upon all joint tenants, shall not operate to sever or terminate the joint ownership of all or any part of the account, and shall survive the death of any joint tenant.

Persons establishing an account under this section shall sign a statement showing their election of the right of survivorship in the account, and containing language set forth in a conspicuous manner and substantially similar to the following:

"SAVINGS AND LOAN (or name of institution)
JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP
G.S. 54B-129

We understand that by establishing a joint account under the provisions of North Carolina General Statute 54B-129 that:

1. The savings and loan association (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the association that withdrawals require more than one signature; and

2. Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We DO elect to create the right of survivorship in this account.

_____________________________  _______________________________

SECTION 3. G.S. 54C-165(a) reads as rewritten:

"(a) Any two or more persons may open or hold a withdrawable account or accounts. The withdrawable account and any balance of the account is held by them as joint tenants, with or without right of survivorship, as the contract shall provide. The account may also be held under G.S. 41-2.1 and have incidents set forth in that section, but if the account is held under G.S. 41-2.1, the contract shall set forth that fact as well. Unless the persons establishing the account have agreed with the savings bank that withdrawals require more than one signature, payment by the savings bank to, or on the order of, any persons holding an account authorized by this section is a total discharge of the savings bank's obligation as to the amount so paid. Funds in a joint account established with the right of survivorship shall belong to the surviving joint tenant or tenants upon the death of a joint tenant, and the funds are subject only to the personal representative's right of collection as set forth in G.S. 28A-15-10(a)(3), or as provided in G.S. 41-2.1 if the account is established under that section. Payment by the savings bank of funds in the joint account to a surviving joint tenant or tenants shall terminate the personal representative's authority under G.S. 28A-15-10(a)(3) to collect against the savings bank for the funds so paid, but the personal representative's authority to collect the funds from the surviving joint tenant or tenants is not terminated. A pledge of the account by a holder shall, unless otherwise specifically agreed upon, be a valid pledge and transfer of the account, or of the amount so pledged, and shall not operate to sever or terminate the joint ownership of all or any part of the account. A pledge of a joint account by any one or more of the joint tenants, unless otherwise specifically agreed between the savings bank and all joint tenants in writing, shall be a valid pledge and transfer of the account or of the amount so pledged, shall be binding upon all joint tenants, shall not operate to sever or terminate the joint ownership of all or any part of the account, and shall survive the death of any joint tenant.

Persons
Persons establishing an account under this section shall sign a statement showing their election of the right of survivorship in the account, and containing language set forth in a conspicuous manner and substantially similar to the following:

"SAVINGS BANK (or name of institution) JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP
G.S. 54C-165

We understand that by establishing a joint account under G.S. 54C-165 that:

1. The savings bank (or name of institution) may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the savings bank that withdrawals require more than one signature; and

2. Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

We DO elect to create the right of survivorship in this account.

________________________________________
________________________________________

SECTION 4. This act is effective when it becomes law and applies to joint accounts created before, on, or after that date.

In the General Assembly read three times and ratified this the 1st day of July, 2014.
Became law upon approval of the Governor at 4:17 p.m. on the 7th day of July, 2014.

Session Law 2014-62

AN ACT TO DEDICATE AND ACCEPT CERTAIN PROPERTIES AS PART OF THE STATE NATURE AND HISTORIC PRESERVE AND TO REMOVE CERTAIN LANDS FROM THE STATE NATURE AND HISTORIC PRESERVE.

Whereas, Section 5 of Article XIV of the North Carolina Constitution authorizes the dedication of State and local government properties as part of the State Nature and Historic Preserve upon acceptance by a law enacted by a three-fifths vote of the members of each house of the General Assembly and provides for removal of properties from the State Nature and Historic Preserve by a law enacted by a three-fifths vote of the members of each house of the General Assembly; and

Whereas, the General Assembly enacted the State Nature and Historic Preserve Dedication Act, Chapter 443 of the 1973 Session Laws, to prescribe the conditions and procedures under which properties may be specifically dedicated for the purposes set out in Section 5 of Article XIV of the North Carolina Constitution; and

Whereas, more than 17,000 acres have been added to the State Parks System since the last dedication and acceptance of properties as part of the State Nature and Historic Preserve pursuant to a petition to the Council of State dated May 5, 2009; and

Whereas, in accordance with G.S. 143-260.8, on May 6, 2014, the Council of State voted to petition to the General Assembly to enact a law pursuant to Section 5 of Article XIV of the North Carolina Constitution to dedicate and accept properties added to the State Parks System and designated in the petition for inclusion as parts of the State Nature and Historic Preserve; and

Whereas, as a part of its petition of May 6, 2014, the Council of State also requested the General Assembly to remove certain properties from the State Nature and Historic Preserve; and

Whereas, G.S. 113-44.14 provides for additions to, and deletions from, the State Parks System upon authorization by the General Assembly; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-260.10 reads as rewritten:


The following are components of the State Nature and Historic Preserve accepted by the North Carolina General Assembly pursuant to G.S. 143-260.8:

1. All lands and waters within the boundaries of the following units of the State Parks System as of May 5, 2009: Baldhead Island State Natural Area, Bay Tree Lake State Park, Bear Paw State Natural Area, Beech Creek Bog State Natural Area, Bullhead Mountain State Natural Area, Bushy Lake State Natural Area, Carolina Beach State Park, Carvers Creek State Park, Cliffs of the Neuse State Park, Chowan Swamp State Natural Area, Deep River State Trail, Dismal Swamp State Park, Elk Knob State Park, Fort Fisher State Recreation Area, Fort Macon State Park, Goose Creek State Park, Gooseberry State Park, Grandfather Mountain State Park, Haw River State Park, Hammocks Beach State Park, Jones Lake State Park, Lake Norman State Park, Lea Island State Natural Area, Lower Haw River State Natural Area, Lumber River State Park, Mayo River State Park, Medoc Mountain State Park, Merchants Millpond State Park, Mitchell's Millpond State Natural Area, Mount Mitchell State Park, Occoneechee Mountain State Natural Area, Pettigrew State Park, Pilot Mountain State Park, Pineola Bog State Natural Area, Raven Rock State Park, Run Hill State Natural Area, Sandy Run Savannas State Natural Area, Singletary Lake State Park, Sugar Mountain State Natural Area, Theodore Roosevelt State Natural Area, and Weymouth Woods-Sandhills Nature Preserve State Natural Area, and Yellow Mountain State Natural Area.

2. All lands and waters within the boundaries of William B. Umstead State Park as of May 5, 2009, with the exception of Tract Number 65, containing 22.93140 acres as shown on a survey prepared by John S. Lawrence (RLS) and Bennie R. Smith (RLS), entitled "Property of The State of North Carolina William B. Umstead State Park", dated January 14, 1977 and filed in the State Property Office, which was removed from the State Nature and Historic Preserve by Chapter 450, Section 1 of the 1985 Session Laws. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of William B. Umstead State Park or sell and use the proceeds for that purpose. The State of North Carolina may not otherwise sell or exchange this land.


4. All lands within the boundaries of Morrow Mountain State Park as of May 5, 2009, with the exception of the following tract: That certain tract or parcel of land at Morrow Mountain State Park in Stanly County, North Albemarle Township, containing 0.303 acres, more or less, as surveyed and platted by Thomas W. Harris R.L.S., on a map dated August 27, 1988, and filed in the State Property Office, reference to which is hereby made for a more complete description.

5. Repealed by Session Laws 1999-268, s. 2.

6. All land within the boundaries of Crowders Mountain State Park as of May 5, 2009, with the exception of the following tracts. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Crowders Mountain State Park or sell this land and use the
proceeds for that purpose. The State may not otherwise sell or exchange this land.

a. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, Crowders Mountain Township, described in Deed Book 1939, page 800, and containing 757.28 square feet and as shown in a survey by Tanner and McConnaughey, P.A. dated July 22, 1988 and filed in the State Property Office.

b. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, east of and including the right-of-way along and across Old Peach Orchard Road, as shown in a survey by the City of Gastonia, File No. 400-194, dated November 23, 1998, and filed in the State Property Office.

c. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Cleveland County, described in Deed Book 1286, Page No. 85, located on the north side of SR 2245 (Bethlehem Road) and containing 14,964 square feet as shown on the survey entitled "Survey for Crowders Mountain State Park, Deed Book 1103-107, Township 4 Kings Mountain, Cleveland County, N.C." by David W. Dickson, P.A. dated February 28, 2008.

d. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Cleveland County, described in Deed Book 1286, Page 85, and containing 0.06 acres and 0.515 acres as shown on the survey entitled "Boundary Survey for the State of N.C. Department of Administration, Township No. Four Cleveland County, N.C." by Carolinas Design Group, PLLC, dated November 6, 2007.

e. The portion of that certain tract or parcel of land at Crowders Mountain State Park in Gaston County, described in Deed Book 2829, page 518, and containing 0.15 acres as shown on the survey entitled "Survey Made at Request of Larry Hyde, Park Superintendent, Crowders Mountain State Park" by Gray Surveying Co., Inc., dated September 12, 2012.

(7) All lands owned in fee simple by the State within the boundaries of New River State Park as of May 5, 2009, May 6, 2014.

(8) All lands and waters within the boundaries of Stone Mountain State Park as of May 5, 2009, May 6, 2014, with the exception of the following tracts: The portion of that certain tract or parcel of land at Stone Mountain State Park in Wilkes County, Traphill Township, described as parcel 33-02 in Deed Book 633-193, and more particularly described as all of the land in this parcel lying to the west of the eastern edge of the Air Bellows Road, as shown on the National Park Service Land Status Map 33 dated March 24, 1981 and filed in the State Property Office, containing approximately 72 acres. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14.

(9) All lands and waters located within the boundaries of the following State Historic Sites as of May 5, 2009, May 6, 2014: Alamance Battleground, Charles B. Aycock Birthplace, Historic Bath, Bennett Place, Bentonville Battleground, Brunswick Town/Fort Anderson, C.S.S. Neuse and Governor Caswell Memorial, Charlotte Hawkins Brown Memorial, Duke Homestead, Historic Edenton, Fort Dobbs, Fort Fisher, Historic Halifax, Home Creek Living Historical Farm, House in the Horseshoe, North Carolina
Transportation Museum, James K. Polk Memorial, Reed Gold Mine, Somerset Place, Stagville, State Capitol, Town Creek Indian Mound, Tryon Palace Historic Sites & Gardens, Zebulon B. Vance Birthplace, and Thomas Wolfe Memorial.


(12) All lands and waters located within the boundaries of Hanging Rock State Park as of May 5, 2009, May 6, 2014, with the exception of the following tract: The portion of that tract or property at Hanging Rock State Park in Stokes County, Danbury Township, described in Deed Book 360, Page 160, for a 30-foot wide right-of-way beginning approximately 183 feet south of SR 1001 and extending in a southerly direction approximately 1,479 feet to the southwest corner of the Bobby Joe Lankford tract and more particularly shown on a survey entitled, "J. Spot Taylor Heirs Survey, Danbury Township, Stokes County, N.C.", by Grinski Surveying Company, dated June 1985, and filed in the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14.

(13) All lands and waters located within the boundaries of South Mountains State Park as of May 5, 2009, May 6, 2014, with the exception of the following tracts. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 113-44.14.


c. The portions of land at South Mountains State Park that lie south of the centerline of the CCC road as shown on the drawing entitled "Land Trade between South Mountains State Park and Adjacent Game Lands along CCC Road" prepared by the Division of Parks and Recreation, dated March 15, 1999, Wildlife Resources Commission in January 2013 and filed in the State Property Office and that lie within: (i) the tract or property in Burke County, Lower Fork Township, described in Deed Book 495, Page 501; (ii) the tract or property in Burke County, Lower Fork and Upper Fork Townships, described in Deed Book 715, Page 719; or (iii) within the tracts or property in Burke County, Upper Fork Township, described in Deed Book 860, Page 341, and Deed Book 884, Page 1640,1640; (iv) within that tract or property in Burke County, Silver Creek Township, described in Deed Book 1847, Page 287; (v) within that tract or property in Burke County, Upper Creek Township, described in Deed Book 882, Page 2347; (vi) within that tract or property in Burke County, Upper Creek Township, described in Deed Book 882, Page 2352; (vii) within that tract or property in Burke County, Upper Fork Township, described in Deed Book 886, Page 1964; (viii) within that tract or property in Burke County, Upper Fork Township, Deed Book 767, Page 1360; (ix) within that tract or property in Burke County, Upper Fork Township, Deed Book 884, Page 1648; or (x) within that tract or property in Burke County, Upper Fork Township, Book 886, Page 2228. The State of North Carolina may only exchange this land for other land for the expansion of South Mountains State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.


(15) All lands and waters within the boundaries of Jockey's Ridge State Park as of May 6, 2014, with the exception of the following tracts: The portion of those certain tracts or parcels of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 227, Page 499, and Deed Book 227, Page 501, and containing 33,901 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw Water Well Site 13 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; the portion of that certain tract or parcel of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 222, Page 726, and containing 42,909 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw Water Well Site 14 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; and the portion of that certain tract or parcel of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 224, Page 790, and Deed Book 224, Page 794, and containing 34,471 square feet as shown on the survey prepared by Styons Surveying Services entitled "Raw Water Well Site 15 Jockey's Ridge State Park" dated March 7, 2001, and filed in the State Property Office; and the portion of those certain tracts or parcels of land at Jockey's Ridge State Park in Dare County, Nags Head Township, described in Deed Book 227, Page 501, and Deed Book 230, Page 525, and containing 12,655 square feet as shown on the preliminary plat entitled "Easement Survey for Town of Nags Head" prepared by Seaboard Surveying & Planning, Inc., dated August 29, 2012.

(16) All lands and waters located within the boundaries of Mount Jefferson State Natural Area as of May 6, 2014. With respect to the communications tower site on the top of Mount Jefferson and located on that certain tract or parcel of land at Mount Jefferson State Natural Area in Ashe County, West Jefferson Township, described in Deed Book F-3, Page 94, the State may provide space at the communications tower site to State public safety and emergency management agencies for the placement of antennas, repeaters, and other communications devices for public communications purposes. Notwithstanding G.S. 146-29.2, the State may lease space at the communications tower site to local governments in Ashe County for the placement of antennas, repeaters, and other communications devices for public communications purposes. State agencies and local governments that are authorized to place communications devices at the communications tower site pursuant to this subdivision may also locate at or near the communications tower site communications equipment that is necessary for the proper operation of the communications devices. The use of the communications tower site pursuant to this subdivision is authorized by the General Assembly as a purpose other than the public purposes specified in Article XIV, Section 5, of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Article 2C of Chapter 113 of the General Statutes.

(17) All lands and waters within the Eno River State Park as of May 6, 2014, with the exception of the following tracts:

a. The portion of that certain tract or parcel of land at Eno River State Park in Durham County, Durham Outside Township, described in Deed Book 435, Page 673, and Plat Book 87, Page 66, containing 11,000 square feet and being the portion of Lot No. 2 shown as the existing scenic easement hereby removed on the drawing prepared by Sear-Brown entitled "Recombination Plat Eno Forest Subdivision"
bearing the preparer's file name 00-208-07.dwg, and filed with State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System pursuant to G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Eno River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

b. The portion of that certain tract or parcel of land at Eno River State Park in Orange County, described in Deed Book 3878, Page 461, and Plat Book 98, Page 11, containing 5,313 square feet and required for the permanent easements for bridge replacement project B-4216 on SR 1002 (St. Mary's Road), as shown in the drawing entitled "Preliminary Plans, Project Reference No. B-4216" prepared for North Carolina Department of Transportation by Mulkey Engineers and Consultants dated March 10, 2009, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Eno River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(18) All land and waters within the boundaries of Hemlock Bluffs State Natural Area as of May 5, 2009, with the exception of the following tracts: The portion of that certain tract or parcel of land at Hemlock Bluffs State Natural Area in Wake County, Swift Creek Township, described in Deed Book 2461, Page 037, containing 2,025 square feet and being the portion of this tract shown as proposed R/W on the drawing prepared by Titan Atlantic Group entitled "Right of Way Acquisition Map for Town of Cary Widening of Kildaire Farm Road (SR 1300) from Autumgate Drive to Palace Green" sheet 1 of 3 bearing the preparer's file name Town of Cary Case File No. TOC 01-37, dated 26 September 2003, and filed with the State Property Office; and the portion of those certain tracts or parcels of land at Hemlock Bluffs State Natural Area in Wake County, Swift Creek Township, described in Deed Book 4670, Page 420, containing 24,092 square feet and being the portion of these tracts shown as proposed R/W on the drawing prepared by Titan Atlantic Group entitled "Right of Way Acquisition Map for Town of Cary Widening of Kildaire Farm Road (SR 1300) from Autumgate Drive to Palace Green" sheet 3 of 3 bearing the preparer's file name Town of Cary Case File No. TOC 01-37, dated 26 September 2003, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System pursuant to G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Hemlock Bluffs State Natural Area or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(19) All lands and waters within the boundaries of Lake James State Park as of May 5, 2009, with the exception of the following tracts:

a. The portion of that certain tract or parcel of land at Lake James State Park containing 13.85 acres, and being 100 feet to the east and 150 feet to the west of a centerline shown on a survey by Witherspoon Surveying PLLC, dated February 9, 2007, and filed in the State Property Office. The State of North Carolina may grant a temporary
easement to Duke Energy Corporation across this tract to facilitate the Catawba Dam Embankment Seismic Stability Improvements Project. The grant of the easement within Lake James State Park to Duke Energy Corporation under this sub-subdivision constitutes authorization by the General Assembly that the described tract of land may be used for a purpose other than the public purposes specified in Article XIV, Section 5, of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Article 2C of Chapter 113 of the General Statutes. The State of North Carolina may use the proceeds from the easement only for the expansion or improvement of Lake James State Park or another State park. The State may not otherwise sell or exchange this land.

b. The portion of that certain tract or parcel of land at Lake James State Park in McDowell County, Nebo Township, described in Deed Book 377, Page 423, and also shown as Tract B on the plat of survey prepared by Kenneth D. Suttles, RLS, dated December 4, 1987, entitled "Lake James State Park," Sheet 1 of 2, recorded in Plat Book 4, Page 275 of the McDowell County Registry, for a 40-foot right-of-way beginning at the southwest corner of Tract B and continuing along the southern boundary 86° 38’ 51” E for 400 feet to the now or former John D. Walker property. The State of North Carolina may grant an easement across this tract to extinguish prescriptive easements on Tract B to improve management of the State park property. The State may not otherwise sell or exchange this land. The easement excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System pursuant to G.S. 113-44.14.

c. That portion of that certain tract or parcel of land at Lake James State Park in Burke County, Linville Township, described in Deed Book 1431, Page 859, and shown on the survey prepared by Suttles Surveying, PA dated May 2, 2014, entitled "Survey for State of North Carolina," containing 3.41 acres and on file with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S.  113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Lake James State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(20) All lands and waters within the boundaries of Lake Waccamaw State Park as of May 5, 2009, May 6, 2014, with the exception of the following tracts: The portions of that certain tract or parcel of land at Lake Waccamaw State Park in Columbus County described in Deed Book 835, Page 590, containing 48,210 square feet and being the portion of this tract shown as new R/W and permanent utility easement on drawing prepared by State of North Carolina Department of Transportation entitled "Map of Proposed Right of Way Property of State of North Carolina (Parks and Recreation) Columbus County" for Tip B-3830 on SR 1947 (Bella Coola Road) done by John E. Kaukola, PLS No. 3999 and compiled 1-18-2008, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Lake Waccamaw State Park or sell this
land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(21) All lands and waters within the boundaries of Chimney Rock State Park as of May 5, 2009, May 6, 2014, with the exception of the following tracts: The portion of that certain tract or parcel of land at Chimney Rock State Park in Rutherford County being a portion of Parcel 2 as described in Deed Book 933, Page 598, containing 346 square feet and being shown as proposed right-of-way for bridge replacement project B-4258 on U.S. 64 over the Broad River on drawing prepared by Kimley-Horn and Associates for the North Carolina Department of Transportation and revised October 26, 2007, and filed with the State Property Office. The portion of that certain tract or parcel of land at Chimney Rock State Park in Polk County, Cooper Gap Township, Deed Book 393, Page 1402, containing 6.5 acres more or less and shown on the survey entitled "Plat of Survey for The State of North Carolina" prepared by Stacy Kent Rhodes dated May 15, 2014, and filed with the State Property Office. The tracts excluded from the State Nature and Historic Preserve under this section are deleted from the State Parks System pursuant to G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Chimney Rock State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(22) All State-owned land and waters within the boundaries of the Mountains-to-Sea Trail as of May 5, 2009, May 6, 2014, with the exception of the following tract: The portion of that certain tract or parcel in Johnston County described in Deed Book 3634, Page 278, containing 4.72 acres and being described as proposed easement area for Piedmont Natural Gas Company transmission line on drawing entitled "Easement Survey Prepared for Piedmont Natural Gas Company, Line 142, Easement to be Acquired from the State of North Carolina" by McKim & Creed and dated July 31, 2008, and revised March 11, 2009. The State of North Carolina may grant an easement to Piedmont Natural Gas Company across this tract to facilitate the transmission of natural gas. The grant of the easement within the Mountains-to-Sea Trail to Piedmont Natural Gas Company under this section constitutes authorization by the General Assembly that the described tract of land may be used for a purpose other than the public purposes specified in Section 5 of Article XIV of the North Carolina Constitution, Article 25B of Chapter 143 of the General Statutes, and Article 2C of Chapter 113 of the General Statutes. The State of North Carolina may use the proceeds from the easement only for the expansion or improvement of the Mountains-to-Sea Trail or another State park. The State may not otherwise sell or exchange this land.

(23) All State-owned land and waters within the boundaries of Gorges State Park as of May 6, 2014, with the exception of the following tracts: The portions of that certain tract or parcel of land in Transylvania County, described in Deed Book 267, Page 838, containing a total of 7.26 acres for the North Carolina Department of Transportation project TIP R-2409C US 64 Safety Improvements. As shown on right-of-way drawing from the North Carolina Department of Transportation dated May 22, 2014, for TIP R-2409C, Parcel 002, on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of the Gorges State Park.
(24) All State-owned land and waters within the boundaries of Lower Haw State Natural Area as of May 6, 2014, with the exception of the following tract: the portion of that certain tract or parcels in Chatham County, described in Deed Book 1319, Page 1047, containing 12,501 square feet and shown on a survey entitled "Recombination Survey for the North Carolina Division of Parks and Recreation and PK Ventures I LTD Partnership" prepared by S.D. Puckett and Associates dated April 22, 2014, and on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Lower Haw State Natural Area or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(25) All State-owned land and waters within the boundaries of Lumber River State Park as of May 6, 2014, with the exception of the following tracts: The portions of those certain tracts or parcels of land in Robeson County, described in Deed Book 919, Page 862, Deed Book 1097, Page 837, Deed Book 935, Page 170, Deed Book 1125, Page 562, and Deed Book 1117, Page 680, containing a total of 3.39 acres for the North Carolina Department of Transportation secondary road project 6C.078030 SR 2245 (VC Britt Road) and shown on the survey entitled "Survey of Tracts 1A and 1B, VC Britt Rd, Orrum NC" prepared by the North Carolina Department of Transportation. The tracts excluded from the State Nature and Historic Preserve under this subdivision are deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of Lumber River State Park or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

(26) All State-owned land and waters within the boundaries of Mitchells Millpond State Natural Area as of May 6, 2014, with the exception of the following tract: the portions of that certain tract or parcel in Wake County, described in Deed Book 2445, Page 62, containing approximately 0.215 acres as shown on the right-of-way plan for SR 2224 (Mitchell Mill Road) bridge No. 162 replacement project and on file with the State Property Office. The tract excluded from the State Nature and Historic Preserve under this subdivision is deleted from the State Parks System in accordance with G.S. 113-44.14. The State of North Carolina may only exchange this land for other land for the expansion of the State Parks system or sell this land and use the proceeds for that purpose. The State may not otherwise sell or exchange this land.

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

In the General Assembly read three times and ratified this the 30th day of June, 2014.

Became law upon approval of the Governor at 4:17 p.m. on the 7th day of July, 2014.
AN ACT AUTHORIZING THE NORTH CAROLINA VETERINARY MEDICAL BOARD TO AMEND THE BOARD'S LAWS PERTAINING TO LICENSURE FEES AND LICENSE REINSTATEMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-186(6) reads as rewritten:

"§ 90-186. Special powers of the Board.

In addition to the powers set forth in G.S. 90-185 above, the Board may:

... (6) Set and require fees pursuant to administrative rule for the following rule. The Board may increase the following fees, provided (i) no fee shall be increased more than fifteen percent (15%) within a calendar year and (ii) the cumulative total increases of any fee shall not exceed one hundred percent (100%) of the fee amounts set in this subdivision:

a. Issuance or renewal of a certificate of registration for a professional corporation, in the amount not to exceed one hundred fifty dollars ($150.00).

b. Administering a North Carolina license examination for applicants for licensure, certification, and registration, in the amount not to exceed two hundred fifty dollars ($250.00).

c. Administering national examinations, including the National Board Examination or the Clinical Competency Test, in amounts directly related to the costs to the Board. Fees associated with administering national competency examinations shall be set in rules adopted by the Board.

d. Inspection of a veterinary practice facility in the amount not to exceed seventy-five dollars ($75.00).

e. Issuance or renewal of a license or a limited license, in the amount not to exceed one hundred fifty dollars ($150.00).

f. Issuance or renewal of a veterinary faculty certificate, in the amount not to exceed one hundred fifty dollars ($150.00).

g. Issuance or renewal of a zoo veterinary certificate, in the amount not to exceed one hundred fifty dollars ($150.00).

h. Reinstatement of an expired or revoked license, a limited license, a veterinary faculty certificate, a zoo veterinary certificate, a veterinary technician registration, or a professional corporation registration, in the amount not to exceed one hundred dollars ($100.00).

i. Issuance or renewal of a veterinary technician registration, in the amount not to exceed fifty dollars ($50.00).

j. Issuance of a veterinary student intern registration, in the amount not to exceed twenty-five dollars ($25.00).

k. Issuance of a veterinary student preceptee registration, in the amount not to exceed twenty-five dollars ($25.00).

l. Late fee for renewal of a license, a limited license, a veterinary technician registration, a veterinary faculty certificate, a zoo veterinary certificate, or a professional corporation registration, in the amount not to exceed fifty dollars ($50.00).
m. Issuance of a temporary permit to practice veterinary medicine in the amount not to exceed one hundred fifty dollars ($150.00).

n. Providing copies, upon request, of Board publications, rosters, or other materials available for distribution from the Board, in an amount determined by the Board that is reasonably related to the costs of providing those copies.

The fees set under this subdivision for the renewal of a license, a limited license, a registration, or a certificate apply to each year of the renewal period.”

SECTION 2. G.S. 90-187.9 reads as rewritten:


Any person whose license is suspended or revoked may, at the discretion of the Board, be relicensed or reinstated at any time without an examination by majority vote of the Board on written application made to the Board showing cause justifying relicensing or reinstatement.

(a) A person licensed or registered as a veterinary technician under this Article who has had his or her license or registration revoked for failure to apply for renewal may be reinstated at any time within three years following revocation upon filing an application for reinstatement and paying all accrued renewal fees and the reinstatement fee. As a condition of reinstatement, the applicant shall submit proof to the Board that the applicant has earned the continuing education credits required under this Article and rules adopted by the Board for each year the license or registration was revoked.

(b) A person whose license has been revoked for more than three years for failure to apply for license renewal may qualify for licensure upon filing an application with the Board and meeting the requirements of G.S. 90-187 or G.S. 90-187.3.

(c) A person whose registration has been revoked for more than three years for failure to apply for registration renewal may qualify for registration upon filing an application with the Board and meeting the requirements of G.S. 90-186(4) and any applicable rules adopted by the Board.

(d) Subject to conditions as may be imposed by the Board, any person whose license or registration is revoked for reasons other than failure to apply for renewal may, in the Board's discretion, be relicensed or reregistered at any time by majority vote of the Board upon submitting written application to the Board showing cause for justifying relicensure or reregistration.”

SECTION 3. This act becomes effective October 1, 2014.

In the General Assembly read three times and ratified this the 30th day of June, 2014.

Became law upon approval of the Governor at 4:18 p.m. on the 7th day of July, 2014.

Session Law 2014-64

AN ACT TO AMEND THE LAWS RELATED TO (1) LOCAL FIREFIGHTERS' RELIEF FUNDS, THE STATEWIDE FIREFIGHTERS' RELIEF FUND, AND THE RESCUE SQUAD WORKERS' RELIEF FUND, (2) WORKERS' COMPENSATION FOR FIREFIGHTERS AND RESCUE SQUAD WORKERS, (3) SUPPLEMENTAL PENSIONS FOR FIREFIGHTERS AND RESCUE SQUAD WORKERS, AND (4) THE VOLUNTEER FIRE DEPARTMENT FUND AND VOLUNTEER RESCUE/EMS FUND, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.
The General Assembly of North Carolina enacts:

SECTION 1. Relief Funds. – (a) Article 84 of Chapter 58 of the General Statutes reads as rewritten:

"Article 84.

"Fund Derived from Insurance Companies. Local Firefighters' Relief Funds.

"§ 58-84-1. Repealed by Session Laws 2006-196, s. 6, effective January 1, 2008, and applicable to proceeds credited to the Department of Insurance on or after that date.

"§ 58-84-5. Definitions.
The following definitions apply in Articles 84 through 88 of this Chapter:

(1) City. – A fire district.

(2) Clerk. – The clerk of a fire district or, if there is no clerk, the person so designated by the governing body of the fire district.

(3) Fire district. – Any political subdivision of the State that meets all of the following conditions:

a. It has an organized fire department under the control of its governing body.

b. Its fire department has apparatus and equipment that is in serviceable condition for fire duty and is valued at one thousand dollars ($1,000) or more.

c. It enforces the fire laws to the satisfaction of the is rated and certified by the Commissioner.

d. Its response area has been approved by the local municipal government or, if there is no local municipal government, by the local board of county commissioners.

(4) Town. – A fire district.


"§ 58-84-25. Disbursement of funds by Insurance Commissioner.

(a) Distribution. – The Insurance Commissioner shall deduct the sum of three percent (3%) from the tax proceeds credited to the Department pursuant to G.S. 105-228.5(d)(3) and pay the same over to the treasurer of the State Firemen's Association for general administrative purposes. The Insurance Commissioner shall deduct the sum of one percent (1%) two percent (2%) from the tax proceeds and retain the same in the budget of the Department of Insurance for the purpose of administering the disbursement of funds by the board of trustees in accordance with the provisions of G.S. 58-84-35. The Insurance Commissioner shall, pursuant to G.S. 58-84-50, credit the amount forfeited by nonmember fire districts to the North Carolina State Firemen's Association. The Insurance Commissioner shall distribute the remaining tax proceeds to the treasurer of each fire district as provided in subsections (b) and (c) of this section.

(b) Allocation to Counties. – The Insurance Commissioner shall allocate to each county an amount of tax proceeds based upon the amount allocated to it in the previous year. If the amount allocable in the current year is less than the amount allocated in the previous year, then the Commissioner shall reduce the amount allocated to each county. The amount of the reduction is equal to the difference in the amount allocated in the previous year and the amount allocable in the current year multiplied by a fraction, the numerator of which is the population of the county and the denominator of which is the population of the State. If the amount allocable in the current year is greater than the amount allocated in the previous year, then the Commissioner shall increase the amount allocated to each county. The amount of the increase is equal to the excess proceeds multiplied by a fraction, the numerator of which is the population of the county and the denominator of which is the population of the State.

(c) Distribution to Fire Districts. – Once the Insurance Commissioner has allocated the tax proceeds to a county under subsection (b) of this section, the Commissioner shall distribute those allocations to the fire districts in that county. The amount distributed to each fire district
is equal to the total amount allocated to the county multiplied by a fraction, the numerator of which is the tax value of the property located in the fire district and the denominator of which is the tax value of all property located in any fire district in that county. A county shall provide the Commissioner with the tax value of property located in each fire district in that county by January 1February 1 of each year. If a county does not submit information that the Commissioner needs to make a distribution by the date the information is due, the Commissioner shall distribute the allocation based on the most recent information the Commissioner has.

(d) Administration. – These funds shall be held by the treasurer of a fire district as a separate and distinct fund. The fire district shall immediately pay the funds to the treasurer of the local board of trustees upon the treasurer's election and qualification, for the use of the board of trustees of the firemen's local relief fund in each fire district, which board shall be composed of five members. District to be used by it for the purposes provided in G.S. 58-84-35.

§ 58-84-30. Trustees appointed; organization.
For each county, town or city complying with and deriving benefits from the provisions of this Article, there shall be appointed a local board of trustees, known as the trustees of the local Firefighters' Relief Fund, to be composed of five members, two of whom shall be elected by the members of the local fire department who are qualified as beneficiaries of such fund, two of whom shall be elected by the mayor and board of aldermen or other local governing body, and one of whom shall be named by the Commissioner of Insurance. Their selection and term of office shall be as follows:

1. The members of the fire department shall hold an election each January to elect their representatives to above board. In January 1950, the firefighters shall elect one member to serve for two years and one member to serve for one year, then each year in January thereafter, they shall elect only one member and his term of office shall be for two years. Members elected pursuant to this section shall be either (i) residents of the fire district or (ii) active or retired members of the fire department.

2. The mayor and board of aldermen or other local governing body shall appoint, in January 1950, two representatives to above board, one to hold office for two years and one to hold office for one year, and each year in January thereafter they shall appoint only one representative and his term of office shall be for two years. Members appointed pursuant to this section shall be residents of the fire district.

3. The Commissioner of Insurance shall appoint one representative to serve as trustee and he shall serve at the pleasure of the Commissioner. The member appointed pursuant to this section shall be either (i) a resident of the fire district or (ii) an active or retired member of the fire department.

All of the above trustees shall hold office for their elected or appointed time, or until their successors are elected or appointed, and shall serve without pay for their services. They shall immediately after election and appointment organize by electing from their members a chairman and a secretary and treasurer, which two last positions may be held by the same person. The treasurer of said board of trustees shall give a good and sufficient surety bond in a sum equal to the amount of moneys in his hand, to be approved by the Commissioner of Insurance. The cost of this bond may be deducted by the Insurance Commissioner from the receipts collected pursuant to G.S. 58-84-10 before distribution is made to local relief funds. If the chief or chiefs of the local fire departments are not named on the board of trustees as above provided, then they shall serve as ex officio members without privilege of voting on matters before the board.

§ 58-84-32. Prudent management of funds.
Local boards of trustees shall manage local relief funds as prudent trustees of the funds, subject to Chapter 36E of the General Statutes.
"§ 58-84-35. Disbursement of funds by trustees.
(a) The board of trustees shall have entire control of the funds derived from the provisions of this Article, and shall disburse the funds only for the following purposes:

(1) To safeguard any fireman—firefighter in active service from financial loss, occasioned by sickness contracted or injury received while in the performance of his duties as a fireman—firefighter.

(2) To provide a reasonable support for those actually dependent upon the services of any fireman—firefighter who may lose his life in the fire service of his town, city, or State, either by accident or from disease contracted or injury received by reason of such service. The amount is to be determined according to the earning capacity of the deceased.

(2a) To provide assistance, upon approval by the Secretary—Executive Director of the State Firemen's Association, to a destitute member fireman—firefighter who has served honorably for at least five years. The determination of destitute shall be based on the inability of the firefighters, through no fault of their own, to provide basic provisions to themselves or their families. Such basic provisions include, but are not limited to, assistance with housing, vehicle or commuting expenses, food, clothing, utilities, medical care, and funeral expenses.

(3) Repealed by Session Laws 1985, c. 666, s. 61.

(4) To provide for the payment of any fireman—firefighter's assessment in the Firemen's Fraternal Insurance Fund of the State of North Carolina if the board of trustees finds as a fact that said fireman—firefighter is unable to pay the said assessment by reason of disability.

(5) To provide for benefits of (i) supplemental retirement, including payment of firefighters' monthly assessments for the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund, (ii) workers compensation, including the payment of premiums to the Workers' Compensation Fund established under G.S. 58-87-10, and (iii) other insurance and pension protection for firefighters otherwise qualifying for benefits from the Firefighters' Relief Fund as set forth in Article 85 of this Chapter.

(6) To provide for educational benefits to firemen—firefighters and their dependents who otherwise qualify for benefits from the Firefighters' Relief Fund as set forth in Article 85 of this Chapter.

(7) To provide for annual physicals that are required for firefighter positions by the Department of Labor or are recommended by the National Fire Protection Association.

(b) Notwithstanding any other provisions of law, no expenditures shall be made pursuant to subsections (5) and (6) subdivision (5), (6), or (7) of subsection (a) of this section unless the State Firemen's Association has certified that such expenditures will not render the Fund actuarially financially unsound for the purposes of providing the benefits set forth in subsections subdivisions (1), (2), and (4) of subsection (a) of this section. If, for any reason, funds made available for subsections (5) and (6) of this section subdivision (5), (6), or (7) shall be insufficient to pay in full any benefits, the benefits pursuant to subsections subdivisions (5) and (6) shall be reduced pro rata for as long as the amount of insufficient funds exists—exists, after first eliminating the benefits pursuant to subdivision (7). No claim shall accrue with respect to any amount by which a benefit under subsections subdivisions (5) and (6) shall have been reduced.

(c) As used in subsection (b) of this section, the term "financially unsound" means that a local fund could not sustain a requested expenditure or could not make similar payments for five years without the local fund's balance falling below the greater of the following:
(1) Five hundred dollars ($500.00) multiplied by the number of eligible firefighters in the local department.

(2) Twenty thousand dollars ($20,000).

(d) A local board of trustees shall not be restricted to making disbursements solely from the interest earned on the local board's relief fund.

§ 58-84-40. Trustees to keep account and file certified reports.

(a) Each local board of trustees shall keep a correct account of all moneys received and disbursed by them. On a form prescribed by the North Carolina State Firemen's Association, each local board shall certify by October 31 of each year the following to the Association: the balance of the local fund, proof of sufficient bonding, a full and detailed accounting of the previous year's expenditures, and a full accounting of membership qualifications. Such certification shall be made concurrently with the local unit's statement of Fire Readiness. The accounting of the previous year's expenditures shall include the amounts spent on each of the purposes listed in G.S. 58-84-35(a), including the number of firefighters that received benefits for each of the purposes.

(b) In turn, the State Firemen's Association shall certify to the Department of Insurance by January 1 of each year on a form prescribed by the Department, the following:

(1) The local units which have complied with the requirements of subsection (a) of this section.

(2) A listing of the members of each of the local units.

(3) The fund balances for each of the local units' relief funds.

(4) Details on the disbursements from local relief funds, including how much was disbursed for each allowable purpose and how many members received disbursements for those purposes, on both a unit-by-unit basis and total basis.

(5) Information on any improper disbursements.

(c) In the event that any board of trustees in any of the towns and cities benefited by this Article shall neglect or fail to perform their duties, or shall willfully misappropriate the funds entrusted in their care by obligating or disbursing such funds for any purpose other than those set forth in G.S. 58-84-35, then the Insurance Commissioner shall withhold any and all further payments to such board of trustees, or their successors, until the matter has been fully investigated by an official of the State Firemen's Association, and adjusted to the satisfaction of the Insurance Commissioner.

(d) In the event that any local relief fund provided for in this Article becomes impaired, then the Statewide Firefighters' Relief Fund may in the discretion of its board of trustees assist the local unit administering the fund in providing for relief to injured firefighters and their dependents or survivors; provided, however, that any funds so provided to such impaired units shall be repaid in full at the statutory rate of interest from future local unit receipts if the impairment resulted from violations of this Article.

§ 58-84-41. Commissioner of Insurance to maintain database of reports; fire department identification numbers.

(a) Working with the North Carolina State Firemen's Association, the Commissioner of Insurance shall develop and maintain a database of the information reported under G.S. 58-84-40(b).

(b) The Commissioner of Insurance shall issue to each fire department within the State a unique fire department identification number (FDID) that shall be used by the Commissioner and the North Carolina State Firemen's Association to coordinate database records and reports.


§ 58-84-46. Certification to Commissioner.

On or before October 31 of each year the clerk or finance officer of each city or county that has a local board of trustees under G.S. 58-84-30 or a fire chief if authorized by
such a city or county to file the certificate, shall file a certificate of eligibility with the Commissioner. The certificate shall contain information prescribed by administrative rule adopted by the Commissioner. If the certificate is not filed with the Commissioner on or before January 31 in the ensuing year:

1. The city or county that failed to file the certificate shall forfeit the payment next due to be paid to its board of trustees.

2. The Commissioner shall pay over that amount to the treasurer of the North Carolina State Firemen's Association.

3. That amount shall constitute a part of the Statewide Firefighters' Relief Fund.

"§ 58-84-50. Fire departments to be members of State Firemen's Association.

For the purpose of supervision and as a guaranty that provisions of this Article shall be honestly administered in a businesslike manner, it is provided that every department enjoying the benefits of this law shall be a member of the North Carolina State Firemen's Association and comply with its constitution and bylaws. If the fire department of any city, town or village shall fail to comply with the constitution and bylaws of said Association, said city, town or village shall forfeit its right to the next annual payment due from the funds mentioned in this Article, and the Commissioner of Insurance shall pay over said amount to the treasurer of the North Carolina State Firemen's Association and same shall constitute a part of the Statewide Firefighters' Relief Fund.

"§ 58-84-52. Benefits available to individual firefighters whose departments are not members of the State Firemen's Association.

(a) Individual firefighters whose departments are not members of the North Carolina State Firemen's Association shall be covered under the line of duty coverage offered by the Association.

(b) Benefits under this section shall be paid from the funds that are forfeited from local departments to the Statewide Firefighters' Relief Fund.

"§ 58-84-55. No discrimination on account of race.

The local boards of trustees of the local Firefighters' Relief Funds shall make no discrimination based upon race in the payment of benefits.

"§ 58-84-60. Immunity.

A person serving on a local board of trustees of the local Firefighters' Relief Fund shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of this service, except where the person:

1. Was not acting within the scope of that person's official duties;

2. Was not acting in good faith;

3. Committed gross negligence or willful or wanton misconduct that resulted in the damages or injury;

4. Derived an improper personal financial benefit, either directly or indirectly, from the transaction; or

5. Incurred the liability from the operation of a motor vehicle.

"§ 58-84-65. Repeal of certain local laws inconsistent with this Article.

The following provisions contained within any local act enacted or amended prior to January 1, 2014, are hereby repealed:

1. Any redirection, at the time of receipt, of funds directed to a fire district under G.S. 58-84-25(c) to a fund other than a local relief fund.

2. Any restriction that would be inconsistent with G.S. 58-84-35(d).

3. Any transfer of interest earned on a local relief fund from the local relief fund to another fund.

4. Any transfer of funds from a local relief fund to a supplemental retirement fund based on the local relief fund exceeding a certain amount.

5. Any allowable expenditures that are not within the scope of the list provided in G.S. 58-84-35(a).
(6) Any variation from the certification requirement under G.S. 58-84-35(b)."

SECTION 1.(b) The database required by G.S. 58-84-41, as enacted by subsection (a) of this section, shall be operational no later than December 1, 2015, so the Department of Insurance can receive and include in its database the information from the North Carolina State Firemen's Association that is due by January 1, 2016.

SECTION 1.(c) Effective July 1, 2015, G.S. 58-84-25, as amended by subsection (a) of this section, reads as rewritten:

"§ 58-84-25. Disbursement of funds by Insurance Commissioner.

... (c) Distribution to Fire Districts. – Once the Insurance Commissioner has allocated the tax proceeds to a county under subsection (b) of this section, the Commissioner shall distribute those allocations directly to the fire districts in that county. The Commissioner shall distribute the allocations by electronic funds transfer, unless a fire district's account cannot accept electronic funds transfers, in which case the Commissioner shall distribute the district's allocation by paper check. The amount distributed to each fire district is equal to the total amount allocated to the county multiplied by a fraction, the numerator of which is the tax value of the property located in the fire district and the denominator of which is the tax value of all property located in any fire district in that county. A county shall provide the Commissioner with the tax value of property located in each fire district in that county by February 1 of each year. If a county does not submit information that the Commissioner needs to make a distribution by the date the information is due, the Commissioner shall distribute the allocation based on the most recent information the Commissioner has.

(c1) Certain Amounts Redistributed. – Notwithstanding subsection (c) of this section, the Insurance Commissioner shall not distribute funds to a fire district whose local relief fund's balance exceeds the amount provided under G.S. 58-84-33(a). Instead, the Commissioner shall, using the methodology provided in subsections (b) and (c) of this section, distribute those funds to the fire districts whose local relief funds' balances do not exceed the amount provided under G.S. 58-84-33(a). If all of a county's fire districts' local relief funds' balances exceed the amount provided under G.S. 58-84-33(a), then the Commissioner shall reallocate the amount the county would have received to the counties with fire districts that do not exceed the amount provided under G.S. 58-84-33(a)."

SECTION 1.(d) Effective July 1, 2015, Article 84 of Chapter 58 of the General Statutes, as amended by subsection (a) of this section, is further amended by adding a new section to read as follows:

"§ 58-84-33. Maximum fund balances.

(a) The balance of a local fire department's Firefighter's Relief Fund for a given year shall not exceed the product of multiplying the number of members on the department's roster as of January 1 for that year by the sum of two thousand five hundred dollars ($2,500).

(b) The North Carolina State Firemen's Association shall annually calculate and notify each local department of its relief fund's maximum allowable balance.

(c) A local fire department whose relief fund balance, at the time of annual distribution by the Insurance Commissioner, exceeds the amount allowable under subsection (a) of this section shall not be entitled to receive a distribution for that year, and the Commissioner shall redistribute the funds that the department would have received, as provided under G.S. 58-84-25(c1).

(d) A board of trustees of a local Firefighters' Relief Fund may, with the authorization of and under guidelines provided by the North Carolina State Firemen's Association, dedicate a portion of the local Firefighters' Relief Fund towards providing supplemental retirement. Notwithstanding subsection (a) of this section, if such dedicated amounts are used solely for supplemental retirement within the guidelines provided by the North Carolina State Firemen's Association, then such dedicated amounts shall not count towards the maximum allowable balance under subsection (a) of this section."
SECTION 1(e) Article 85 of Chapter 58 of the General Statutes reads as rewritten:

"Article 85.

"State Appropriation - Statewide Firefighters' Relief Fund.


The money paid into the hands of the treasurer of the North Carolina State Firemen's Association shall be known and remain as the "Firefighters' Relief Fund" of North Carolina, and shall be used as a fund for the relief of firefighters and county fire marshals, who are members of this Association, who may be injured or rendered sick by disease contracted in the actual discharge of duty as firefighters or county fire marshals, and for the relief of surviving spouses, children, and if there be no surviving spouse or children, then dependent mothers of the firefighters and county fire marshals killed or dying from disease so contracted in the discharge of duty; to be paid in the manner and in the sums to the individuals of the classes herein named and described as may be provided for and determined upon in accordance with the constitution and bylaws of the Association, and any provisions and determinations made under the constitution and bylaws shall be final and conclusive as to the persons entitled to benefits and as to the amount of benefit to be received, and no action at law shall be maintained against the Association to enforce any claim or recover any benefit under this Article or under the constitution and bylaws of the Association; but if any officer or committee of the Association omit or refuse to perform any duty imposed upon the officer or them, nothing herein contained shall be construed to prevent any proceedings against that officer or committee to compel the officer or them to perform that duty. No firefighter or county fire marshal shall be entitled to receive any benefits under this section until the firefighters' relief fund of his city or town has been exhausted. Notwithstanding the above provisions, the Executive Board of the North Carolina State Firemen's Association is hereby authorized to grant educational scholarships to members and the children of members, to subsidize premium payments of members over 65 years of age to the Firemen's Fraternal Insurance Fund of the North Carolina State Firemen's Association, and to provide accidental death and dismemberment insurance for members of those fire departments not eligible for benefits pursuant to standards of certification adopted by the State Firemen's Association for the use of local relief funds departments.

"§ 58-85-5. Reserved for future codification purposes.


The treasurer of the North Carolina State Firemen's Association shall make a detailed report to the State Treasurer and the Commissioner of Insurance of the yearly expenditures of the appropriation under Articles 84 through 88 of this Chapter on or before the end of the fiscal year, showing the total amount of money in his hands at the time of the filing of the report, and shall give a bond to the State of North Carolina with good and sufficient sureties to the satisfaction of the Treasurer of the State of North Carolina in a sum not less than the amount of money on hand as shown by said report.


The line of duty entitling one to participate in the fund shall be so construed as to mean actual fire duty only, and any actual duty connected with the fire department or county fire marshal office when directed to perform the same by an officer in charge.

"§ 58-85-20. Who may become members.

Any organized fire company in North Carolina, holding itself ready for duty, may, upon compliance with the requirements of its constitution and bylaws, become a member of the North Carolina State Firemen's Association, and any firefighter of good moral character in North Carolina, and belonging to an organized fire company, who complies with the requirements of the constitution and bylaws of the North Carolina State Firemen's Association, may become a member of the Association. Any county fire marshal office may, upon compliance with the requirements of its constitution and bylaws, become a member of the North Carolina Firemen's Association, and any employee of a county fire marshal office of good moral character whose sole duty is to act as a fire marshal, deputy fire marshal, assistant
fire marshal, or firefighter of the county, who complies with the requirements of its constitution and bylaws, may become a member of the North Carolina Firemen's Association.

"§ 58-85-25.  Applied to members of regular fire company.
G.S. 58-85-1, 58-85-10, 58-85-15, 58-85-20, and 58-85-25 shall apply to any fireman, firefighter or fire marshal who is a member of a regularly organized fire company or county fire marshal office, and is a member in good standing of the North Carolina State Firemen's Association.

(a) The treasurer of the North Carolina State Firemen's Association shall pay to the treasurer of the North Carolina State Volunteer Firemen's Association one sixth of the funds arising from the three percent (3%) paid the treasurer of the North Carolina State Firemen's Association by the Commissioner each year to be used by the North Carolina State Volunteer Firemen's Association for the purposes set forth in G.S. 58-84-35.
(b) Local units of the North Carolina State Volunteer Firemen's Association shall maintain records and report to the North Carolina State Firemen's Association in accordance with G.S. 58-84-40, and shall be subject to the sanctions in G.S. 58-84-40.

The North Carolina State Firemen's Association shall manage the Firefighters' Relief Fund as a prudent trustee of the funds, subject to Chapter 36E of the General Statutes.

SECTION 1.(f) G.S. 58-88-5(c)(5) reads as rewritten:
"(5) Notwithstanding any other provision of law, no expenditures shall be made pursuant to subdivisions (1), (2), (3), (4), and (4a) of this subsection unless the Board has certified that the expenditures will not render the Fund actuarially financially unsound for the purpose of providing the benefits set forth in subdivisions (1), (2), (3), (4), and (4a). If, for any reason, funds made available for subdivisions (1), (2), (3), (4), and (4a) are insufficient to pay in full any benefit, the benefits pursuant to subdivisions (1), (2), (3), (4), and (4a) shall be reduced pro rata for as long as the amount of insufficient funds exists. No claims shall accrue with respect to any amount by which a benefit under subdivisions (1), (2), (3), (4), and (4a) has been reduced."

SECTION 1.(g) Article 88 of Chapter 58 of the General Statutes is amended by adding a new section to read as follows:
"§ 58-88-35.  Prudent management of Rescue Squad Workers' Relief Fund.
The Association shall manage the Rescue Squad Workers' Relief Fund as a prudent trustee of the funds, subject to Chapter 36E of the General Statutes."

SECTION 1.(h) Beginning on April 1, 2016, and each year thereafter, the Department of Insurance shall report to the House Appropriations Subcommittee on General Government and the Senate Appropriations Committee on General Government and Information Technology the following information about each local firefighters' relief fund board, the North Carolina State Firemen's Association, and the North Carolina Association of Rescue and Emergency Medical Services, Inc.:

(1) The total amount of money disbursed from the relief funds controlled by each of the entities.
(2) The amount of money spent by each entity for each of the statutorily permissible uses.
(3) Each entity's ending fund balance.
The report also should describe any problems with data collection and quality and, if applicable, make recommendations on actions the General Assembly could take to resolve any data issues.

SECTION 1.(i) Chapter 183 of the 1979 Session Laws is repealed. Any funds remaining in the Mebane Firemen's Supplemental Retirement Fund at the time of this repeal shall be transferred to the Mebane Local Firefighters' Relief Fund.

SECTION 2. Workers' Compensation. – (a) G.S. 58-87-10 reads as rewritten:
"§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.

(a) Definition. Definitions. – As used in this section, the following terms apply:

(1) Eligible entity. – One of the following entities that support eligible units and members of eligible units:
   c. North Carolina Association of Rescue and Emergency Medical Services, Inc.

(2) "eligible unit" means a volunteer Eligible unit. – A fire department or volunteer rescue/EMS unit that (i) is not part of a unit of local government and (ii) is exempt from State income tax under G.S. 105-130.11.

(b) Creation. – The Workers' Compensation Fund is created in the Department of Insurance as an expendable trust fund. Accordingly, interest and other investment income earned by the Fund accrues to it, and revenue in the Fund at the end of a fiscal year remains in the Fund and does not revert.

(c) Use. – Revenue in the Workers' Compensation Fund shall be used to provide workers' compensation benefits to (i) members of eligible units and (ii) the employees and volunteers of eligible entities. Chapter 97 of the General Statutes governs the payment of benefits from the Fund. Benefits are payable for compensable injuries or deaths that occur on or after July 1, 1996.

(d) Administration. – The State Fire and Rescue Commission, established under G.S. 58-78-1, shall administer the Workers' Compensation Fund and shall perform this duty by contracting with a third-party administrator. The contracting procedure is not subject to Article 3C of Chapter 143 of the General Statutes. The reasonable and necessary expenses incurred by the Commission in administering the Fund shall be paid out of the Fund by the State Treasurer. The Commission may adopt rules to implement this section.

(e) Revenue Source. – Revenue is credited to the Workers' Compensation Fund from a portion of the proceeds of the tax levied under G.S. 105-228.5(d)(3). In addition, every eligible unit and eligible entity that elects to participate shall pay into the Fund an amount set annually by the State Fire and Rescue Commission to ensure that the Fund will be able to meet its payment obligations under this section. The amount shall be set as a per capita fixed dollar amount for each member of the roster of the eligible unit or for each employee or volunteer of an eligible entity, and the amount may vary based on whether an individual is a volunteer, a part-time employee, or a full-time employee. The payment shall be made to the State Fire and Rescue Commission on or before July 1 of each year. The Commission shall remit the payments it receives to the State Treasurer, who shall credit the payments to the Fund.

(f) The amount of the tax imposed by G.S. 105-228.5(d)(3) credited to the Workers' Compensation Fund shall be the maximum allowed under that statute.

SECTION 2.(b) Effective April 1, 2016, G.S. 58-87-10(f), as amended by Section 20.2(e) of S.L. 2013-360, reads as rewritten:

"(f) Funding Study. – The Department of Insurance shall annually conduct a periodic an actuarial study to that shall do all of the following:

(1) calculate Calculate the amount required to meet the needs of the Fund, projecting at least five years into the future. The study shall be based on a revenue amount that is the greater of the amount paid by members of the Fund as determined under subsection (e) of this section for the fiscal year to which the study applies or the amount paid by members of the Fund as determined under subsection (e) of this section for fiscal year 2012-2013.

(2) Report on the nature of the claims paid by the Fund and any claims-related trends that impact the financial status of the Fund.
(3) Calculate how much revenue from the State and from member premiums would be required to meet the needs of the Fund for each of the following scenarios:
a. The Fund receives twenty percent (20%) of the net proceeds from the tax collected under G.S. 105-228.5(d)(3).
b. Member premiums do not change from the prior year.
c. Member premiums fully fund the Fund without any State support.

(4) Be published no later than February 1 of each year. Upon publishing the study, the Department shall notify the following of its publication:
a. The Office of State Budget and Management.
b. The House Appropriations Committee.
c. The Senate Appropriations/Base Budget Committee.
d. The Fiscal Research Division.

Additionally, beginning in 2016 and every five years thereafter, the study shall include (i) a comparison of Fund premium levels to the premium levels of employees of municipal fire and rescue departments and (ii) a calculation of the amount of revenue generated by experience-rating premium surcharges and, if necessary, recommend changes to experience-rating premium surcharges given claim trends. The Department may contract with a third party to conduct the study required under this section, and the cost of the study may be paid from the Fund. However, if the Department contracts with the same actuary that the Volunteer Safety Workers' Compensation Board contracts with to perform the study under this section, then the Department shall not pay the actuary for data collection and analysis that the actuary has already performed as part of its loss reserve analysis for the Board.

(g) Allocation of Taxes. – The study conducted under subsection (f) of this section shall be reviewed by the Office of State Budget and Management. On or before March 1 of each year, the Office of State Budget and Management, in consultation with the Department of Insurance, must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as determined by the study, for the upcoming fiscal year. The Secretary of Revenue shall remit that amount, subject to the twenty percent (20%) limitation in G.S. 105-228.5(d)(3), to the Fund.

SECTION 2.(c) G.S. 97-2(5) reads as rewritten:
"(5) Average Weekly Wages. – "Average weekly wages" shall mean the earnings of the injured employee in the employment in which the employee was working at the time of the injury during the period of 52 weeks immediately preceding the date of the injury, including the subsistence allowance paid to veteran trainees by the United States government, provided the amount of said allowance shall be reported monthly by said trainee to the trainee's employer, divided by 52; but if the injured employee lost more than seven consecutive calendar days at one or more times during such period, although not in the same week, then the earnings for the remainder of such 52 weeks shall be divided by the number of weeks remaining after the time so lost has been deducted. Where the employment prior to the injury extended over a period of fewer than 52 weeks, the method of dividing the earnings during that period by the number of weeks and parts thereof during which the employee earned wages shall be followed; provided, results fair and just to both parties will be thereby obtained. Where, by reason of a shortness of time during which the employee has been in the employment of his employer or the casual nature or terms of his employment, it is impractical to compute the average weekly wages as above defined, regard shall be had to the average weekly amount which during the 52 weeks previous to the injury was being earned by a person of the same grade and character employed in the same class of employment in the same locality or community."
But where for exceptional reasons the foregoing would be unfair, either to the employer or employee, such other method of computing average weekly wages may be resorted to as will most nearly approximate the amount which the injured employee would be earning were it not for the injury.

Wherever allowances of any character made to an employee in lieu of wages are specified part of the wage contract, they shall be deemed a part of his earnings.

Where a minor employee, under the age of 18 years, sustains a permanent disability or dies leaving dependents surviving, the compensation payable for permanent disability or death shall be calculated, first, upon the average weekly wage paid to adult employees employed by the same employer at the time of the accident in a similar or like class of work which the injured minor employee would probably have been promoted to if not injured, or, second, upon a wage sufficient to yield the maximum weekly compensation benefit. Compensation for temporary total disability or for the death of a minor without dependents shall be computed upon the average weekly wage at the time of the accident, unless the total disability extends more than 52 weeks, and then the compensation may be increased in proportion to the employee’s expected earnings.

In case of disabling injury or death to a volunteer fireman, firefighter, volunteer member of an organized rescue squad; an authorized pickup firefighter, as defined in subdivision (2) of this section, when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service; a duly appointed and sworn member of an auxiliary police department organized pursuant to G.S. 160A-282; or senior members of the State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes, under compensable circumstances, compensation payable shall be calculated upon the average weekly wage the volunteer fireman, firefighter, volunteer member of an organized rescue squad, authorized pickup firefighter of the North Carolina Forest Service; when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, member of an auxiliary police department, or senior member of the State Civil Air Patrol was earning in the employment wherein he principally earned his livelihood as of the date of injury. Provided, however, that the minimum compensation payable to a volunteer fireman, firefighter, volunteer member of an organized rescue squad, an authorized pickup firefighter of the North Carolina Forest Service of the Department of Agriculture and Consumer Services, when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, a sworn member of an auxiliary police department organized pursuant to G.S. 160A-282, or senior members of the State Civil Air Patrol shall be sixty-six and two-thirds percent (66 2/3%) of the maximum weekly benefit established in G.S. 97-29."

SECTION 2.(d) When renewing its existing contract with its third-party administrator, which contract expires on June 30, 2014, or contracting with a different third-party administrator, the State Fire and Rescue Commission shall, through its contract, require its workers' compensation third-party administrator to do all of the following:

1. Establish a performance management system to set loss prevention goals and track and measure the effectiveness of loss prevention interventions.

2. Evaluate how additional data analytics software or cost models could help manage claim costs.
(3) Determine the expenditures per department allocated to loss prevention services geared toward experience-rating reductions and compare the expenditures allocated per department to the experience-rating premium surcharges paid by each department.

(4) Assess the different ways in which the Rating Modification Model could be adjusted to generate more revenue and incentivize departments to be more engaged in loss prevention services; and, if warranted, implement changes to the Experience Rating Modification Model based on the approval of the Volunteer Safety Workers’ Compensation Fund Board.

(5) Track all legal claims and associated expenses open as of July 1, 2014, and filed thereafter, including information on the reasons each claim was filed and the conditions of the settlement or court ruling, and then share the information and analysis from the database with the Volunteer Safety Workers’ Compensation Fund Board at every quarterly board meeting.

(6) Track suspected and confirmed fraudulent claims open as of July 1, 2014, and filed thereafter and then share the information and analysis from the database with the Volunteer Safety Workers’ Compensation Fund Board at every quarterly board meeting.

(7) Track information for all claims awarded indemnity compensation affected by the minimum weekly compensation provision, as provided in G.S. 97-2(5), that are open on July 1, 2014, and filed on or after July 1, 2014. The database should include the following:
   a. The date of the volunteer's injury.
   b. A detailed description of the injury.
   c. The volunteer's (paid) occupation, or status as a "student" or "unemployed."
   d. The volunteer's weekly wages from his or her regular paid occupation.
   e. The amount of indemnity compensation awarded per week based on weekly wages from the regular, paid occupation.
   f. Whether the claim is affected by the minimum weekly compensation provision.
   g. The volunteer's post-injury return date to volunteer duties.

(8) Report to the Volunteer Safety Workers' Compensation Fund Board at every quarterly meeting on all claims awarded indemnity compensation affected by the minimum compensation provision. The report shall include the following:
   a. The total indemnity compensation awarded for each claim, as well as the compensation per week and the number of weeks of compensation.
   b. For each claim, the difference between the indemnity compensation awarded per week to the volunteer and the volunteer's weekly wages from his or her regular, paid occupation.
   c. For each claim, the difference between the total indemnity compensation awarded to the volunteer for number of weeks unable to return to volunteer duties and the volunteer's total wages from regular, paid occupation for the same time period.
   d. The total number of claims affected by the minimum weekly compensation provision (within a specified time period).
   e. The total workers' indemnity compensation amount awarded for all claims affected by the minimum weekly compensation provision (within a specified time period).
f. The difference between the total indemnity compensation awarded to volunteers and the total of all volunteers' wages from their regular, paid occupations for the same time period (within a specific time period).

(9) Track information for all claims awarded indemnity compensation in which a volunteer can return to his or her paid occupation but not his or her volunteer duty that are open on July 1, 2014, and filed on or after July 1, 2014. The database should include the following:
   a. Whether the volunteer has the ability to perform his or her paid occupation but not his or her volunteer duty.
   b. The volunteer's weekly wages from his or her regular, paid occupation.
   c. The amount of indemnity compensation awarded per week based on weekly wages from regular, paid occupation.
   d. The volunteer's post injury return date to volunteer duties.

(10) Report to the Volunteer Safety Workers' Compensation Fund Board at every quarterly meeting on the claims awarded indemnity compensation in which the volunteer can return to his or her paid occupation but not to his or her volunteer duty. The report shall include:
   a. The total number of claims where the volunteer is being awarded indemnity compensation when they can return to their regular, paid occupations (within a specified time period).
   b. The total indemnity compensation awarded for each claim, as well as the compensation per week and the number of weeks of compensation.
   c. The total indemnity compensation awarded for all claims (within a specified time period).

(11) Include a form in the claims-closing material for volunteers who will not be able to return to their regular, paid occupations even though they can return to their volunteer duties, and track these claims and associated wages lost and prepare a report to share with the Volunteer Safety Workers' Compensation Fund Board at every quarterly meeting.

(12) Develop a model return-to-work program for use by fire and rescue departments that participate in the Fund and work with a limited number of departments to implement and test the program for a two-year time period.

(13) Develop metrics by which to determine if the return-to-work program reduces workers' compensation costs.

By January 1, 2015, the State Fire and Rescue Commission shall report to the Fiscal Research Division, the House Appropriations Subcommittee on General Government, and the Senate Appropriations Committee on General Government and Information Technology on the status of the Commission's data collection and analysis efforts and shall include in the report a copy of the State Fire and Rescue Commission's contract with the third-party administrator.

The State Fire and Rescue Commission shall include the provisions of this subsection in all future contracts with its workers' compensation third-party administrators.

This subsection is effective when this act becomes law.

SECTION 3. Supplemental Pensions. – (a) Effective October 1, 2014, G.S. 58-86-55 reads as rewritten:

"§ 58-86-55. Monthly pensions upon retirement, attaining the age of 55 years.
(a) Any member who has served 20 years as an "eligible firefighter" or "eligible rescue squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund. The monthly pension shall be in the amount of one hundred seventy dollars ($170.00) per
month. Any retired firefighter receiving a pension shall, effective July 1, 2008, receive a pension of one hundred seventy dollars ($170.00) per month.

(b) Members shall pay ten dollars ($10.00) per month as required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue squad member" shall receive a pension prior to July 1, 1983. No member shall be entitled to a pension hereunder until the member's official duties as a fireman or rescue squad worker for which the member is paid compensation shall have been terminated and the member shall have retired as such according to standards or rules fixed by the board of trustees.

c) A member who is totally and permanently disabled while in the discharge of the member's official duties as a result of bodily injuries sustained or as a result of extreme exercise or extreme activity experienced in the course and scope of those official duties and who leaves the fire or rescue squad service because of this disability shall be entitled to be paid from the fund a monthly benefit in an amount of one hundred seventy dollars ($170.00) per month beginning the first month after the member's fifty-fifth birthday. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application, and annually thereafter. Any disabled member shall not be required to make the monthly payment of ten dollars ($10.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

d) A member who is totally and permanently disabled for any cause, other than line of duty, who leaves the fire or rescue squad service because of this disability and who has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars ($10.00) to the fund until the member has made contributions for a total of 240 months. The member shall upon attaining the age of 55 years be entitled to receive a pension as provided by this section. All applications for disability are subject to the approval of the board who may appoint physicians to examine and evaluate the disabled member prior to approval of the application and annually thereafter.

e) A member who, because the member's residence is annexed by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose department is closed because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose volunteer department is taken over by a city or county, and because of such annexation or takeover is unable to perform as a firefighter or rescue squad worker of any status, and if the member has at least 10 years of service with the pension fund, may be permitted to continue making a monthly contribution of ten dollars ($10.00) to the fund until the member has made contributions for a total of 240 months. The member upon attaining the age of 55 years and completion of such contributions shall be entitled to receive a pension as provided by this section. Any application to make monthly contributions under this section shall be subject to a finding of eligibility by the Board of Trustees upon application of the member.

f) The pensions provided shall be in addition to all other pensions or benefits under any other statutes of the State of North Carolina or the United States, notwithstanding any exclusionary provisions of other pensions or retirement systems provided by law.”

SECTION 3.(b) G.S. 105-228.5(d)(3) reads as rewritten:

"(3) Additional Rate on Property Coverage Contracts. – An additional tax at the rate of seventy-four hundredths percent (0.74%) applies to gross premiums on insurance contracts for property coverage. The tax is imposed on ten percent (10%) of the gross premiums from insurance contracts for automobile physical damage coverage and on one hundred percent (100%) of the gross premiums from all other contracts for property coverage. Twenty-five percent (25%) of the net proceeds of this additional tax must be credited to the Volunteer Fire Department Fund established in Article 87 of Chapter 58 of the General Statutes. Twenty percent (20%) of the net proceeds must be credited to the Department of Insurance for disbursement pursuant to G.S. 58-84-25. Up to twenty percent
(20%), as determined in accordance with G.S. 58-87-10(f), must be credited to the Workers’ Compensation Fund. The remaining net proceeds must be credited to the General Fund.”

SECTION 3.(c) Using a portion of the additional funds made available to the General Fund through the amendment to G.S. 105-228.5 made by Section 3(b) of this act, the sum of one million four hundred thousand dollars ($1,400,000) is appropriated for fiscal year 2014-2015, recurring from the General Fund to the North Carolina Firefighters’ and Rescue Squad Workers’ Pension Fund established under G.S. 58-86-1.

SECTION 3.(d) The Department of State Treasurer shall report by March 1, 2015, and for two years thereafter, to the House Committee on State Personnel and the Senate Committee on Pensions & Retirement and Aging on the Department's progress toward the following efforts related to the North Carolina Firefighters’ and Rescue Squad Workers' Pension Fund:

1. Building appropriate lapse assumptions into the State's annual required contribution to the pension fund.
2. Collecting timely member contributions to the pension fund.

SECTION 4. Grant Funds. – (a) Effective January 1, 2015, and applicable to the 2015 grant process, G.S. 58-87-1(a1) reads as rewritten:

"(a1) Grant Program. – An eligible fire department may apply to the Commissioner for a grant under this section. In awarding grants under this section, the Commissioner must, to the extent possible, select applicants from all parts of the State based upon need. The Commissioner must award the grants on May 15, or on the first business day after May 15 if May 15 falls on a weekend or a holiday, of each year subject to the following limitations:

1. The size of a grant may not exceed thirty thousand dollars ($30,000).
2. The applicant shall match the grant on a dollar-for-dollar basis, unless the applicant receives less than fifty thousand dollars ($50,000) per year from municipal and county funding, in which case the applicant shall match one dollar ($1.00) for each three dollars ($3.00) of grant funds.
3. The grant may be used only for equipment purchases, payment of highway use taxes on those purchases, costs of putting property acquired from the Department of Defense through the Firefighter Property (FFP) and federal Excess Property (FEPP) programs in service, or capital expenditures necessary to provide fire protection services."

SECTION 4.(b) G.S. 58-87-1(c) reads as rewritten:

"(c) Report. – The Commissioner must submit a written report to the General Assembly within 60 days after the grants have been made. This report must contain the following:

1. The amount of the grant and the name of the recipient.
2. The Fund balance at the beginning of the grant cycle.
3. Cash receipts through the grant cycle.
4. Cash disbursements through the grant cycle.
5. The Fund balance at the end of the grant cycle."

SECTION 4.(c) G.S. 58-87-5 reads as rewritten:


(a) There is created in the Department of Insurance the Volunteer Rescue/EMS Fund to provide grants to volunteer rescue units, rescue/EMS units, and EMS units providing rescue or rescue and emergency medical services to purchase equipment and make capital improvements. An eligible rescue or rescue/EMS unit may apply to the Department of Insurance for a grant under this section. The application form and criteria for grants shall be established by the Department. The North Carolina Association of Rescue and Emergency Medical Services, Inc., shall provide the Department with an advisory priority listing for rescue equipment eligible for funding, and the Department of Health and Human Services shall provide the Department with an advisory priority listing of EMS equipment eligible for funding. The State Treasurer shall invest the Fund's assets according to law, and the earnings
shall remain in the Fund. On December 15–December 15, or on the first business day after December 15 if December 15 falls on a weekend or a holiday, of each year, the Department shall make grants to eligible rescue or rescue/EMS units subject to all of the following limitations:

1. A grant to an applicant who is required to match the grant with non-State funds may not exceed twenty-five thousand dollars ($25,000), and a grant to an applicant who is not required to match the grant with non-State funds may not exceed three thousand dollars ($3,000).

2. An applicant whose liquid assets, when combined with the liquid assets of any corporate affiliate or subsidiary of the applicant, are more than one thousand dollars ($1,000) shall match the grant on a dollar-for-dollar basis with non-State funds.

3. The grant may be used only for equipment purchases or capital expenditures.

4. An applicant may receive no more than one grant per fiscal year.

5. The grant may be used only for purposes related to services that the unit is authorized to provide.

In awarding grants under this section, the Department shall to the extent possible select applicants from all parts of the State based upon need, subject to the following priority order: (i) rescue units, (ii) rescue/EMS units, (iii) EMS units that are licensed as EMS providers under G.S 131E-155.1, and, finally, (iv) EMS units that are volunteer fire departments that are a part of a county's EMS system plan. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year. In addition, notwithstanding G.S. 58-78-20, up to four percent (4%) of the Fund may be used for additional staff and resources for the North Carolina Fire and Rescue Commission.

(b) A rescue, emergency medical services, or rescue/EMS unit is eligible for a grant under this section if it meets all of the following conditions:

1. Repealed by Session Laws 1989 (Regular Session, 1990), c. 1066, s. 33(a).

2. It consists entirely of volunteer members, with the exception that the unit may have paid members to fill the equivalent of 10 full-time paid positions.

3. It has been recognized by the Department as an organization that provides rescue, emergency medical services, or rescue and emergency medical services. A unit that provides emergency medical services only is eligible for grant funding only after all those eligible rescue or rescue and emergency medical services units that are approved have been funded each grant year. A unit that only provides emergency medical services may be funded up to the level of emergency medical services that the unit is approved to provide by the authority having jurisdiction, a rescue unit, a rescue/EMS unit, or an EMS unit.

4. It satisfies the eligibility criteria established by the Department under subsection (a) of this section.

(c) For the purpose of this section and Article 88 of this Chapter, "rescue" means the removal of individuals facing external, nonmedical, and nonpatient related peril to areas of relative safety. A "rescue unit" or "rescue squad" means a group of individuals who are not necessarily trained in emergency medical services, fire fighting, or law enforcement, but who expose themselves to an external, nonmedical, and nonpatient related peril to effect the removal of individuals facing the same type of peril to areas of relative safety. The unit or squad must comply with existing State statutes and with eligibility criteria established by the North Carolina Association of Rescue and Emergency Medical Services, Inc.

(d) For the purposes of this section, "emergency medical services" or "EMS" has the same meaning as in G.S. 131E-155(6). Unless otherwise more narrowly specified, an "EMS unit" means either (i) an EMS provider licensed under G.S 131E-155.1 or (ii) a volunteer fire or fire/rescue department that is part of its county's EMS system plan. The unit or squad must
comply with existing State statutes and with eligibility criteria established by the North Carolina Association of Rescue and Emergency Medical Services, Inc.

(g) Report. – The Commissioner must submit a written report to the General Assembly within 60 days after the grants have been made. This report must contain the following:

1. The amount of the grant and the name of the recipient.
2. The Fund balance at the beginning of the grant cycle.
3. Cash receipts through the grant cycle.
4. Cash disbursements through the grant cycle.
5. The Fund balance at the end of the grant cycle.

SECTION 4.(d) Effective July 1, 2015, G.S. 58-87-7 reads as rewritten:

"§ 58-87-7. Oversight and accountability of grant awards.

(a) Examination of Purchased Equipment and Supplies. – To increase accountability and to expedite receipt of certain grant awards, notwithstanding any other provision, the Office of the State Fire Marshal and other employees of the Department of Insurance may in their discretion conduct on-site examinations of fire, rescue, and EMS equipment and supplies purchased with funds awarded from either the Volunteer Fire Department Fund or the Volunteer Rescue/EMS Fund for up to five years from the date of the grant award. The on-site examinations may include the inspection of equipment purchased from prior grants and may be conducted prior to or simultaneous with the delivery of the grant awards. The on-site examination shall document what equipment and supplies have been purchased by the volunteer fire department or volunteer rescue/EMS department and whether those items were received by the department and visually reviewed by the on-site examiner. Items that have already been distributed or put in the field shall be noted by the on-site examiner. The Office of the State Fire Marshal shall maintain records of on-site inspections and provide them, or a summary thereof, in reports of such inspections, upon request, to the State Auditor or the Office of State Budget and Management.

(b) Reimbursement to Funds. – If equipment purchased with grant funds is disposed of within five years of the date of the grant award funding its purchase, then the grant recipient shall reimburse the appropriate fund the amount of matching funds used for the purchase of the equipment, less depreciation.

(c) Transfer of Purchased Equipment. – If a grant recipient shall cease to exist within five years of the date of award of the grant, it shall transfer, subject to the approval of the Department of Insurance, any and all equipment purchased with such grant funds to whichever department shall assume responsibility for providing service to the grant recipient's area of service or to another appropriate department that may effectively use the equipment."

SECTION 4.(e) By the effective date of subsection (d) of this section, the Department of Insurance shall take the following actions to facilitate the implementation and enforcement of G.S. 58-87-7:

1. Adopt rules to establish specific guidelines for the following:
   a. G.S. 58-87-7(b), enacted by subsection (d) of this section.
   b. G.S. 58-87-7(c), enacted by subsection (d) of this section, including guidelines for determining which department receives the equipment of a dissolved department and under what circumstances.

2. Provide transfer of equipment forms to fire and rescue departments that receive grant equipment from dissolved departments.

Additionally, in time for the 2015 grant cycle, the Department shall add language to the Agreement of Payment form departments must fill out as part of the grant application process to ensure that departments understand what will happen to grant equipment in the event of dissolution.

SECTION 4.(f) No later than January 1, 2015, the Department of Insurance shall report to the Joint Program Evaluation Oversight Committee on the Department's efforts to update and correct its computer code that assigns points to grant applicants for funds awarded under Article 87 of Chapter 58 of the General Statutes.
SECTION 5. Effective Dates. – Except as otherwise provided, this act becomes effective July 1, 2014.

In the General Assembly read three times and ratified this the 30th day of June, 2014.

Became law upon approval of the Governor at 4:18 p.m. on the 7th day of July, 2014.

Session Law 2014-65

H.B. 267

AN ACT TO AMEND LAWS GOVERNING CAPTIVE INSURANCE COMPANIES AND RISK RETENTION GROUPS, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-10-340 reads as rewritten:


The following definitions apply in this Part:

(9) Captive insurance company. – Any pure captive insurance company, association captive insurance company, industrial insured captive insurance company, risk retention group, protected cell captive insurance company, incorporated cell captive insurance company, special purpose captive insurance company, or special purpose financial captive insurance company formed or licensed under this Part.

(37) Risk retention group. – A captive insurance company organized under the laws of this State pursuant to the Liability Risk Retention Act of 1986, 15 U.S.C. § 3901, et seq., as amended, as a stock or mutual corporation or as a reciprocal or other limited liability entity. Risk retention groups formed under this Part are subject to all applicable insurance laws including, but not limited to, any applicable provisions in Articles 1, 2, 3, 7, 9, 10, 12, 19, 22, 33, and 34 of this Chapter.

(38) Securities. – Those different types of debt obligations, equity, surplus certificates, surplus notes, funding agreements, derivatives, and other legal forms of financial instruments.

(38a) Special purpose captive insurance company. – A captive insurance company that is formed or licensed under this Part that does not meet the definition of any other type of captive insurance company defined in this section and is designated as a special purpose captive insurance company by the Commissioner.

..."

SECTION 2. G.S. 58-10-345 reads as rewritten:

"§ 58-10-345. Licensing; authority; confidentiality.

(a) Any captive insurance company business entity, when permitted by its organizational documents, may apply to the Commissioner for a license to do any and all insurance comprised in G.S. 58-7-15; provided, however, that:

(1) No pure captive insurance company shall insure any risks other than those of its parent and affiliated companies or a controlled unaffiliated business or businesses.

(2) No association captive insurance company shall insure any risks other than those of its association, those of the member organizations of its association, and those of a member organization's affiliated companies.
(3) No industrial insured captive insurance company shall insure any risks other than those of the industrial insureds that comprise the industrial insured group, those of their affiliated companies, and those of the controlled unaffiliated business of an industrial insured or its affiliated companies.

(4) No risk retention group shall insure any risks other than those of its members and owners.

(5) No captive insurance company shall provide personal motor vehicle or homeowner's insurance coverage or any component thereof.

(6) No captive insurance company shall accept or cede reinsurance except as provided in G.S. 58-10-445 and G.S. 58-10-605.

(7) No captive insurance company shall provide accident and health insurance on a direct basis.

(8) No captive insurance company shall provide workers' compensation and employer's liability insurance on a direct basis.

(9) No captive insurance company shall provide life insurance or annuities on a direct basis.

(10) A special purpose captive insurance company may provide insurance or reinsurance or both for risks as approved by the Commissioner.

(c) In order to receive a license to issue policies of insurance as a captive insurance company in this State, an applicant business entity shall meet all of the following requirements:

(1) The applicant business entity shall submit its organizational documents to the Commissioner. If the Commissioner approves the organizational documents, then the Commissioner shall issue a letter certificate to the applicant business entity certifying the Commissioner's approval. The applicant business entity shall submit the organizational documents, along with a copy of the approval letter certificate of approval issued by the Commissioner, and the required filing fees for organizational documents prescribed by North Carolina law to the Secretary of State for filing. Upon filing the organizational documents, the Secretary of State shall issue a certificate of filing to the applicant. The applicant business entity shall submit a copy of the certificate of filing relative to the applicant's organizational documents issued by the Secretary of State to the Commissioner.

(6) No less than the amount required by G.S. 58-10-370 G.S. 58-10-370, in a form acceptable to the Commissioner, shall be paid into the applicant business entity and deposited with the Commissioner. In the alternative, an irrevocable letter of credit in that amount and acceptable to the Commissioner shall be filed with the Commissioner.

(7) The applicant business entity shall submit to the Commissioner for approval a description of the coverages, deductibles, coverage limits, and rates, together with such additional information as the Commissioner may require.

(d) Whenever a captive insurance company desires to amend the organizational documents submitted pursuant to subdivision (c)(1) of this section, the company shall submit the amended organizational documents to the Commissioner. If the Commissioner approves the amendment, then the Commissioner shall issue a letter certificate to the applicant company certifying the Commissioner's approval. The applicant business entity company shall submit the organizational documents, along with a copy of the approval letter certificate of approval issued by the Commissioner, and the required filing fees for organizational documents prescribed in North Carolina law to the Secretary of State for filing. Upon filing the organizational documents, the Secretary of State shall issue a certificate of filing to the applicant company. The applicant company shall submit a copy of the certificate of filing relative to the
applicant's company's organizational documents issued by the Secretary of State to the Commissioner.

(f) Information submitted pursuant to this subsection is confidential and may be made public by the Commissioner or the Commissioner's designee only upon an order of a court of competent jurisdiction except:

(1) This subsection shall not apply to any risk retention group.
(2) The Commissioner shall have the discretion to disclose such information to a public official having jurisdiction over the regulation of insurance in another state, provided that:
   a. The public official agrees in writing to maintain the confidentiality of such information; and
   b. The laws of the state in which the public official serves require the information to be and to remain confidential.
(3) Organizational documents filed with the Secretary of State shall continue to be nonconfidential public records in the Secretary of State's office.

..."

SECTION 3. G.S. 58-10-360 reads as rewritten:
"§ 58-10-360. Designation of captive manager.
Before licensing, the applicant business entity shall report in writing to the Commissioner the name and address of the manager designated to manage the captive insurance company. The Commissioner shall approve the captive manager and may require the submission of additional information regarding the proposed captive manager in a form and manner as the Commissioner may designate."

SECTION 4. G.S. 58-10-365 reads as rewritten:
"§ 58-10-365. Names of companies.
No applicant business entity or captive insurance company shall adopt a name that is the same, deceptively similar, or likely to be confused with or mistaken for any other existing business name registered in this State nor any name likely to mislead the public. Any name adopted by an applicant business entity or a captive insurance company shall comply with the requirements of State law."

SECTION 5. G.S. 58-10-370 reads as rewritten:
"§ 58-10-370. Capital and surplus requirements.
(a) No captive insurance company applicant business entity shall be issued a license unless it possesses and maintains unimpaired paid-in capital and surplus of:
   (1) In the case of a pure captive insurance company, not less than two hundred fifty thousand dollars ($250,000) or such other amount determined by the Commissioner.
   (2) In the case of an association captive insurance company, not less than five hundred thousand dollars ($500,000).
   (3) In the case of an industrial insured captive insurance company, not less than five hundred thousand dollars ($500,000).
   (4) In the case of a risk retention group, not less than one million dollars ($1,000,000).
   (5) In the case of a protected cell captive insurance company, not less than two hundred fifty thousand dollars ($250,000).
   (6) In the case of a special purpose captive insurance company, not less than two hundred fifty thousand dollars ($250,000).
(b) The Commissioner may prescribe additional capital and surplus based upon the type, volume, and nature of insurance business to be transacted.
(c) Capital and surplus required by subsections (a) and (b) of this section shall be in the form of cash or a cash, securities approved by the Commissioner, a clean irrevocable letter of
credit issued by a bank approved by the Commissioner, or other form approved by the Commissioner.

SECTION 6. G.S. 58-10-395 reads as rewritten:
(a) Any material change in a captive insurance company's business plan of operation that was filed with the Commissioner at the time of initial application and any subsequent amendment of the plan requires prior approval from the Commissioner.
(b) Any change in any other information filed with the application must be filed with the Commissioner within 60 days but does not require prior approval."

SECTION 7. G.S. 58-10-400 reads as rewritten:
"§ 58-10-400. Insurance manager and intermediaries.
No person shall act in or from this State as a managing general agent, producer, or reinsurance intermediary for captive business without the authorization of the Commissioner. Application for such authorization must be on a form prescribed by the Commissioner."

SECTION 8. G.S. 58-10-405 reads as rewritten:
"§ 58-10-405. Annual reports.
(a) No captive insurance companies shall be required to make any annual report to the Commissioner except as provided in this Part.
(b) Prior to March 1 of each year, and prior to March 15 of each year in the case of pure captive insurance companies or industrial insured captive insurance companies, each captive insurance company shall submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers. Each captive insurance company shall report using generally accepted accounting principles, unless the Commissioner requires, approves, or accepts the use of statutory accounting principles or other comprehensive basis of accounting. The Commissioner may require, approve, or accept any appropriate or necessary modifications of the statutory accounting principles or other comprehensive basis of accounting for the type of insurance and kinds of insurers to be reported upon. The Commissioner may require additional information to supplement such report. Except as otherwise provided, each risk retention group and association captive insurance company shall file its report in the form required by G.S. 58-2-165, and each risk retention group and association captive insurance company shall comply with the requirements set forth in G.S. 58-4-5. All other captive insurance companies shall report on forms adopted by the Commissioner. G.S. 58-10-345(f) shall apply to each report filed pursuant to this section. Branch captive insurance companies shall file the report required by this section unless otherwise required by G.S. 58-10-545. Special Purpose Financial Captive insurance companies shall report in accordance with G.S. 58-10-625.
(c) A pure captive insurance company, a special purpose captive insurance company, or an industrial insured captive insurance company may make written application to the Commissioner for filing the required report on an alternative reporting date based on the company's fiscal year-end. If an alternative reporting date is granted by the Commissioner, then:

1. The annual report is due 75 days after the fiscal year-end.
2. In order to provide sufficient detail to support the premium tax return, the pure captive insurance company or industrial insured captive insurance company shall file, prior to March 15 of each year for each calendar year-end, pages 1, 2, 3, and 5 of the "Captive Annual Statement; Pure or Industrial Insured," verified by oath of two of its executive officers, then the annual report is due 75 days after the fiscal year-end."

SECTION 9. G.S. 58-10-415 reads as rewritten:
"§ 58-10-415. Annual audit and actuarial certification.
(a) All captive insurance companies with the exception of risk retention groups shall have an annual audit by an independent certified public accountant and shall file such audited
financial report with the Commissioner on or before June 30 for the prior calendar year. Risk retention groups shall comply with Parts 6 and 7 of Article 10 of this Chapter instead of this section.

(b) Captive insurance companies that have received approval to report on other than a calendar year basis pursuant to G.S. 58-10-405 shall file such statements within 180 days after the end of their fiscal year.

(c) Captive insurance companies with less than one million two hundred thousand dollars ($1,200,000) in written premium may make a written request for exemption from the annual audit requirement. Such request must be made at least 90 days prior to the captive insurance company’s fiscal year-end or as otherwise required by the Commissioner. Requests will be considered on a case-by-case basis and may be subject to the Commissioner receiving an annual audit of the captive insurance company’s parent company in lieu of the annual audit of the captive insurance company.

(c1) Extensions of the due dates for filings required by this section may be granted by the Commissioner for 30-day periods upon a showing by the captive insurance company and its independent certified public accountant of the reasons for requesting an extension and determination by the Commissioner of good cause for the extension. The request for extension must be received in writing not less than 10 days before the due date and in sufficient detail to permit the Commissioner to make an informed decision with respect to the requested extension.

(c2) G.S. 58-10-345(f) shall apply to all information filed pursuant to this section.

(d) The annual audit report shall be considered part of the captive insurance company’s annual report of financial condition except with respect to the date by which it must be filed with the Commissioner. The annual audit shall consist of the following:

(1) Opinion of independent certified public accountant. – Financial statements furnished pursuant to this section shall be audited by independent certified public accountants in accordance with generally accepted auditing standards as determined by the American Institute of Certified Public Accountants or statutory accounting principles in accordance with the NAIC Accounting Practices and Procedures Manual in effect for the period covered by the report. The opinion of the independent certified public accountant shall cover all years presented. The opinion shall be addressed to the captive insurance company on stationery of the accountant showing the address of issuance and shall be signed and dated.

Annual audited financial report. – The annual audited financial report shall include the following:

a. Financial statements. – Financial statements shall be prepared in accordance with generally accepted accounting principles, unless the Commissioner requires, approves, or accepts the use of statutory accounting principles or other comprehensive basis of accounting, with useful or necessary modifications or adaptations required, approved or accepted by the Commissioner, and shall be audited by an independent certified public accountant in accordance with generally accepted auditing standards as determined by the American Institute of Certified Public Accountants. The Commissioner may require that the financial statement be supplemented by additional information.

b. Notes to financial statements. – The notes to financial statements shall be those required by generally accepted accounting principles, or as otherwise approved by the Commissioner, and shall also include a reconciliation of differences, if any, between the audited financial report and the report of the captive insurance company’s financial condition filed with the Commissioner in accordance with G.S. 58-10-405(b).
c. Related required auditor communications. – Copies of related required auditor communications in accordance with generally accepted auditing standards.

(2) Report of evaluation of internal controls. – This report shall include an evaluation of the internal controls of the captive insurance company relating to the methods and procedures used in the securing of assets and the reliability of the financial records, including, but not limited to, such controls as the system of authorization and approval and the separation of duties. The review shall be conducted in accordance with generally accepted auditing standards or statutory accounting principles and the report filed with the Commissioner. An exemption from this evaluation may be granted on a case-by-case basis upon written request to the Commissioner. Certified public accountant’s affirmation. – The certified public accountant shall furnish a written statement in the engagement letter or other document submitted to the captive insurance company that the certified public accountant is aware of and will comply with the responsibilities imposed by G.S. 58-10-420(b) and G.S. 58-10-420(c).

(3) Accountant’s letter of qualifications. – The accountant shall furnish the captive insurance company, for inclusion in the filing of the audited annual report, a letter stating:

a. That the accountant is independent with respect to the captive insurance company and conforms to the standards of the profession as contained in the Code of Professional Ethics, pronouncements of the American Institute of Certified Public Accountants, and pronouncements of the Financial Accounting Standards Board.

b. The general background and experience of the staff engaged in the audit, including the experience in auditing captives or other insurance companies.

c. That the accountant understands that the audited annual report and the accountant’s opinions thereon will be filed in compliance with this section with the Commissioner.

d. That the accountant consents to the requirements of G.S. 58-10-420(b) and (c) and that the accountant consents and agrees to make available for review by the Commissioner, the Commissioner’s appointed agent, or other designee the work papers as defined in G.S. 58-10-420(c).

e. That the accountant is properly licensed by an appropriate state licensing authority and that he or she is a member in good standing of the American Institute of Certified Public Accountants.

(4) Financial statements. – Statements required shall be as follows:

a. Balance sheets reporting assets, liabilities, capital, and surplus.

b. Statements of operations.

c. Statements of cash flow.

d. Statements of changes in capital and surplus.

e. Notes to financial statements. The notes to financial statements shall be those required by generally accepted accounting principles, or as required by any other comprehensive basis of accounting in use by the captive insurance company and approved by the Commissioner, and shall include:

1. A reconciliation of differences, if any, between the audited financial report and the report of its financial condition filed with the Commissioner in accordance with G.S. 58-10-405(b).
2. A summary of ownership and relationship of the captive insurance company and all affiliated corporations or companies insured by the captive insurance company.

3. A narrative explanation of all material transactions and balances with the captive insurance company.

(5) Certification of loss reserves and loss expense reserves. – The annual审计ed financial report shall be filed with a Statement of Actuarial Opinion evaluating the captive insurance company's loss reserves and loss expense reserves. The individual who prepares the Statement of Actuarial Opinion shall be a Fellow of the Casualty Actuarial Society, a member in good standing of the American Academy of Actuaries, or an individual who has demonstrated competence in loss reserve evaluation to the Commissioner. Certification shall be in such form as the Commissioner deems appropriate."

SECTION 10. G.S. 58-10-420 reads as rewritten:

"§ 58-10-420. Independent certified public accountants.

(a) A captive insurance company, after becoming subject to this Part, shall within 60 days report to the Commissioner in writing, the name and address of the independent certified public accountant retained to conduct the annual audit set forth in G.S. 58-10-415.

(b) A captive insurance company shall require its independent certified public accountant to immediately notify in writing an officer and all members of the board of directors of the captive insurance company of any determination by the independent certified public accountant that the captive insurance company has materially misstated its financial condition in its report to the Commissioner as required in G.S. 58-10-405. The independent certified public accountant shall furnish such notification to the Commissioner within five working days of notifying the captive insurance company. A captive insurance company receiving a notification pursuant to this subsection shall forward a copy of the notification to the Commissioner within five business days after receipt of the notification and shall provide the independent certified public accountant with proof that the notification was forwarded to the Commissioner. If the independent certified public accountant fails to receive the proof within the five-day period required by this subsection, the independent certified public accountant shall within the next five business days submit a copy of the notification to the Commissioner.

(c) A captive insurance company shall require its independent certified public accountant to make available for review by the Commissioner or his or her appointed agent the work papers prepared in the conduct of the audit of the captive insurance company. The captive insurance company shall require that the independent certified public accountant retain the audit work papers for a period of not less than five years after the period reported upon. The aforementioned review by the Commissioner shall be considered an examination, and all working papers obtained during the course of such examination shall be confidential. The captive insurance company shall require that the independent certified public accountant provide copies, in such form as the Commissioner deems appropriate, of any of the working papers which the Commissioner considers relevant. Such working papers may be retained by the Commissioner. "Work papers" as referred to in this section include, but are not necessarily limited to, schedules, analyses, reconciliations, abstracts, memoranda, narratives, flow charts, copies of captive insurance company records, or other documents prepared or obtained by the independent certified public accountant and the independent certified public accountant's employees in the conduct of their audit of the captive insurance company.

(d) The lead audit partner may not act in that capacity for more than five consecutive years. For purposes of this subsection, lead audit partner means the partner having primary responsibility for the audit. The person shall be disqualified from acting in that or similar capacity for the captive insurance company for a period of five consecutive years. A captive insurance company may make application to the Commissioner for relief from the above rotation requirement on the basis of unusual circumstances. This application should be made at
least 30 days before the end of the calendar year. The Commissioner may consider the following factors in determining if the relief should be granted:

(1) Number of partners, expertise of the partners, or the number of insurance clients in the firm;
(2) Premium volume of the captive insurance company; or
(3) Number of jurisdictions in which the insurer transacts business.

(c) Risk retention groups shall comply with Part 7 of Article 10 of this Chapter instead of this section.

SECTION 11. G.S. 58-10-425 reads as rewritten:

"§ 58-10-425. Deposit requirement.
(a) Whenever the Commissioner deems that the financial condition of a captive insurance company warrants additional security beyond that required pursuant to G.S. 58-10-345(e)(6), the Commissioner may require a captive insurance company to maintain a deposit with the Commissioner or, alternatively, to furnish the Commissioner a clean irrevocable letter of credit issued by a bank chartered by the State or by a member bank of the Federal Reserve System and approved by the Commissioner in a form and amount as the Commissioner may specify.
(b) A captive insurance company may receive interest or dividends from deposits held by the Commissioner or exchange the deposits for others of equal value with the approval of the Commissioner.
(c) If a captive insurance company discontinues business, the Commissioner shall return deposits held by the Commissioner only after being satisfied that all obligations of the captive insurance company have been discharged."

SECTION 12. G.S. 58-10-430 reads as rewritten:

"§ 58-10-430. Examinations.
(a) Whenever the Commissioner determines it to be prudent, the Commissioner shall visit a captive insurance company and inspect and examine its affairs to ascertain its financial condition, its ability to fulfill its obligations, and whether it has complied with this Part. The expenses and charges of the examination shall be paid by the captive insurance company.
(b) G.S. 58-2-160 shall apply to examinations conducted under this section.
(c) All examination reports, preliminary examination reports or results, working papers, recorded information, documents, and copies thereof produced by, obtained by, or disclosed to the Commissioner or any other person in the course of an examination made under this section are confidential, are not subject to subpoena, and may not be made public by the Commissioner or an employee or agent of the Commissioner. Nothing in this subsection shall prevent the Commissioner from using such information in furtherance of the Commissioner's regulatory authority under this Chapter. The Commissioner shall have the discretion to grant access to such information to public officials having jurisdiction over the regulation of insurance in any other state or country or to law enforcement officers of this State or any other state or agency of the federal government at any time only if the officials receiving the information agree in writing to maintain the confidentiality of the information in a manner consistent with this subsection.
(d) Risk retention groups are not subject to this section and shall instead be examined in accordance with the Examination Law, G.S. 58-2-131 through G.S. 58-2-134."

SECTION 13. G.S. 58-10-440(b) reads as rewritten:

"§ 58-10-440. Investment requirements.
(b) No pure captive insurance company, industrial insured captive insurance company, protected cell captive insurance company, incorporated cell captive insurance company, special purpose captive insurance company, or special purpose financial captive insurance company shall be subject to any restrictions on allowable investments, provided that the Commissioner may prohibit or limit any investment that threatens the solvency or liquidity of any such company."

226
SECTION 14. G.S. 58-10-445 reads as rewritten:

(a) Any captive insurance company may provide reinsurance as authorized by this Chapter on risks ceded by any other insurer.
(b) Any captive insurance company may take credit for the reinsurance of risks or portions of risks ceded to reinsurers complying with this Chapter. If the reinsurer is licensed as a risk retention group, then the ceding risk retention group or its members must qualify for membership with the reinsurer. The Commissioner shall have the discretion to allow a captive insurance company to take credit for the reinsurance of risks or portions of risks ceded to an unauthorized reinsurer, after review, on a case-by-case basis. The Commissioner may require any documents, financial information, or other evidence that such will allow an unauthorized reinsurer will be able to demonstrate adequate security for its financial obligations.
(c) In addition to reinsurers authorized by this Chapter, a captive insurance company may take credit for the reinsurance of risks or portions of risks ceded to a pool, exchange, or association to the extent authorized by the Commissioner. The Commissioner may require any documents, financial information, or other evidence that such a pool, exchange, or association will be able to provide adequate security for its financial obligations. The Commissioner may deny authorization or impose any limitations on the activities of a reinsurance pool, exchange, or association that in the Commissioner's judgment are necessary and proper to provide adequate security for the ceding captive insurance company and for the protection and consequent benefit of the public at large.

SECTION 15. G.S. 58-10-465 reads as rewritten:

(a) No provisions of this Chapter, other than those contained in this Part or as expressly provided in this Part, shall apply to captive insurance companies. Risk retention groups shall have the privileges and be subject to Article 22 of this Chapter in addition to the applicable provisions of this Part.
(b) The Commissioner may exempt, by rule, regulation, or order, special purpose captive insurance companies, on a case by case basis, from provisions of this Chapter and any rules established under this Chapter that the Commissioner determines to be inappropriate given the nature of the risks to be insured.

SECTION 16. G.S. 58-10-510(o) reads as rewritten:

"(o) The business written by a protected cell captive insurance company, with respect to each protected cell, must be secured by one of the following methods:
(1) Fronted by an insurance company licensed under the laws of any state.
(2) Reinsured by a reinsurer authorized or approved by this State.
(3) Secured by a trust fund in the United States for the benefit of policyholders and claimants, funded by an irrevocable letter of credit, or other arrangement that is acceptable to the Commissioner. The amount of security provided shall be no less than the reserves associated with those liabilities which are neither fronted nor reinsured, including reserves for losses, allocated loss adjustment expenses, incurred but not reported losses, and unearned premiums for business written through the participant's protected cell. The Commissioner may require the protected cell captive insurance company to increase the funding of any security arrangement established under this subdivision. If the form of security is a letter of credit, the letter of credit shall be issued or confirmed by a bank approved by the Commissioner. A trust maintained pursuant to this subdivision shall be established in a form and upon such terms approved by the Commissioner."

SECTION 17. G.S. 58-10-520 reads as rewritten:
§ 58-10-520. Combining assets of protected cells.

Notwithstanding G.S. 58-10-510, the assets of two or more protected cells may be combined for purposes of investment and such combination shall not be construed as defeating the segregation of such assets for accounting or other purposes. Protected cell captive insurance companies shall comply with the investment requirements contained in G.S. 58-7-167, 58-7-170, 58-7-172, 58-7-173, 58-7-178, 58-7-179, 58-7-180, 58-7-183, 58-7-185, 58-7-187, 58-7-188, 58-7-192, 58-7-193, 58-7-197, 58-7-200, and 58-7-205, as applicable; provided that compliance with such investment requirements shall be waived for protected cell captive insurance companies to the extent that credit for reinsurance ceded to reinsurers is allowed pursuant to G.S. 58-10-445 or to the extent otherwise deemed reasonable and appropriate by the Commissioner. Notwithstanding any other provision of this Chapter, the Commissioner may approve the use of alternative reliable methods of valuation and rating.

SECTION 18. G.S. 58-10-565(c) reads as rewritten:

(c) A complete SPFC application shall include the following:

(5) An affidavit from the applicant SPFC verifying:
   a. The applicant SPFC complies with this Part.
   b. The applicant SPFC operates only pursuant to this Part.
   c. The applicant SPFC’s investment strategy reflects and takes into account the liquidity of assets and the reasonable preservation, administration, and asset management of such assets relative to the risks associated with the SPFC contract and the insurance securitization transaction.
   d. The securities proposed to be issued, if any, are valid legal obligations that are either properly registered with the Commissioner or constitute an exempt security or form part of an exempt transaction.

(6) Any other statements or documents required by the Commissioner to evaluate and complete the licensing of the SPFC.

SECTION 19. G.S. 58-10-625 reads as rewritten:

§ 58-10-625. Changes in plan of operation; filing of audit and statement of operation; examinations.

(6) Each SPFC shall by March 1 a statement of operations report of its financial condition, using either generally accepted accounting principles or, if approved, accepted, or required by the Commissioner, statutory accounting principles with useful or necessary modifications or adaptations for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. The statement of operations report shall include a statement of income, a balance sheet, and may include a detailed listing of invested assets, including identification of assets held in trust to secure the obligations of the SPFC under the SPFC contract. The SPFC also may include with the filing risk-based capital calculations and other adjusted capital calculations to assist the Commissioner with evaluating the levels of the surplus of the SPFC for the year ending on December 31 of the previous year. The statement of operations report shall be prepared on forms required by the Commissioner. In addition, the Commissioner may require the filing of performance assessments of the SPFC contract.

SECTION 20. G.S. 58-3-165 reads as rewritten:
§ 58-3-165. Business transacted with producer-controlled property or casualty insurers.

(a) As used in this section:

(1) "Accredited state" means a state in which the insurance department or regulatory agency has qualified as meeting the minimum financial regulatory standards promulgated and established from time to time by the NAIC.

(2) "Captive insurer" means an insurance company that is owned by another organization and whose exclusive purpose is to insure risks of the parent organization and affiliated companies. In the case of groups and associations, "captive insurer" means an insurance organization that is owned by the insureds, and whose exclusive purpose is to insure risks of member organizations or group members and their affiliates. "Captive insurer" does not include a risk retention group licensed under Part 9 of Article 10 of this Chapter.

(3) "Control" and its cognates mean the direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control is presumed to exist if any person directly or indirectly owns, controls, holds with the power to vote, or holds proxies representing ten percent (10%) or more of the voting securities of any other person.

(4) "Controlled insurer" means an insurer that is controlled, directly or indirectly, by a producer.

(5) "Controlling producer" means a producer who, directly or indirectly, controls an insurer.

(6) "Insurer" means any person licensed to write property or casualty insurance in this State. "Insurer" does not mean a risk retention group under Article 22 of this Chapter, includes a risk retention group licensed under Part 9 of Article 10 of this Chapter but excludes a residual market mechanism, a joint underwriting authority, and a captive insurer.

(7) "Producer" means an insurance broker or brokers or any other person, when, for any compensation, commission, or other thing of value, that person acts or aids in any manner in soliciting, negotiating, or procuring the making of any insurance contract on behalf of an insured other than that person. "Producer" does not mean an exclusive agent or any independent agent acting on behalf of a controlled insurer, including any subagent or representative of the agent, who acts as such in the solicitation of, negotiation for, or procurement or making of an insurance contract, if the agent is not also acting in the capacity of an insurance broker in the transaction in question.

..."

SECTION 21. G.S. 58-12-2 reads as rewritten:

§ 58-12-2. Definitions.

As used in this Article, the following terms have the following meanings:

(1) Adjusted risk-based capital report. – A risk-based capital report that has been adjusted by the Commissioner under G.S. 58-12-6.

(2) Corrective order. – An order issued by the Commissioner specifying corrective actions that the Commissioner has determined are required.

(3) Domestic insurer. – Any insurance company or health organization organized in this State under Article 7 of this Chapter as specified in subdivisions (4b) and (5a) of this section or under Article 15, 65, or 67 of
SECTION 22. G.S. 58-22-15 reads as rewritten:
(a) A risk retention group shall, pursuant to the provisions of Part 9 of Article 10 of this Chapter, be chartered and licensed to write only liability insurance pursuant to this Article and, except as provided elsewhere in this Article, must comply with all of the laws and rules applicable to such insurers chartered and licensed in this State and with G.S. 58-22-20 to the extent such requirements are not a limitation on laws, administrative rules, or requirements of this State.  
(b) Before it may offer insurance in any state, each risk retention group shall also submit for approval to the Commissioner of this State a plan of operation or feasibility study. The Commissioner may limit the net amount of risk retained by a risk retention group for any individual risk. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation or feasibility study, within 10 days after any such change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of such plan or study is approved by the Commissioner.  
(c) At the time of filing its application for a charter, the risk retention group shall provide to the Commissioner in summary form the following information: the identity of the initial members of the group, the identity of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group, the amount and nature of initial capitalization, the coverages to be afforded, and the states in which the group intends to operate. Upon receipt of this information, the Commissioner shall forward such information to the NAIC. Providing notification to the NAIC is in addition to and shall not be sufficient to satisfy the requirements of G.S. 58-22-20 or any other sections of this Article."

SECTION 23. This act becomes effective July 1, 2014.  
In the General Assembly read three times and ratified this the 30th day of June, 2014.  
Became law upon approval of the Governor at 4:20 p.m. on the 7th day of July, 2014.

Session Law 2014-66  
S.B. 797

AN ACT TO AMEND THE DUTIES OF THE 911 BOARD RELATING TO PUBLIC SAFETY ANSWERING POINTS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON INFORMATION TECHNOLOGY, AND TO CLARIFY THE COLLECTION AUTHORITY OF THE DEPARTMENT OF REVENUE FOR THE 911 FEE ON PREPAID WIRELESS.

The General Assembly of North Carolina enacts:

SECTION 1.1. G.S. 62A-40 is amended by adding a new subdivision to read:  
"(4a) Back-up PSAP. – The capability to operate as part of the 911 System and all other features of its associated primary PSAP. The term includes a back-up PSAP that receives 911 calls only when they are transferred from the primary PSAP or on an alternate routing basis when calls cannot be completed to the primary PSAP."

SECTION 1.2. G.S. 62A-42(a) reads as rewritten:
"(a) Duties. – The 911 Board has the following powers and duties:  
(1) To develop the 911 State Plan. In developing and updating the plan, the 911 Board must monitor trends in voice communications service technology and
in enhanced 911 service technology, investigate and incorporate GIS mapping and other resources into the plan, ensure individual PSAP plans incorporate a back-up PSAP, and formulate strategies for the efficient and effective delivery of enhanced 911 service.

(4) To establish policies and procedures to fund advisory services and training for PSAPs, to set operating standards for PSAPs, and back-up PSAPs and to provide funds in accordance with these policies, procedures, and standards.

SECTION 1.3. G.S. 62A-46 reads as rewritten:

"§ 62A-46. Fund distribution to PSAPs.

(a) Monthly Distribution. – The 911 Board must make monthly distributions to primary PSAPs from the amount allocated to the 911 Fund for PSAPs. A PSAP is not eligible for a distribution under this section unless it complies with the requirements of this Article, provides enhanced 911 service, and received distributions from the 911 Board in the 2008-2009 fiscal year. The Board may reduce, suspend, or terminate distributions under this subsection if a PSAP does not comply with the requirements of this Article. The Board must comply with all of the following:

(1) Administration. – The Board must notify PSAPs of the estimated distributions no later than December 31 of each year. The Board must determine actual distributions no later than June 1 of each year. The Board must determine a method for establishing distributions that is equitable and sustainable and that ensures distributions for eligible operating costs and anticipated increases for all funded PSAPs. The Board must establish a formula to determine each PSAP's base amount. The formula must be determined and published to PSAPs in the first quarter of the fiscal year preceding the fiscal year in which the formula is used. The Board may not change the funding formula for the base amount more than once every year.

(2) Reports. – The Board must report to the Joint Legislative Commission on Governmental Operations and the Revenue Laws Study Committee within 45 days of a change in the funding formula. The report must contain a description of the differences in the old and new formulas and the projected distributions to each PSAP from the new formula.

(3) Formula. – The funding formula established by the Board must consider all of the following:

a. The population of the area served by a PSAP.

b. PSAP reports and budgets, disbursement histories, and historical costs.

c. PSAP operations, 911 technologies used by the PSAP, compliance with operating standards of the 911 Board, level of service a PSAP delivers dispatching fire, emergency medical services, law enforcement, and Emergency Medical Dispatch.

d. The tier designation of the county in which the PSAP is located as designated in G.S. 143B-437.08.

e. Any interlocal government funding agreement between a primary PSAP and a secondary PSAP, if the secondary PSAP was in existence as of June 1, 2010, receives funding under the agreement, and is within the service area of the primary PSAP.

f. Any other information the Board considers relevant.

(4) Additional distributions. – In the first quarter of the Board's fiscal year, the Board must determine whether payments to PSAPs during the preceding fiscal year exceeded or were less than the eligible costs incurred by each PSAP during the fiscal year. If a PSAP receives less than its eligible costs in
any fiscal year, the Board may increase a PSAP's distribution in the following fiscal year above the base amount as determined by the formula to meet the estimated eligible costs of the PSAP as determined by the Board. The Board may not distribute less than the base amount to each PSAP except as provided in subsection (b1) of this section. The Board must provide a procedure for a PSAP to request a reconsideration of its distribution or eligible expenses.

(c) Use of Funds. – A PSAP that receives a distribution from the 911 Fund may not use the amount received to pay for the lease or purchase of real estate, cosmetic remodeling of emergency dispatch centers, hiring or compensating telecommunicators, or the purchase of mobile communications vehicles, ambulances, fire engines, or other emergency vehicles. Distributions received by a PSAP may be used only to pay for the following:

(1) The lease, purchase, or maintenance of:
   a. Emergency telephone equipment, including necessary computer hardware, software, and database provisioning.
   b. Addressing.
   c. Telecommunicator furniture.
   d. Dispatch equipment located exclusively within a building where a PSAP or back-up PSAP is located, excluding the costs of base station transmitters, towers, microwave links, and antennae used to dispatch emergency call information from the PSAP or back-up PSAP.

   (1a) The nonrecurring costs of establishing a 911 system.

   (2) Expenditures for in-State training of 911 personnel regarding the maintenance and operation of the 911 system. Allowable training expenses include the cost of transportation, lodging, instructors, certifications, improvement programs, quality assurance training, training associated with call taking, and emergency medical, fire, or law enforcement procedures, and training specific to managing a PSAP or supervising PSAP staff. Training outside the State is not an eligible expenditure unless the training is unavailable in the State or the PSAP documents that the training costs are less if received out-of-state. Training specific to the receipt of 911 calls is allowed only for intake and related call taking quality assurance and improvement. Instructor certification costs and course required prerequisites, including physicals, psychological exams, and drug testing, are not allowable expenditures.

   (3) Charges associated with the service supplier's 911 service and other service supplier recurring charges. The PSAP providing 911 service is responsible to the voice communications service provider for all 911 installation, service, equipment, operation, and maintenance charges owed to the voice communications service provider. A PSAP may contract with a voice communications service provider on terms agreed to by the PSAP and the provider.

(e) Compliance. – A PSAP, or the governing entity of a PSAP, must comply with all of the following in order to receive a distribution under this section:

(1) A county or municipality that has one or more PSAPs must submit in writing to the 911 Board information that identifies the PSAPs in the manner required by the FCC Order.

(2) A participating PSAP must annually submit to the 911 Board a copy of its governing agency's proposed or approved budget detailing the revenues and expenditures associated with the operation of the PSAP. The PSAP budget must identify revenues and expenditures for eligible expense
reimbursements as provided in this Article and rules adopted by the 911 Board.

(3) A PSAP must be included in its governing entity's annual audit required under the Local Government Budget and Fiscal Control Act. The Local Government Commission must provide a copy of each audit of a local government entity with a participating PSAP to the 911 Board.

(4) A PSAP must comply with all requests by the 911 Board for financial information related to the operation of the PSAP.

(4a) A PSAP must have a plan and means for 911 call-taking in the event 911 calls cannot be received and processed in the primary PSAP. The plan must identify the alternative capability of taking the redirected 911 calls. This subdivision does not require a PSAP to construct an alternative facility to serve as a back-up PSAP.

(5) A primary PSAP must comply with the rules, policies, procedures, and operating standards for primary PSAPs adopted by the 911 Board.

SECTION 1.4. Sections 1.1 through 1.4 of this act are effective when this act becomes law and apply to distributions made on or after July 1, 2016.

SECTION 2.1. G.S. 62A-54(c) reads as rewritten:

"(c) Administration. – Administration, auditing, requests for review, making returns, collection of tax debts, promulgation of rules and regulations by the Secretary of Revenue, additional taxes and liens, assessments, refunds, and penalty provisions of Article 9 of Chapter 105 of the General Statutes apply to the collection of the 911 service charge for prepaid wireless telecommunications service. An audit of the collection of the 911 service charge for prepaid wireless telecommunications service shall only be conducted in connection with an audit of the taxes imposed by Article 5 of Chapter 105 of the General Statutes. Underpayments shall be subject to the same interest rate as imposed for taxes under G.S. 105-241.21. Overpayments shall be subject to the same interest rate as imposed for taxes under G.S. 105-241.21(c)(2). Excessive and erroneous collections of the service charge will be subject to G.S. 105-164.11. The Department of Revenue shall establish procedures for a seller of prepaid wireless telecommunications service to document that a sale is not a retail transaction, and the procedures established shall substantially coincide with the procedures for documenting a sale for resale transaction under G.S. 105-164.28. The Secretary of Revenue may retain the costs of collection from the remittances received under subsection (b) of this section, not to exceed five hundred thousand dollars ($500,000) a year of the total 911 service charges for prepaid wireless telecommunications service remitted to the Department. Within 45 days of the end of each month in which 911 service charges for prepaid wireless telecommunications service are remitted to the Department, the Secretary of Revenue shall transfer the total 911 service charges remitted to the Department less the costs of collection to the 911 Fund established under G.S. 62A-44."

SECTION 2.2. Section 8 of S.L. 2011-122, as amended by Section 52 of S.L. 2013-414, is repealed.

SECTION 2.3. Notwithstanding G.S. 62A-54(c), the Department may retain six hundred and forty thousand dollars ($640,000) of the 911 fee service charges for prepaid wireless telecommunications service remitted to the Department in the 2014-2015 fiscal year.

SECTION 2.4. Sections 2.1 through 2.4 of this act become effective July 1, 2014. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of July, 2014. Became law upon approval of the Governor at 4:00 p.m. on the 9th day of July, 2014.
AN ACT TO ENHANCE THE EFFECTIVENESS OF THE OCCUPATIONAL LICENSING OF MILITARY SERVICE MEMBERS AND VETERANS AND TO DIRECT THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AND THE STATE BOARD OF COMMUNITY COLLEGES TO SUBMIT A PLAN THAT WILL ENSURE THAT COLLEGE CREDITS ARE UNIFORMLY GRANTED TO STUDENTS WITH MILITARY TRAINING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 93B-15.1 reads as rewritten:

"§ 93B-15.1. Licensure for individuals with military training and experience; licensure by endorsement for military spouses; temporary license.

(a) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military-trained applicant to allow the applicant to lawfully practice the applicant's occupation in this State if, upon application to an occupational licensing board, the applicant satisfies the following conditions:

(1) Has been awarded a military occupational specialty and has done all of the following at a level that is substantially equivalent to or exceeds the requirements for licensure, certification, or registration of the occupational licensing board from which the applicant is seeking licensure, certification, or registration in this State: completed a military program of training, completed testing or equivalent training and experience as determined by the board, experience, and performed in the occupational specialty.

(2) Has engaged in the active practice of the occupation for which the person is seeking a license, certification, or permit from the occupational licensing board in this State for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(a1) No later than 30 days following receipt of an application, an occupational licensing board shall notify an applicant when the applicant's military training or experience does not satisfy the requirements for licensure, certification, or registration and shall specify the criteria or requirements that the board determined that the applicant failed to meet and the basis for that determination.

(b) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military spouse to allow the military spouse to lawfully practice the military spouse's occupation in this State if, upon application to an occupational licensing board, the military spouse satisfies the following conditions:

(1) Holds a current license, certification, or registration from another jurisdiction, and that jurisdiction's requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements for licensure, certification, or registration of the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(2) Can demonstrate competency in the occupation through methods as determined by the Board, such as having completed continuing education.
units or having had recent experience for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Is in good standing and has not been disciplined by the agency that had jurisdiction to issue the license, certification, or permit.

(5) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(c) All relevant experience of a military service member in the discharge of official duties or, for a military spouse, all relevant experience, including full-time and part-time experience, regardless of whether in a paid or volunteer capacity, shall be credited in the calculation of years of practice in an occupation as required under subsection (a) or (b) of this section.

(c1) Each occupational licensing board shall publish a document that lists the specific criteria or requirements for licensure, registration, or certification by the board, with a description of the criteria or requirements that are satisfied by military training or experience as provided in this section, and any necessary documentation needed for obtaining the credit or satisfying the requirement. The information required by this subsection shall be published on the occupational licensing board's Web site and the Web site of the North Carolina Division of Veterans Affairs.

SECTION 2. Each occupational licensing board shall contact training offices at military installations or any other federal offices that provide information on military occupational specialties and training for the purpose of (i) acquiring information necessary for an adequate understanding of military training and job requirements and (ii) assisting in determining the applicability and correlation of military training and experience to the criteria and requirements for licensure, certification, or registration. No later than September 1, 2014, each occupational licensing board shall submit a report to the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria with the status of the document required by Section 1 of this act and the results of their consultation with military training officials as required by this section.

SECTION 3. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly develop a plan for implementing a uniform system of granting course credits to all students enrolled in constituent institutions of The University of North Carolina and all students enrolled in State community colleges based on the students' military training or experience. The plan shall include a description of the procedure to be utilized in evaluating military training or experience and its correlation to school course credits and the process for the transfer of course credits between constituent institutions and community colleges when course credit has been granted by any institution or community college based upon military training or experience. As part of the plan, the Board of Governors of The University of North Carolina, in consultation with the State Board of Community Colleges, shall consider a process for recognizing Associate of Arts or Associate of Science degrees granted by institutions that are participants in the Servicemembers Opportunity Colleges Consortium or the Community College of the Air Force.

No later than September 1, 2014, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall provide a report to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training on the progress toward developing the plan required by this section. No later than January 1, 2015, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall submit the plan and any recommendations to the Joint Legislative Education Oversight
Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria.

SECTION 4. The Board of Governors of The University of North Carolina and the State Board of Community Colleges, through the North Carolina Community College System Office, shall consult with the North Carolina National Guard Education and Employment Center, the North Carolina Department of Commerce, the North Carolina Department of Labor, and any other State or federal agencies as appropriate, to do the following: (i) study "Knowledge Gap Fulfillment," the continuation, development, and creation of programs that provide maximum credit for military training or experience that meet North Carolina licensing, certification, or credential standards; (ii) identify job development programs that require the same Military Occupational Skills (MOS) or share the same aptitude skills required to complete the program; (iii) identify existing Veterans Administration (VA) approved nondegree programs conducted in other states that have a high employment demand in North Carolina; (iv) determine the ability of State community colleges or other training centers to conduct these nondegree programs; and (v) identify and develop similar short-term programs that meet the needs of North Carolina-specific, high employment technical career fields. A consideration in all program studies in this section shall be VA-approved for educational benefits with the North Carolina State Approval Agency. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria with recommendations and any proposed legislation no later than December 15, 2014.

SECTION 5. Section 1 of this act becomes effective January 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of July, 2014. Became law upon approval of the Governor at 9:25 a.m. on the 10th day of July, 2014.

Session Law 2014-68

AN ACT REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF SHALLOTTE AND TO CLARIFY THE TOURISM DEVELOPMENT AUTHORITY REQUIREMENTS PERTAINING TO THE OCCUPANCY TAX AUTHORIZED FOR THE TOWN OF SOUTHPORT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The following described property is removed from the corporate limits of the Town of Shallotte:

FIRST TRACT: BEING all of that certain tract or parcel containing 15.60 acres more or less as more fully described in a survey plat dated 4 January 2005, revised 21 February 2005 entitled "Survey for Charles Andrew Russ of 15.60 acres" prepared by James R. Tompkins, PLS, and recorded in Map Cabinet 32, Page 163 in the Office of the Register of Deeds for Brunswick County, North Carolina which plat reference is made and which is incorporated herein for greater certainty of description of said property.

SECOND TRACT: BEING all right, title and interest of Grantor in and to that certain road right-of-way and easement as more fully described in an instrument dated 29 November 2000 from Slickrock Development, LLC to Register Estate Corporation recorded in Deed Book 1419, Page 51 in the Office of the Register of Deeds for Brunswick County, North Carolina which right-of-way and easement connects the northern line of the property herein conveyed.
with State Road 1147 (Todd Road) as more fully shown and described in said easement and in the plate hereinabove referenced. Reserving and preserving nevertheless a non-exclusive right-of-way and easement for ingress, egress and regress between State Road 1147 (Todd Road) and the Register Cemetery in favor of the Representatives and/or Trustees of the Register Cemetery and family members thereof as more fully described in an instrument recorded in Deed Book 1419, Page 46, Brunswick County Registry.

THIRD TRACT:
That certain Tract of land being in Lockwood Folly Township, Brunswick County, North Carolina, said Tract being the Tracts described in deed book 2086 page 215 and deed book 2415 page 511 of the Brunswick County Register of Deeds and being more fully described as follows: Commencing at NCGS monument Sauce Reset, said monument having Nad 83 grid coordinates of North 70,535.97 and East 2,178,838.44; thence South 73°54′24″ East a distance of 7629.15 feet to NCGS monument B 161 Reset, said monument having Nad 83 grid coordinates of North 68,420.48 and East 2,186,168.62; thence South 44°28′15″ West, a distance of 2089.53 feet an iron rod found, the true Point of Beginning. Thence from the Point of Beginning, South 08°55′07″ West, a distance of 204.17 feet to a point; thence South 07°07′05″ East, a distance of 95.22 feet to a point; thence South 11°57′21″ East, a distance of 283.58 feet to a point; thence North 05′39′18″ East, a distance of 104.98 feet to an iron rod found; thence North 89°36′15″ East, a distance of 223.85 feet to an iron rod found; thence South 07°57′04″ East, a distance of 68.60 feet to a point; thence South 07°57′04″ East, a distance of 104.4 feet to a point; thence South 51°07′43″ East, a distance of 264.88 feet to a point; thence South 42°58′09″ East, a distance of 408.71 feet to a point on the western right of way of Bay Road (60′ ROW); thence with said right of way, South 19°16′42″ West, a distance of 72.77 feet to a point; thence leaving said right of way, North 54°11′34″ West, a distance of 103.79 feet to a point; thence North 47°01′40″ East, a distance of 124.55 feet to a point; thence North 42°58′20″ West, a distance of 319.33 feet to a point; thence South 41°15′52″ West, a distance of 151.16 feet to a point; thence North 51°07′02″ West, a distance of 121.56 feet to a point; thence South 37°25′11″ West, a distance of 134.79 feet to a point; thence South 37°25′11″ West, a distance of 123.96 feet to a point; thence South 40°42′01″ West, a distance of 58.59 feet to a point; thence South 46°34′05″ West, a distance of 46.09 feet to a point; thence South 50°42′25″ West, a distance of 28.18 feet to a point; thence South 48°33′52″ West, a distance of 112.43 feet to a point; thence South 41°15′52″ West, a distance of 119.66 feet to a point; thence South 14°48′49″ East, a distance of 50.33 feet to a point; thence North 76′16′18″ West, a distance of 448.29 feet to a point; thence South 76′29′21″ West, a distance of 251.75 feet to a point; thence North 18°38′59″ West, a distance of 288.42 feet to a point; thence South 73°47′59″ West, a distance of 57.92 feet to a point; thence South 71°59′06″ West, a distance of 162.40 feet to a point; thence South 76°50′13″ West, a distance of 168.30 feet to a point; thence South 87°14′55″ West, a distance of 51.88 feet to a point; thence North 66°29′30″ West, a distance of 100.71 feet to a point; thence North 68°42′36″ West, a distance of 108.06 feet to a point; thence North 06′12′56″ East, a distance of 352.96 feet to a point; thence North 06′01′47″ East, a distance of 448.48 feet to a point; thence South 76′32′40″ West, a distance of 77.30 feet to a point; thence South 65°55′40″ West, a distance of 271.81 feet to a point; thence South 74°57′40″ West, a distance of 323.67 feet to a point; thence North 02′42′40″ East, a distance of 49.10 feet to a point; thence North 83°51′24″ West, a distance of 234.44 feet to a point; thence North 02′20′49″ East, a distance of 1237.35 feet to a point; thence South 68°27′50″ East, a distance of 587.44 feet to a point; thence South 70°59′01″ East, a distance of 40.77 feet to a point; thence South 68°09′35″ East, a distance of 46.56 feet to a point; thence South 72°19′06″ East, a distance of 65.62 feet to a point; thence South 73°33′49″ East, a distance of 60.29 feet to a point; thence South 67°11′59″ East, a distance of 485.15 feet to a point; thence North 15°05′18″ East, a distance of 190.95 feet; thence North 88°02′30″ East, a distance of 152.36 feet; thence North 87°02′30″ East, a distance of 133.34 feet; thence South 02°07′24″ West, a distance of 301.81 feet; thence South 02°07′24″ West, a distance of 50.22 feet; thence South 82°29′10″ East, a distance of 471.74 feet to the Point of Beginning, containing 69.14

237
acres, more or less as shown on a plat prepared by McKim & Creed, entitled Annexation Plat of Four existing Tracts of Land Equaling 69.14 Acres and dated February 22, 2007.

FOURTH TRACT:

A certain tract or parcel of land lying and being in Lockwood Folly Township, Brunswick County, North Carolina and being that certain tract as described in Deed Book 1258, Page 691, Records of Brunswick County and being more particularly described as follows: Beginning at an iron stake set on the southern right-of-way of U.S. 17 (R/W varies), said iron being located by the following tie traverse: Commencing on an existing tack at the intersection of centerlines of the southbound lane of said U.S. 17 and S.R. 1131 and runs thence North 70 degrees 27 minutes 18 seconds 2703.03 feet to an existing N.C.D.O.T. Right-of-way Monument (Sta. No. 1096+00) located on the aforesaid southern right-of-way of U.S. 17; thence with said right-of-way North 67 degrees 22 minutes 39 seconds East 92.28 feet to the Point and Place of Beginning and proceeds from said beginning and with said right-of-way North 67 degrees 22 minutes 39 seconds East 279.92 feet to an iron stake set, said iron being located South 67 degrees 22 minutes 39 seconds West 142.37 feet from an existing N.C.D.O.T. Right-of-Way Monument (Sta. No. 1101+14.52); thence leaving said right of way South 07 degrees 19 minutes 26 seconds 26.06 feet to an existing iron; thence North 73 degrees 42 minutes 42 seconds West 347.57 feet to an existing iron pipe; thence North 02 degrees 38 minutes 20 seconds 20.03 feet West 939.4 feet to the beginning and contains 4.73 acres and being according to a survey by Jimmy D. Etheridge, P.L.S. dated January 13, 1999.

FIFTH TRACT:

Beginning at a point being a concrete monument in the south R/W of SR 1147, Todd Road SW, and located North 77 degrees 10 minutes 41 seconds West a distance of 1,962.18 feet from a nail in the intersection of SR 1147 and SR 1151; Thence from said beginning point leaving said R/W and with property line of Denney B. Stevens South 04 degrees 04 minutes 57 seconds West a distance of 1237.00 feet to an existing iron rod, thence continuing with Stevens South 08 degrees 10 minutes 53 seconds West a distance of 309.67 feet to an existing iron rod, a corner to Stevens and Weldon Todd, thence with Todd North 61 degrees 24 minutes 28 seconds West a distance of 392.55 feet to an existing iron rod, a corner to Todd and J.P. Russ, thence with Russ North 61 degrees 39 minutes 15 seconds West a distance of 573.26 feet to an existing iron rod, a corner to J.P. Russ and Charles A. Russ, thence with Russ North 61 degrees 39 minutes 15 seconds West a distance of 570.78 feet to a right-of-way disc, thence South 19 degrees 38 minutes 43 seconds West a distance of 206.14 feet to a point, thence South 17 degrees 53 minutes 40 seconds West a distance of 240.01 feet to an existing iron rod (bent) a corner to Russ and Albert Joyner heirs, thence with Joyner North 80 degrees 06 minutes 04 seconds West a distance of 923.21 feet to an existing iron rod, a corner to Clifton Black, thence with Black North 09 degrees 50 minutes 38 seconds East a distance of 342.72 feet to an existing iron rod, a corner to James Johnson Heirs, thence with Johnson North 88 degrees 25 minutes 20 seconds West a distance of 537.45 feet, to an existing iron rod on line at the edge of a pond, continuing 226.50 feet, a total of 763.95 feet to a point in said pond, thence North 28 degrees 01 minutes 46 seconds West a distance of 49.19 feet, thence North 63 degrees 13 minutes 04 seconds West a distance of 87.66 feet, thence North 15 degrees 21 minutes 19 seconds West a distance of 558.73 feet to an existing iron rod, thence North 01 degrees 17 minutes 20 seconds East a distance of 150.64 feet to a new iron rod set, thence North 07 degrees 56 minutes 05 seconds West a distance of 210.49 feet to a new iron rod set, thence north 12 degrees 46 minutes 53 seconds West a distance of 155.08 feet to a new iron rod set, thence North 04 degrees 16 minutes 12 seconds East a distance of 135.74 feet to an existing iron rod, thence North 04 degrees 10 minutes 30 seconds East a distance of 300.82 feet to an existing iron rod (bent) located in the south R/W of Todd Road, thence with said R/W South 87 degrees 50 minutes 36 seconds East a distance of 70.63 feet to a new iron rod set, thence South 84 degrees 19 minutes 43 seconds East a distance of 55.97 feet to a new iron rod set, thence South 81 degrees 12 minutes 50 seconds East a distance of 56.59 feet to a new iron rod set, thence south 78 degrees 11 minutes 43 seconds East a distance of 55.49 feet to a new
iron rod set, thence South 75 degrees 34 minutes 28 seconds East a distance 58.13 feet to a new iron rod set, thence south 74 degrees 03 minutes 29 seconds East a distance of 59.35 feet to a new iron rod set, thence South 73 degrees 29 minutes 54 seconds East a distance of 76.51 feet to a new iron rod set, thence South 73 degrees 10 minutes 12 seconds East a distance of 102.57 feet to a new iron rod set, thence South 73 degrees 13 minutes 13 seconds East a distance of 282.02 feet to a new iron rod set, thence South 73 degrees 13 minutes 13 seconds East a distance of 82.02 feet to a new iron rod set, thence South 73 degrees 10 minutes 12 seconds East a distance of 118.04 feet to a new iron rod set, thence South 67 degrees 15 minutes 09 seconds East a distance of 106.89 feet to a new iron rod set, thence South 63 degrees 53 minutes 32 seconds East a distance of 120.40 feet to a new iron rod set, thence South 62 degrees 07 minutes 15 seconds East a distance of 127.54 feet to a concrete monument, thence south 62 degrees 50 minutes 29 seconds East a distance of 1,775.38 feet to the place and point of beginning. Excepted from this boundary is an interior parcel known as the Register Cemetery with description as follows: Beginning at an existing iron rod in the west side of a 20 foot easement recorded in the Brunswick county registry at Deed Book 644, page 493 said iron rod located South 12 degrees 05 minutes 09 seconds West a distance of 552.31 feet from the R/W of Todd Road, thence along west side of said easement South 12 degrees 28 minutes 32 seconds West a distance of 211.08 feet too an existing iron rod, thence North 83 degrees 32 minutes 05 seconds 05 West a distance of 131.97 feet to an existing iron, thence leaving said easement North 61 degrees 47 minutes 06 seconds West a distance of 12.04 feet to an existing iron rod, thence North 10 degrees 27 minutes 26 seconds East a distance of 180.92 feet to an existing iron rod, thence North 87 degrees 10 minutes 30 seconds East a distance of 154.69 feet to the place and point of beginning. Together with and subject to covenants, easements and restrictions of record. Said property contains 79.48 acres, more or less. Also this property is subject to easements as recorded in the Brunswick county registry at Deed Book 1419, page 52 and Deed book 644, page 493 and a lease with easement as recorded at Deed book 1957, page 769. For a more accurate description reference is hereby made to a plat of survey for William L. Smith dated August 14, 2006.

SECTION 1.(b) This section has no effect upon the validity of any liens of the Town of Shallotte for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the Town of Shallotte.

SECTION 1.(c) This section becomes effective July 31, 2014.

SECTION 2.(a) Section 1(e) of Chapter 639 of the 1989 Session Laws, as amended by S.L. 2002-129, reads as rewritten:

"(e) Distribution and use of tax revenue. – Until the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of this section, the City of Southport shall use at least two-thirds of the funds to promote travel and tourism in Southport and shall use the remainder for tourism-related expenditures. When the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of this section, City of Southport shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Southport Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Southport and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the city of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or
business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a city or to attract tourists or business travelers to the city. The term includes tourism-related capital expenditures."

SECTION 2.(b) Section 1.2 of Chapter 639 of the 1989 Session Laws, as enacted by S.L. 2002-129, reads as rewritten:

"Sec. 1.2. Southport Tourism Development Authority. – When the Southport Board of Aldermen adopts a resolution levying a room occupancy tax under subsection (a1) of Section 1 of this act, it shall also adopt a resolution creating a city Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members must be individuals who are affiliated with businesses that collect the tax in the city, and at least three-fourths of the members must be individuals who are currently active in the promotion of travel and tourism in the city. The Board of Aldermen shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Southport shall be the ex officio finance officer of the Authority."

SECTION 2.(c) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of July, 2014. Became law on the date it was ratified.

Session Law 2014-69

H.B. 1114

AN ACT TO REQUIRE THE REGISTER OF DEEDS OF AVERY COUNTY TO REFUSE RECORDATION OF A DEED FOR PROPERTY SUBJECT TO DELINQUENT MUNICIPAL PROPERTY TAXES FOR THE TOWN OF ELK PARK.

The General Assembly of North Carolina enacts:


"Section 1. The Register of Deeds of Avery County shall not receive for recordation any deed unless the following conditions are met:

(1) The deed is accompanied by a certificate from the Avery County Tax Collector to the effect that all delinquent county taxes and all delinquent taxes for municipalities for which the county collects taxes have been paid with respect to the property described in the deed.

(2) If the property described in the deed is located in whole or in part in the Town of Newland, the deed is accompanied by a certificate from the tax collector for the town to the effect that all delinquent municipal taxes have been paid with respect to the property.

(3) If the property described in the deed is located in whole or in part in the Town of Banner Elk, the deed is accompanied by a certificate from the tax collector for the town to the effect that all delinquent municipal taxes have been paid with respect to the property.

(4) If the property described in the deed is located in whole or in part in the Village of Sugar Mountain, the deed is accompanied by a certificate from
the tax collector for the village to the effect that all delinquent municipal
taxes have been paid with respect to the property.

(5) If the property described in the deed is located in whole or in part in the
Town of Elk Park, the deed is accompanied by a certificate from the tax
collector for the town to the effect that all delinquent municipal taxes have
been paid with respect to the property.”

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 16th day of July, 2014.
Became law on the date it was ratified.

Session Law 2014-70
H.B. 1154

AN ACT AUTHORIZING THE MOORE COUNTY BOARD OF EDUCATION TO
CONVEY CERTAIN REAL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding the provisions of G.S. 115C-518 and
G.S.160A-274, the Moore County Board of Education may convey to the Town of
Taylortown, with consideration, all of its right, title, and interest to the Academy Heights
Elementary School site located at 143 Douglas Street in Pinehurst, North Carolina.

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 16th day of July, 2014.
Became law on the date it was ratified.

Session Law 2014-71
H.B. 375

AN ACT TO ALLOW PASSENGER BUSES OWNED AND OPERATED BY THE CITY OF
CHARLOTTE TO HAVE AN OVERALL LENGTH OF SIXTY FEET OR LESS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 317 of the 1955 Session Laws is repealed.

SECTION 2. G.S. 20-116(l) reads as rewritten:
"(l) Nothing in this section shall be construed to prevent the operation of passenger
buses that are owned and operated by units of local government, operated as a single vehicle
only and having an overall length of 45 feet or less, on public streets or highways. A unit of
local government may own and operate as a single vehicle passenger buses having an overall
length of not more than 60 feet on public streets or highways; provided that passenger buses
having an overall length of more than 45 feet but not more than 60 feet shall be operated
primarily on public streets or highways with a posted speed limit of 45 miles per hour or
greater. The Department of Transportation may prevent the operation of buses that are
authorized under this subsection if the operation of such buses on a street or highway presents a
hazard to passengers of the buses or to the motoring public."

SECTION 3. This act applies to the City of Charlotte only, which may operate
passenger buses having an overall length of 45 feet or less throughout the State and passenger
buses having an overall length of more than 45 feet but not more than 60 feet within the County
of Mecklenburg or any county contiguous to the County of Mecklenburg.

SECTION 4. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 17th day of July, 2014.
Became law on the date it was ratified.
AN ACT TO ALLOW UNION COUNTY TO USE ATTACHMENT AND GARNISHMENT AND LIEN FOR COUNTY-CONTRACTED AMBULANCE SERVICE SUPPLEMENTED BY COUNTY FUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 44-51.4 reads as rewritten:

"§ 44-51.4. Attachment or garnishment for county or city ambulance or county or city supported ambulance service.

Whenever ambulance services are provided by a county, by a county-franchised ambulance service supplemented by county funds, by a county-contracted ambulance service supplemented by county funds, or by a municipally owned and operated ambulance service or by an ambulance service supplemented by municipal funds and a recipient of such ambulance services or one legally responsible for the support of a recipient of such services fails to pay charges fixed for such services for a period of 90 days after the rendering of such services, the county or municipality providing the ambulance services, or providing financial support to the ambulance service, may treat the amount due for such services as if it were a tax due to the county or municipality and may proceed to collect the amount due through the use of attachment and garnishment proceedings as set out in G.S. 105-368."

SECTION 2. G.S. 44-51.5 reads as rewritten:

"§ 44-51.5. General lien for county or city ambulance service.

There is hereby created a general lien upon the real property of any person who has been furnished ambulance service by a county, by a county-franchised ambulance service supplemented by county funds, by a county-contracted ambulance service supplemented by county funds, or municipal agency or at the expense of a county or municipal government or upon the real property of one legally responsible for the support of any person who has been furnished such ambulance service."

SECTION 3. This act applies to Union County only.

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

In the General Assembly read three times and ratified this the 17th day of July, 2014.

Became law on the date it was ratified.

AN ACT AUTHORIZING TWO COUNTY COMMISSIONERS TO SERVE ON THE BOARD OF DURHAM TECHNICAL COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-12(a) reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person
currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – four trustees, elected by the board of commissioners of the county in which the institution is located. Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of a board of county commissioners of a given county. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 2. This act applies only to Durham Technical Community College.

SECTION 3. This act is effective when it becomes law and applies to appointments made on or after that date.

In the General Assembly read three times and ratified this the 17th day of July, 2014. Became law on the date it was ratified.

Session Law 2014-74

H.B. 1212

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE CITY OF BURLINGTON.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Burlington is hereby revised and consolidated to read as follows:

"THE CHARTER OF THE CITY OF BURLINGTON.

CHAPTER I. ORGANIZATION AND POWERS.

"SUBCHAPTER A. INCORPORATION, CORPORATE POWERS AND THEIR EXERCISE.

"Section 1.01. Incorporation and Corporate Powers. The City of Burlington shall continue to be a body politic and corporate by the name of "City of Burlington." Under that name, the City shall continue to be vested with all property and rights of property that now belong to the municipal corporation; shall have perpetual succession; may have a common seal and alter and renew the same at pleasure; may sue and be sued; may contract and be contracted with; may acquire and hold all such property, real and personal, as may be devised, bequeathed, sold, or in any manner conveyed or dedicated to or otherwise acquired by it and, from time to time, may hold or invest, sell, or dispose of the same; and shall have and may exercise in conformity with this Charter all municipal powers, functions, rights, privileges, and immunities of every name and nature whatsoever.

"Section 1.02. Exercise of Power. All powers, functions, rights, privileges, and immunities of the City, its officers, agencies, or employees shall be carried into execution as provided by this Charter. If this Charter makes no provision, such powers, functions, rights, privileges, and immunities shall be carried into execution as provided by ordinance or resolution of the City Council and as provided by the pertinent general laws of North Carolina.

"SUBCHAPTER B. CITY BOUNDARIES.

"Section 1.21. Corporate Limits. The corporate limits of the City shall be those existing at the time of ratification of this Charter, as set forth on the official map of the City and as they
may be altered from time to time in accordance with law. An official map of the City, showing
the current boundaries, shall be maintained permanently in the Office of the City Clerk and
shall be available for public inspection. Immediately upon alteration of the corporate limits
made pursuant to law, the appropriate changes to the official map shall be made, and copies
shall be filed in the Office of the Secretary of State, the Alamance County Register of Deeds,
the Guilford County Register of Deeds, and the appropriate boards of elections.

"SUBCHAPTER C. CHAPTER AMENDMENTS.

"Section 1.41. Incorporation of Amendments.
(a) As soon as possible after the adjournment of each General Assembly, the City
Attorney shall present to the City Council copies of all local laws relating to the property,
affairs, and government of the City of Burlington that were enacted by the General Assembly,
whether or not in terms amending this Charter, which the City Attorney recommends be
incorporated into this Charter. Such recommendations may include suggestions for
renumbering or rearranging the provisions of the laws, for providing titles and catch lines, and
for such other changes in arrangement and form that do not change the law as may be thought
necessary to implement the purposes of this section.
(b) After considering the recommendations of the City Attorney, the City Council may
provide for the incorporation of such laws into this Charter.
(c) The purpose of this section is to enable the City to maintain at all times a current
and accurate City Charter, organized in clear and orderly fashion and embracing all local laws
relating to the property, affairs, and government of the City.

"CHAPTER II. COMPOSITION OF CITY COUNCIL; ELECTIONS.

"SUBCHAPTER A. COMPOSITION AND METHOD OF ELECTION OF CITY COUNCIL.

"Section 2.01. Composition, Election, and Terms of City Council.
(a) The City Council shall consist of four members and a Mayor who shall be elected at
large by and from the qualified voters of the City. The Mayor shall be elected for a term of two
years and the members of City Council for a term of four years.
(b) The terms of all members shall begin at the date and hour prescribed by Section
3.03 of this Charter for the taking of the oath of office, but members shall serve until their
successors are elected and qualified. In the event that it is not possible otherwise to determine
which of two or more persons should be considered a holdover Council member or holdover
Council members, a decision shall be made by lot between the outgoing Council members who
are willing to serve, the lots to be cast under the supervision of the remaining qualified Council
members.

"SUBCHAPTER B. CONDUCT OF CITY ELECTIONS.

"Section 2.21. Regular City Elections. Regular City elections shall be held in each
odd-numbered year in accordance with the uniform election laws of North Carolina.
"Section 2.22. Method and Determination of Results. The election shall be by the
nonpartisan primary method as provided by G.S. 163-294.
"Section 2.23. Special Elections. The procedure for calling and conducting special
elections shall be as provided by G.S. 163-287.

"CHAPTER III. ORGANIZATION AND POWERS OF CITY COUNCIL.

"SUBCHAPTER A. CITY COUNCIL: QUALIFICATIONS; VACANCIES;
COMPENSATION; OATHS OF OFFICE.

"Section 3.01. Qualifications of Council Members and Mayor; Vacancies; Removal.
(a) No person shall be eligible to be nominated or elected to the City Council, nor to
serve thereon, unless the person is a qualified voter and a resident of the City. No person shall
be eligible to be nominated or elected to the office of Mayor or to serve as such unless he or she
is a qualified voter and resident of the City.
(b) In the case of a vacancy in the office of Mayor, the remaining members of the City
Council shall select from their own number the Mayor's successor for the unexpired term.
(c) If there is a vacancy in the office of Council member after election or qualification,
or if any Council member is unable to discharge the duties of office, the City Council shall
choose some person for the unexpired term, or during the member's disability, as the case may be, to act as Council member. Council members so selected shall have all the powers and duties of regularly elected Council members.

"Section 3.02. Compensation of Mayor, Mayor Pro Tem, and Council Members.
(a) The Mayor, Mayor Pro Tem, and each Council member shall receive as compensation for service to the City an amount fixed by the City Council in the annual budget.
(b) In addition to the compensation provided for by subsection (a) of this section, the Mayor, Mayor Pro Tem, and Council members may be reimbursed for actual and necessary travel expenses or other expenses incurred by them in the performance of their official duties.

"Section 3.03. Oaths of Office. All newly elected or appointed Council members and the Mayor, before entering upon their duties, shall take and subscribe before the City Clerk an oath to perform faithfully the duties of their offices and the oaths of office required by general law. Elected Council members and the Mayor shall meet at the City Hall for the purpose of taking such oaths at the organizational meeting following the date of their election. A member appointed to fill a vacancy shall take the oath at the next City Council meeting following his or her appointment. The Mayor appointed to fill a vacancy shall take the oath at the next City Council meeting following his or her appointment. Any member who is not present at the time and place provided for by this section may take the oaths at any time thereafter. In the absence of the City Clerk, the oaths may be administered by any other person authorized by law to administer oaths of office.

"SUBCHAPTER B. CITY COUNCIL: ORGANIZATION AND PROCEDURE.
"Section 3.21. Organizational Meeting; Mayor Pro Tem. The organizational meeting of each City Council shall be held in accordance with G.S. 160A-68. The City Council shall elect, by the choice of its members, a Mayor Pro Tem who shall hold office as such for a term of two years and until a successor is selected and qualified. The organization of the City Council shall take place notwithstanding the absence, death, refusal to serve, or nonelection of one or more members, provided that at least three of the persons entitled to be members are present and, if necessary, take oath.

"Section 3.22. Regular and Special Meetings; Emergency Meetings. Except where otherwise specifically provided by this Charter, the City Council shall have authority to determine the time and place of City Council meetings within or outside Alamance County, to make such provisions as it may deem wise relative to regular, special, emergency, adjourned, and continued meetings, to adopt rules of procedure, and generally to regulate the time, place, manner, and method of the exercise of its powers.

"Section 3.23. Quorum; Votes.
(a) A majority of the members of the City Council shall constitute a quorum to do business, but a lesser number may adjourn from time to time and compel the attendance of absent members by ordering them taken into custody.
(b) No member shall be excused from voting except upon matters involving the consideration of the member's own official conduct or involving his or her financial interest. In all other cases, a failure to vote by a member who is present or who, having been present, has withdrawn from the meeting without being excused, shall be deemed an affirmative vote and shall be so recorded. A member who has withdrawn from a meeting without being excused shall be counted as present for purposes of determining whether or not a quorum is present.

"SUBCHAPTER C. CITY COUNCIL: POWERS AND DUTIES.
"Section 3.41. General powers of City Council.
(a) The government of the City and the general management of the City shall be vested in the City Council, except that the City Manager shall have the powers hereinafter specified and provided by general law.
(b) In addition to other powers conferred upon it by law, the City Council may adopt and provide for the execution of such ordinances, rules, and regulations, not inconsistent with this Charter, as may be necessary or appropriate to protect health, life, or property, or to preserve or promote the comfort, convenience, security, good order, better government, or
general welfare of the City or its inhabitants; may enforce the same by imposing penalties on such as violate them; and may compel the performance of the duties imposed upon others by suitable penalties.

"Section 3.42. Residential Development Projects in Municipal Service Districts. The City Council may, in accordance with G.S. 158-7.1, et seq., make appropriations and authorize economic incentives for the purposes of aiding and encouraging residential development projects within the city in a municipal service district established pursuant to Article 23 of Chapter 160A of the General Statutes that, in the discretion of the City Council, are likely to have a significant effect on the economic revitalization of that district. In connection with the foregoing, the City Council may make loans and grants from public funds for revitalization projects that will have a significant revitalization effect on the city.

"SUBCHAPTER D. CITY COUNCIL: ORDINANCE PROCEDURE.

"Section 3.61. Applicable General Laws. Except as otherwise herein provided, the adoption, amendment, repeal, pleading, and proving of ordinances shall be governed by provisions of general law applying to cities.

"Section 3.62. Adoption of Ordinances and Resolutions. The affirmative vote of a majority of the members of the City Council shall be necessary to adopt any ordinance or resolution. Notwithstanding the provisions of G.S. 160A-75, an ordinance may be finally passed on the date on which it was introduced by vote of a majority of the members of the Council.

"SUBCHAPTER E. MAYOR.

"Section 3.81. Powers and Duties of Mayor.
   (a) The powers and duties of the Mayor shall be as conferred upon him or her by this Charter or general law, together with any other powers and duties conferred by the City Council pursuant to law.
   (b) The Mayor shall preside at all meetings of the City Council and shall have the right to vote upon all questions but shall have no additional vote in case of a tie and no veto. The Mayor shall be considered a member of the City Council for all purposes. The Mayor shall be recognized as the official head of the City by the courts for the purpose of serving civil process and by the public for all ceremonial purposes. The Mayor shall have the power to administer oaths.

"Section 3.82. Mayor Pro Tem. During the disability of the Mayor or the Mayor's absence from the City, the functions of the office of Mayor shall devolve upon the Mayor Pro Tem. The Mayor Pro Tem shall preside at all City Council meetings in the absence of the Mayor.

"CHAPTER IV. ADMINISTRATIVE OFFICES; POWERS AND PROCEDURE.

"SUBCHAPTER A. CREATION AND FUNCTIONS OF DEPARTMENTS, OFFICES, AND OTHER AGENCIES IN GENERAL.

"Section 4.01. Offices, Positions, Departments, and Other Agencies Continued by Charter or Created by Council.
   (a) The following administrative offices and positions, are hereby provided for by this Charter: City Manager, City Clerk, Finance Director, City Attorney, Chief of Police, and Fire Chief.
   (b) The City Council may create, change, abolish, and consolidate boards and commissions whose members it appoints.
   (c) The City Manager may create new positions or departments or assign additional functions to offices, positions, or departments as provided by general law.

"SUBCHAPTER B. CITY MANAGER.

"Section 4.21. City Manager: Appointment, Qualifications, Term, Compensation, and Oath.
   (a) The City Council shall appoint a City Manager who shall be the administrative head of the City government and shall be responsible for the administration of all City departments. The Manager shall be appointed with regard to merit only and need not be a resident of the City.
(b) The City Manager shall hold office at the pleasure of the City Council and shall receive such compensation as the City Council may fix by ordinance.

"Section 4.22. City Manager: Powers and Duties. The City Manager shall (i) be the administrative head of the City government and, as such, shall be responsible for the administration of all City offices, positions, and departments created by or under this Charter and general law; (ii) ensure that within the jurisdiction of the City, the laws of the State and the ordinances, resolutions, and regulations of the City Council are faithfully executed; (iii) attend all meetings of the Council and recommend for adoption such measures as he or she shall deem expedient; and (iv) make reports to the Council from time to time upon the affairs of the City and keep the City Council fully advised of the City's financial condition and its future financial needs.

"SUBCHAPTER C. PERSONNEL.

"ARTICLE 1. APPOINTMENTS AND REMOVALS.

"Section 4.61. Appointment, Removal, and Supervision of Department Heads and Employees by City Manager.

(a) The City Manager, except as otherwise provided in this Charter, shall be responsible for the appointment, suspension, and removal of heads of City departments and City employees.

(b) Except where expressly authorized by this Charter, neither the City Council nor any of its members shall take any part in the appointment or removal of department heads, officers, or employees who are subject to appointment by the City Manager. Except for the purpose of inquiry or investigation, the City Council and its members shall deal with the department heads, officers, and employees through the City Manager, and neither the City Council nor any of its members shall give orders to any subordinate of the City Manager, either publicly or privately.

(c) Subject to the provisions of this Charter, the department heads, officers, and employees subject to appointment by the City Manager shall perform such duties as may be required of them by the Manager under general regulations of the City Council.

"Section 4.62. Appointment and removal of members of boards and commissions. Except as otherwise provided by this Charter, and notwithstanding any other provision of law, the City Council shall appoint and may suspend and remove all members of boards and commissions subject to appointment by the Council.

"ARTICLE 2. COMPENSATION; PERSONNEL POLICIES.

"Section 4.71. Classification and Compensation of Employees and Officers. The City Manager shall be responsible for the preparation of position classifications and pay plans that shall be submitted to the City Council for approval. The plans may apply to any or all employees of the City and any of its agencies and offices. Salaries of employees shall be fixed by the City Manager within salary ranges approved by the City Council.

"Section 4.72. Personnel Policies. The City Council may adopt ordinances and policies consistent with applicable laws (i) concerning annual leave, sick leave, hours of employment, and holidays and (ii) concerning other personnel policies, including policies relating to working conditions. The ordinances may apply to any or all employees of the City and any of its agencies and offices.

"SUBCHAPTER D. FINANCES AND FISCAL MATTERS.

"ARTICLE 1. TAXATION.

"Section 4.111. Levy, Collection, and Payment of Property Taxes.

(a) Except as otherwise herein provided, property taxes shall be imposed and collected in the manner provided by general law.

(b) Property taxes shall become due and payable on the date provided by general law. Interest shall be charged for late payment, and discounts may be allowed for prepayment of taxes in the amounts and during the periods covered by general law.

"ARTICLE 2. BORROWING.

"Section 4.121. Borrowing Authority and Procedures. The City shall be governed by applicable general laws concerning borrowing authority and procedures.
"ARTICLE 3. BUDGETING, ACCOUNTING, FISCAL AFFAIRS."

"Section 4.131. Application of Local Government Budget and Fiscal Control Act. Subject to the provisions of this Charter, all of the provisions of the Local Government Budget and Fiscal Control Act, Article 3 of Chapter 159 of the General Statutes, apply to the City.

"Section 4.132. Reserve Funds. The City may establish reserve funds as provided by general law.

"Section 4.133. Investment of Surplus Funds. The City may invest surplus funds as provided by general law.

"SUBCHAPTER E. PROCUREMENT AND PROPERTY MANAGEMENT."

"ARTICLE 1. CONTRACTING PROCEDURES."

"Section 4.151. Contracting Procedures; Authentication of Documents.

(a) In all respects not provided for by this Charter, formal requirements concerning the making and execution of contracts by the City shall be governed by general law.

"ARTICLE 2. LEASING, DISPOSITION, AND SALE OF PROPERTY PROVISIONS."

"Section 4.161. Lease of Real Property in Municipal Service Districts.

(a) Notwithstanding the provisions of G.S. 160A-272, the City Council may, in its discretion, lease city-owned property in its municipal service districts established pursuant to Article 23 of Chapter 160A of the General Statutes for such consideration and upon such terms and conditions as the City Council may determine, including terms of more than 10 years in accordance with the procedures of this subsection. Before leasing its interest in property owned in its municipal service districts, the city shall hold a public hearing. The city shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall describe the property being leased, the terms and conditions of the lease, the proposed consideration, and the City Council's intention to approve the lease.

(b) The provisions of this section shall be construed in addition to all other provisions of law authorizing or prescribing the method of leasing property owned by the city.

"Section 4.162. Conveyances with Covenants of Warranty.

(a) The City Council is hereby authorized to execute and deliver conveyances to any property, whether acquired by tax or assessment foreclosure or otherwise, with full covenants of warranty whenever in its discretion it is to the best interest of the City to convey by warranty deed.

(b) Members of the City Council are hereby relieved of any personal or individual liability by reason of the execution of any such conveyances with covenants of warranty.

"Section 4.163. Quitclaims of City Property. The City may quitclaim any rights it may have in property not needed for public purposes upon report by the City Manager and adoption of a resolution by the City Council, both finding that the property is not needed for public purposes and that the interest of the City has no readily ascertainable monetary value.

"Section 4.164. Sale of Personal Property of Less Than Two Thousand Five Hundred Dollars ($2,500) Value. Notwithstanding any other provision of law, the City Council may sell or exchange without advertisement and at either public or private sale any personal property not exceeding two thousand five hundred dollars ($2,500) in value at the time of sale.

"SUBCHAPTER F. OTHER DEPARTMENTS, OFFICES, AND AGENCIES."

"ARTICLE 1. CITY ATTORNEY."

"Section 4.171. City Attorney. As provided by general law, the City Council shall appoint a City Attorney to serve at its pleasure and to be its legal advisor.

"ARTICLE 2. CITY CLERK AND FINANCE DIRECTOR."

"Section 4.181. City Clerk and Finance Director.

(a) The City Manager shall appoint a City Clerk and Finance Director.

(b) The City Clerk shall do all of the following:

(1) Keep a journal of City Council proceedings.

(2) Record in a book kept for the purpose all ordinances and resolutions.

(3) Be the custodian of all City records.
(4) Perform such other duties as prescribed by law or this Charter or required by the City Council that are not inconsistent with general law.

(c) The Finance Director shall perform the duties of finance officer as set forth in the Local Government Budget and Fiscal Control Act, Article 3 of Chapter 159 of the General Statutes, or as may be set forth elsewhere in general law, and as required by the City Manager or City Council that are not inconsistent with general law.

"ARTICLE 3. POLICE.

"Section 4.191. Powers and Duties of Chief of Police and Members of Police Force. The Chief of Police, each member of the police force, and any other designated officers shall have the powers and duties as provided in Article 13 of Chapter 160A of the General Statutes and otherwise provided for by general law.

"CHAPTER V. REGULATORY AND PLANNING FUNCTIONS.

"SUBCHAPTER A. MOTOR VEHICLES AND TRAFFIC.

"Section 5.01. Location of Traffic Control Devices.

(a) The Traffic Commission shall recommend to the City Council the location or removal of any and all official traffic control devices in the City.

(1) If the recommendation is for installation of such a device at a particular location, the recommendation shall state why its installation is necessary in order to control traffic congestion in the interest of public safety.

(2) If the device is to be moved or removed from a particular location, the recommendation shall state why the device is no longer required at such location for the control of traffic congestion in the interest of public safety.

An "official traffic control device," as used in this section, is a sign, signal, marking, or device, including a parking meter, that is intended to regulate vehicular or pedestrian traffic.

(b) Upon adoption by the City Council of any recommendation from the Traffic Commission pursuant to subsection (a) of this section, the action shall be recorded in the minutes of the Council. The installation, moving, or removal of the official traffic control device shall then be carried out by City staff.

(c) For purposes of enforcement, the installation, moving, or removing of a traffic control device pursuant to subsection (a) of this section shall take effect immediately when the device is installed, moved, or removed. The location of a traffic control device may be proved by the testimony of the official who installed or moved it.

(d) The installation, moving, or removing of a traffic control device pursuant to the provisions of this section shall have the force and effect of an ordinance, and the failure to obey any such device shall be punishable as a violation of an ordinance.

(e) Nothing in G.S. 20-175 shall prohibit the City Council from adopting ordinances placing additional restrictions or prohibitions on persons standing on any street, highway, or right-of-way, excluding sidewalks, while soliciting or attempting to solicit any employment, business, or contributions from the driver or occupants of any motor vehicle. The City may not adopt ordinances placing restrictions or prohibitions on the activities of licensees, employees, or contractors of the North Carolina Department of Transportation.

"Section 5.02. Obstruction of Alleys. If, in the opinion of the City Council, a fire hazard is created by the obstruction of private alleys, the City Council may adopt regulations governing the obstruction of private alleys, either by reason of the parking of motor vehicles or otherwise.

"Section 5.03. Regulation of Ambulances and Wreckers. The City Council may establish regulations governing the operation of ambulances, wreckers, and other motor vehicles used in connection with emergencies, disasters, or accidents.

"SUBCHAPTER B. OCCUPATIONAL AND BUSINESS LICENSING AND REGULATION.

"Section 5.21. Liability Insurance or Surety Bond to be Furnished by Demolition Contractors.

(a) The City Council may require every demolition contractor to furnish and keep in effect for each building demolition project in the City he or she may undertake, or as a condition of engaging in the business of building demolition in the City, a policy of insurance
or surety bond with sureties, licensed to do business in North Carolina, whose solvency shall at all times be subject to the approval of the Council. The policy or bond shall be in such amount or amounts as may be fixed by the Council and shall be conditioned upon the contractor responding in damages for any liability incurred on account of any injury to persons or damages to property resulting from the prosecution of the demolition project. The policy or bond, if required, shall be filed with the City Council as a condition precedent to conducting any building demolition project in the City.

(b) As used in this section, the term "demolition contractor" means a person, firm, or corporation who undertakes on his or her account or for another, whether for an agreed price or for cost plus a fixed fee or otherwise, to raze, dismantle, or demolish a building.

"SUBCHAPTER C. PLANNING ZONING; BUILDING REGULATIONS AND RELATED MEASURES.

"ARTICLE 1. SUBDIVISION CONTROLS.

"Section 5.41. Authority To Require Installation of Certain Improvements Prior to Approval of Plats.

(a) In connection with subdivision or platting controls, the City Council may require the improvement and grading of streets and the construction and installation of street pavements, curbs, gutters, sidewalks, and water, sewer, surface water drainage, and other utility mains as a condition precedent to the approval of a plat. The requirements may provide for tentative approval of the plat previous to the improvement and installation, but any tentative approval shall not be entered on the plat. The requirements may provide that, in lieu of completion of the work and installations prior to final approval of the plat, the City Council may accept a bond from a company licensed to do business in North Carolina, in an amount and with surety and condition satisfactory to it, providing for and securing to the City the actual construction and installation of the improvements and utilities within a period specified by the City Council and expressed in the bond. The City is empowered to enforce the bond by all appropriate legal and equitable remedies. Requirements adopted under this subsection may be adopted throughout the area over which the City is authorized by law to exercise platting or subdivision controls.

(b) The requirements may provide, in lieu of the completion prior to the final approval of the plat of the work and installation on land within the corporate limits of the City, for an assessment under this Charter, Article 10 of Chapter 160A of the General Statutes, or other general or local law whereby the City may do the work and make the installations at the cost to the owners of the property within the subdivision using any of the bases and methods prescribed by law.

"Section 5.42. Authority to Require Reservation of Recreation Areas and School Sites. In connection with subdivision or platting controls, the City Council may, as provided by G.S. 160A-372, require the reservation of recreation areas and school sites as a condition precedent to the approval of a plat. The reservation shall be for a period of no longer than two years, subject to future acquisition by purchase or condemnation by a governmental unit or agency.

"Section 5.43. Territorial Extent of Powers. The authority conferred by Section 5.41 and Section 5.42 of this Charter may be exercised throughout the area within which the City Council is now or hereafter empowered to regulate the platting and recording of any subdivision of land.

"ARTICLE 2. BUILDING REGULATIONS.

"Section 5.51. Power to Destroy Property to Stop Fires. The Chief of the Fire Department may order the blowing up, tearing down, or other destruction of any building when it is deemed necessary to stop the progress of a fire. No person shall be held liable, civilly or criminally, for acting in obedience to orders thus given, nor shall the Fire Chief be held liable, civilly or criminally, for the giving of such orders or for damages to property ordered destroyed.
"ARTICLE 2A. HOUSING COMMISSION.

"Section 5.52. Housing Commission. The City Council may provide for the creation and organization of a housing commission to which appeals may be taken from the decision of the building inspector upon any provision of the Housing Code of the City.

"ARTICLE 3. STREET IMPROVEMENTS.

"Section 5.61. Comprehensive Transportation Plan. Transportation planning, including street improvements for the City, shall be carried out by and through the Burlington-Graham Metropolitan Planning Organization (MPO) established pursuant to 23 U.S.C. § 23. The City Council shall adopt the portion of the comprehensive transportation plan pertaining to the City and its planning jurisdiction and may from time to time propose revisions for consideration by the MPO.

"Section 5.62. Subdivision Streets. Dedication, extension, and construction of new streets in subdivisions shall be carried out as provided in the City's subdivision ordinance.

"Section 5.63. Transportation Corridor Plan. In the event of a particular roadway improvement project, the City Council shall adopt a transportation corridor official map pursuant to Article 2E of Chapter 136 of the General Statutes. A certified copy of the map shall be filed with the Alamance County Register of Deeds. Advance acquisition of property, issuance of building permits, and approval of subdivisions within the officially designated corridor shall be as provided for in Article 2E of Chapter 136 of the General Statutes.

"SUBCHAPTER D. MAINTENANCE OF RAILROAD CROSSINGS.

"Section 5.81. Railroad Crossings. As authorized by general law, the City shall have the power to require any railroad or railway company to keep in good repair any grade crossings over its tracks and to construct and keep in repair from curb to curb railroad bridges and crossings over all ditches running under any grade crossings so that the tracks, turnouts, and switches shall interfere, as little as may be reasonable, with travel over the streets at the grade crossing, and to regulate the grade of all of the streets of the City as they may hereafter be or are now established, except as herein otherwise provided.

"CHAPTER VI. CITY SERVICES AND FACILITIES.

"SUBCHAPTER A. ESTABLISHMENT AND MAINTENANCE OF SERVICES AND FACILITIES.

"ARTICLE 1. LOCAL DEVELOPMENT.

"Section 6.01. Authority to Levy Tax for Local Development. Nothing in this Charter shall affect the power of the City to levy taxes for local development purposes under Article 1 of Chapter 158 of the General Statutes.

"SUBCHAPTER B. EMINENT DOMAIN.

"Section 6.41. Authority to Acquire Needed Property. The City shall have authority to purchase or acquire by condemnation a property right for any lawful public use or purpose. The procedure in all such condemnation proceedings shall conform to the procedure provided in Article 3 of Chapter 40A of the General Statutes.

"SUBCHAPTER C. ASSESSMENTS FOR LOCAL IMPROVEMENTS.

"Section 6.61. Authority to Make Local Improvements. The City Council shall have authority to make the local improvements as described in this Charter in and to assess the cost against benefited property. The procedure set forth in this subchapter shall not be exclusive, but shall be in addition to any other procedure provided by law.

"Section 6.62. Separate Proceedings not Required. One or more local improvements may be made in a single proceeding, and assessments for one or more local improvements may be combined.

"Section 6.63. Definitions. Certain words and phrases will be used with the following meanings with reference to local improvements, unless some other meaning is plainly intended.

(a) A "street" is the entire width between property lines of every way or place, of whatever nature, when any part thereof is dedicated or open to the use of the public as a matter of right for the purpose of vehicular or pedestrian traffic.

(b) A "sidewalk" is the part of a street that is used, or to be used, for pedestrian traffic.
(c) A "storm sewer" is a conduit above or below ground for the passage of storm water, and may include a pumping station and outlet where deemed necessary, and may also include the building of culverts over or the enclosing of streams where needed to carry off storm water.

(d) A "sanitary sewer" is an underground conduit for the passage of sewage and may include a pumping station and outlet.

(e) A "water main" is a pipe for the passage of city water for public hydrants and private and public use and consumption.

(f) A "lateral" is a pipe connecting a storm or sanitary sewer or water main with the line of adjacent property or the curbline, being either a sewer lateral or water lateral, but does not include a building connection that is a pipe extending from a lateral at the property line or curbline to the house or plumbing fixture to be served.

(g) A "roadway" is the part of a street that is used, or to be used, for vehicular traffic.

(h) The word "sewer" includes both sanitary and storm sewers unless a contrary intention is shown.

"Section 6.64. Improvements Described. The Council shall have authority to make the following local improvements:

(a) Roadway paving improvements that include the grading, regrading, paving, repaving, and widening of roadways, or the improvement thereof with any treatment designed to provide an improved wearing surface, with necessary drainage, sewer inlets, manholes, and catch basins and the construction or reconstruction of retaining walls made necessary by any change of grade incident to such improvement, and in any case where the improvement is made upon petition if the petition so requests, or in any case, where the improvement is made without petition if the Council so directs, it may include the construction or reconstruction of curbs, gutters, drains, and sidewalks.

(b) Water main improvements that include the laying or construction of water mains, the relaying where necessary of parts of paved roadways and sidewalks torn up or damanged by the laying or construction of such mains, and, in any case where the improvement is made upon petition and the petition so requests, or in any case where the improvement is made without petition and the Council so directs, the laying of water laterals.

(c) Sanitary sewer improvements that include the laying or construction of sanitary sewers, the relaying, where necessary, of parts of roadways and sidewalks torn up or damaged by the laying or construction of such sewers, and in any case where the improvement is made upon petition and the petition so requests, or in any case where the improvement is made without petition and the City Council so directs, the laying of sanitary sewer laterals.

(d) Storm sewer improvements that include the laying or construction of storm sewers, the relaying, where necessary, of parts of paved roadways and sidewalks torn up or damaged by the laying or construction of such sewers, and in any case where the improvement is made upon petition and the petition so requests, or in any case where the improvement is made without petition and the Council so directs, the laying of storm sewer laterals.

(e) Sidewalk improvements that include the grading, regrading, construction, reconstruction, and repair of paved or other improved sidewalks, the construction or reconstruction of retaining walls made necessary by and incident to such improvements, and, in any case where the improvement is made upon petition, if the petition so requests, or in any case where the improvement is made without petition if the Council so directs, it may include the construction or reconstruction of curbs, gutters and drains, and the construction or reconstruction of all such portions of driveways as in the judgment of the Council ought to be laid in the street area.

(f) Grassplot improvements that include the grading and planting of grassplots in a street.

"Section 6.65. Bases for Making Assessments. Assessments may be made on any of the bases authorized in G.S. 160A-218 or any statute amending or replacing it.

"Section 6.66. Optional Cost Sharing. Without regard to the limitations stated in Article 10 of Chapter 160A of the General Statutes or in any other provision of law, the Council acting for
the City may assume such proportion of the total cost of local improvements (including street
improvements, sidewalk improvements, curb and gutter, and water and sewer improvements, or
any one or more of them) as the Council may from time to time deem appropriate.

"Section 6.67. Water and Sewer Mains Between Streets. Whenever the Council finds it in
the public interest, and it will be more economical and the interest of the property owners will
best be served by constructing either water or sanitary sewer mains, or both, between streets
rather than in a street, the petition may provide therefor, or in the event the water and sanitary
sewer mains may be constructed in a street without petition, they may be constructed between
streets without petition. The cost of the construction of such water or sewer mains and laterals
shall be assessed according to the street frontage in the same manner and to the same extent
that it would be assessed if the improvements were constructed in a street, provided that the
City shall provide the rights-of-way for construction and maintenance of such mains at its own
expense without assessing the cost thereof.

"Section 6.68. Inclusion of More Than One Improvement in Single Proceeding.
(a) Any proceeding may include one or more local improvements on one or more
streets, but all improvements included in one procedure shall be practically uniform in cost and
kind. A petition may include improvements on only one side of a street.
(b) The petition may provide for making any one or more local improvements in or on a
street or streets and for the assessment of the cost thereof; except the City's portion, wholly
against the property abutting one side of such street or streets or otherwise against such
abutting property as may be designated in the petition in any of the following cases:
   (1) In any case where there is park land or unimproved land abutting one side,
or a part of one side, of a street.
   (2) Where the land abutting one side, or a part of one side of a street, is of such a
nature or is devoted to such a purpose that a special assessment against it
cannot be made, or, if made would probably exceed the value of the land
assessed.
   (3) Where the owners of all the property to be assessed agree thereto.

"Section 6.69. The Petition; Certificate of Sufficiency.
(a) Except as otherwise provided in subsection (b) of this section, the petition for any
local improvements shall designate by a general description the improvements proposed and
shall request that such proportion of the cost of each of such improvements as may be specified
in the petition be specially assessed against the property abutting on the street or streets or part
thereof in which or on which such improvements are proposed to be made. The petition shall be
filed with the City Clerk.
(b) (1) In any case where the improvement is to be made on one side of a street
only, the petition shall request that the assessment be made only against the
property abutting that side of the street whereon the improvement is to be
made.
   (2) In any case where it is proposed to assess the cost of any local improvement
covering the entire width of a street against the land abutting one side of the
street only or against any lands less than all of those abutting the improved
portion of the street, such petition shall designate the lands to be assessed.
(c) Except as otherwise provided in subsection (d) of this section, the petition shall be
signed by at least a majority in number of the owners, which majority must own at least a
majority of all the lineal feet of frontage of the lands abutting the street or streets or part of a
street or streets proposed to be improved, excluding street intersections.
(d) (1) A petition for the making of local improvements on one side of a street only
need be signed only by a majority in number of the owners of land abutting
the side of the street whereon such improvement is to be made, which
majority must own at least a majority of all the lineal feet of frontage of the
lands abutting such side of the street, excluding street intersections.
(2) Any petition for the making of any improvements covering the entire width of a street and the assessment of the cost thereof against the land abutting one side of the street only or against any lands less than all of those abutting the improved portion of the street, shall be signed by all of the owners of the lands thus proposed to be assessed.

(e) (1) For the purpose of the petition, all the owners of undivided interests in any land shall be deemed and treated as one person and such land shall be sufficiently signed for when the petition is signed by the owner or owners of a majority in amount of such undivided interest.

(2) For the purpose of this section, the word "owner" shall be considered to include the owners of any life estate, of an estate by entirety, or of the estate of inheritance, and shall not include mortgages, trustees of a naked trust, trustees under deeds of trust to secure the payment of money, lienholders, or persons having inchoate rights of courtesy or dower.

(f) Upon the filing of such petition, the City Clerk shall investigate the sufficiency of the petition, and if it is found to be sufficient, the City Clerk shall certify the same to the Council.

"Section 6.70. When Petition Unnecessary.

(a) No petition shall be necessary for the making of any local improvements for which the City bears the entire cost without assessment.

(b) If, in the judgment of the City Council, the abutting property to be assessed will be benefited in an amount at least equal to the assessment, no petition for local improvement shall be necessary in the cases set forth in subsection (c) through subsection (g) of this section.

(c) Street Paving Improvements. — When, in the judgment of the Council:

(1) Any street or part of a street is unsafe; or

(2) The improvement of a street or part of a street not more than three blocks in length is necessary to connect streets already paved; or

(3) The improvement of a street or part of a street is necessary to connect a paved street, or portion thereof, within the city with a paved highway beyond the city limits; or

(4) The improvement of a street or part of a street is necessary to provide a paved approach to a railroad or street grade separation or any bridge; or

(5) Any street or part of a street should be widened.

(d) Water Main Improvements. — When, in the judgment of the Council, any street or part of a street, or any property within the City, is without a public water supply and can be served, and water service should be provided in the public interest.

(e) Sanitary Sewer Improvements. — When, in the judgment of the Council, any street or part of a street, or any property within the City, is without a public sanitary sewer system and can be served, and sanitary sewer service should be provided in the public interest.

(f) Storm Sewer Improvements. — When, in the judgment of the Council, any street or part of a street, or any property within the City, is without storm sewer facilities, and can be served, and storm sewers should be provided in the public interest.

(g) Sidewalk Improvements. — When, in the judgment of the Council, any street or part of a street is without sidewalks and sidewalks should be provided in the public interest, or that any existing sidewalk is unsafe and should be repaired.


(a) Upon the presentation of a sufficient petition for local improvements, or when it is proposed to make without petition any improvements authorized to be made without petition, a notice shall be prepared by the City Attorney that shall contain substantially the following:

(1) That a sufficient petition has been filed for the making of the improvements, or, if it is proposed to make the improvements without petition, a statement of the reasons proposed for the making thereof;

(2) A brief description of the proposed improvements;
(3) The proportion of the cost of the improvements to be assessed and the terms of payment;
(4) A statement of the time and place of a public hearing on the proposed improvements;
(5) A statement that all objections to the legality of the making of the proposed improvements shall be made in writing, signed in person or by attorney, and filed with the City Clerk at or before the time of the hearing, and that any objections not so made will be waived.

(b) The notice shall be published one time in a newspaper published in the City that is qualified to carry legal notices, or, if there be no such newspaper, the City Clerk shall cause it to be posted in three public places in the City, the date of publication or posting to be not less than five days prior to the date fixed for the hearing. A copy of the notice shall be served upon the owners of the lands subject to assessment for such improvements by certified or registered mail. The certificate of the person designated to mail the notices that such notices were mailed shall be conclusive in the absence of fraud. The mailing of notices shall be completed not less than five days prior to the date fixed for the hearing. The word "owners," as used herein, has the same meaning as in Section 6.69.

"Section 6.72. Public Hearing. At the time for the public hearing, or at some subsequent time to which such hearing shall be adjourned, the Council shall consider objections to the legality of the improvements made in compliance with subdivision (5) of subsection (a) of the preceding section, together with objections to the policy or expediency of the making of the improvements, and the Council shall thereafter determine whether it will order the making of the improvements. Any objections to the legality of the making of the improvements not made in writing, signed in person or by attorney, and filed with the City Clerk at or before the time or adjourned time of the hearing shall be considered as waived; and if any such objection shall be made and shall not be sustained by the Council, the adoption of the resolution ordering the making of the improvements shall be the final adjudication of the issues presented, unless within 10 days after the adoption of the resolution proper steps shall be taken in a court of competent jurisdiction to secure relief.

"Section 6.73. Resolution Ordering Improvements; Publication. After the public hearing, if the Council determines to make the improvements proposed, it shall adopt a resolution that shall contain the following:

(1) If the improvements are to be made by petition, a finding by the Council as to the sufficiency of the petition, which finding shall be final and conclusive.
(2) If the improvements are to be made without petition, a finding by the Council of such facts as are required in order to authorize improvements without petition.
(3) A general description of the improvements to be made and the designation of the street or streets or parts thereof where the work is to be done.
(4) If the improvement directed to be made is the paving of a roadway or part thereof wherein a railroad company has tracks, a direction that said company pave that part of the street occupied by its tracks, the rails of the tracks, and 18 inches in width outside such tracks, with such material and in such manner as the governing body may prescribe, and that unless such paving be completed on or before a day specified in the resolution, the governing body will cause the same to be done. Where such railroad company shall occupy such street or streets under a franchise or contract that otherwise provides, such franchise or contract shall not be affected by this section, except insofar as may be consistent with the provisions of such franchise or contract.
(5) If the improvement directed to be made includes the construction of water mains or sewers, and in order to provide the mains or sewers in the street or streets to be improved it is necessary to extend them beyond the limits of the street or streets, the resolution shall contain a provision for the necessary
extension of such mains or sewers and a further provision that the cost of such extension shall eventually be assessed against the lots or parcels of land abutting the street or streets in which such extensions are made but that assessments shall not be made until such time as the Council shall thereafter determine by appropriate resolution.

(6) If the improvement directed to be made is the paving of a roadway or part thereof, or the construction of sidewalks, the resolution may, but need not, contain a direction that the owner of each lot abutting the part of the street to be improved, connect his lot by means of laterals with water mains, gas or sewer pipes, or any one or more thereof, located in the street adjacent to his premises in accordance with the requirements governing the laying of laterals, and that unless the owners cause laterals to be laid on or before a date specified in the resolution, the date to be not less than 30 days after the date of the resolution, the Council will cause the same to be laid.

(7) A designation of the proportion of the cost of the improvements to be assessed against abutting property, and of the number of equal annual installments in which assessments may be paid.

"Section 6.74. Details of Construction; Contracts for Construction. The Council shall have power to determine the character and type of construction and of material to be used and to determine any other details of plan or construction necessary to be determined in making any local improvements and to determine whether any work to be done by the City shall be done by contract or by the City. The Council shall have power also, unless otherwise limited, to determine the number of water, sewer, and gas laterals that shall be laid to any lot on any street to be improved. If the work or any part thereof is to be done by contract, the Council may let all of the work in one contract, or it may divide it into several contracts, and may let contracts separately.

"Section 6.75. Determination as to Cost of Improvements. Upon completion of the improvements, the Council shall ascertain the total cost. In addition to other items of cost, there may be included therein the cost of all necessary legal services, the amount of interest paid during construction, the amount of damages paid or to be paid for injury to property by reason of any change of grade or drainage, including court costs and other expenses incidental to the determination of damages, and the cost of retaining walls, sidewalks, or fences built or altered in lieu of cash payment for property damage, including the cost of moving or altering any building. The determination of the Council as to the total cost of any improvement shall be conclusive.

"Section 6.76. Preliminary Assessment. (a) Having determined the total cost, the Council shall make a preliminary assessment. The preliminary assessment shall be advisory only and shall be subject to modification. Except as otherwise provided in subsection (b) of this section, the preliminary assessment shall be as follows:

(1) Roadway paving. The total cost of any roadway paving improvement, excluding the cost incurred at street intersections, shall be specially assessed against the lots and parcels of land abutting the street containing the roadway paved, according to the frontages thereon, by an equal rate per foot of frontage, except that, where the petition so requested, the cost shall be assessed against the lands on one side of the street only or against such lands as were designated in the petition.

(2) Water mains and sewers. The cost of not exceeding an eight-inch water or sanitary sewer main and of not exceeding a 30-inch storm sewer main shall be assessed against the abutting property. Such cost shall be assessed against the lots and parcels of land according to their respective frontages thereon by an equal rate per foot of such frontage or upon such other basis as the Council may determine. If a water or sanitary sewer main in excess of eight
inches in size or a storm sewer in excess of 30 inches in size is laid, the excess cost shall be borne by the city. If the resolution ordered the construction of any pumping station, outfall, septic tank, or disposal plant, no part of the cost of the same shall be specially assessed. Nothing contained herein shall be construed to limit the power of the Council to contract with any property owner or owners for the construction of any pumping station, outfall, septic tank, or disposal plant or for the construction of water mains or storm or sanitary sewers and for the assessment of the cost thereof according to the terms of such contract. The entire cost of each water and sewer lateral shall be specially charged against the particular lot or parcel of land for or in connection with which it was constructed, except that the assessments shall be calculated as if the lateral were laid from the center of the street. The cost of installing storm sewers may, however, be assessed as part of the cost of roadway paving.

(3) Sidewalks. The total cost of constructing or reconstructing sidewalks shall be assessed against the lots and parcels of land abutting that side of the street upon which the improvement is made according to their respective frontages thereon by an equal rate per foot of such frontage, the lots within a block being deemed to abut upon a sidewalk although the latter extends beyond the lot to the curbline of an intersecting street. The total cost of constructing portions of driveways within the street area shall be assessed against the lots for which they are constructed.

(4) Grassplots. The entire cost of grading or otherwise improving or of planting the grassplots in any street or part thereof shall be assessed against the lots and parcels of land abutting the street or part thereof where or whereon the improvements are made by an equal rate per foot front of such frontage, provided that this subsection shall be construed to mean that when a grassplot in any street is graded or planted or otherwise improved, the cost thereof shall be assessed against all of the property abutting the street within the block where such grassplot is located.

(b) If the petition (or the resolution in those cases where the improvement was ordered made without petition) specified that there should be specially assessed against the abutting property a smaller proportion of the cost of any improvement other than that set forth in subdivision (2) of subsection (a) of this section, there shall be assessed against abutting property only the proportion of the cost as was specified in the petition or in said resolution. No restriction or denial of access to an abutting street shall affect the levy or collection of any assessment for local improvements.

(c) The cost of paving, water, sewer, and sidewalk improvements upon, in, or to any portion of a right-of-way or any property owned by the State of North Carolina, any agency or subdivision thereof, shall be assessed against the right-of-way or property and shall be paid by the State, its agency, or subdivision.

"Section 6.77. Corner Lot Exemptions. The Council shall have authority to determine the amount and applicability of assessment exemptions for corner lots and to distinguish between different classifications of property uses. The exemptions for water mains and sanitary sewers shall not exceed 150 feet for residential uses and 100 feet for business uses. If the corner formed by two intersecting streets is rounded into a curve or is foreshortened for the purpose of providing sight distance or for any other purpose of construction, the frontage for assessment purposes shall be calculated to the midpoint of the curve or foreshortened corner.

"Section 6.78. Preliminary Assessment Roll. The Council shall cause to be prepared a preliminary assessment roll, on which shall be entered a brief description of each lot or parcel of land assessed, the amount assessed against each lot, the name or names of the owner or owners of each lot, as far as the same can be ascertained, provided that a map of the improvements on which is shown the frontage and location of each affected lot, together with
the amount assessed against each lot and the name or names of the owner or owners thereof, as far as the same can be ascertained, shall be a sufficient assessment roll. If the resolution directed the making of more than one improvement, a single preliminary assessment roll for all the improvements authorized by such resolution shall be sufficient, but the cost of each improvement to each lot affected shall be shown separately. After the preliminary assessment roll has been completed, it shall be filed in the office of the City Clerk, and there shall be published in some newspaper published in the City that is qualified to carry legal notices, or if there be no such newspaper, the City Clerk shall cause to be posted in three public places in the City, a notice of the completion of the assessment roll, setting forth a description in general terms of the improvements, the amount of each assessment, and stating the time fixed for the meeting of the Council for the hearing of objections to the special assessments, such meeting to be not earlier than five days after the publication or from the date of posting of said notice. Any number of assessment rolls may be included in one notice.

"Section 6.79. Hearing; Revision; Confirmation; Lien. At the time appointed for that purpose or at some other time to which it may adjourn, the Council shall hear objections to the preliminary assessment roll of all persons interested who may appear and offer proof in relation thereto. Then or thereafter, the Council shall either annul or sustain or modify in whole or in part the assessment, either by confirming the preliminary assessment against any or all lots or parcels described thereon, or by cancelling, increasing, or reducing the same, according to the special benefits that the Council decides each of the lots or parcels has received or will receive on account of the improvements, except that assessments against railroads because of contract or franchise obligations shall be in accordance with such obligations. If any property is omitted from the preliminary roll, the Council may place it on the roll and levy the proper assessment. The Council may thereupon confirm the assessment roll, and the assessments so confirmed shall be in proportion to the special benefits, except in the case of franchise obligations of railroads. Whenever the governing body shall confirm assessments for local improvements, the City Clerk shall enter on the Council minutes and on the assessment roll the date, hour, and minute of confirmation, and from the time of confirmation, the assessments shall be a lien on the property assessed of the same nature and to the same extent as county and City taxes and shall be superior to all other liens and encumbrances. After the assessment roll is confirmed, a copy of the same shall be delivered to the City Tax Collector.

"Section 6.80. Appeal to Superior Court. If the owner of, or any person interested in, any lot or parcel of land against which an assessment is made is dissatisfied with the amount of the assessment, the owner or person interested may, within 10 days after the confirmation of the assessment roll, give written notice to the Council that the owner or person interested takes an appeal to the Superior Court of Alamance County, in which case the owner or person interested shall, within 20 days after the confirmation of the assessment roll, serve on the Mayor or City Clerk a statement of facts upon which the owner or person interested bases the appeal. The appeal shall be tried as other actions at law. The remedy herein provided for any person dissatisfied with the amount of the assessment against any property of which that person is the owner or in which that person is interested shall be exclusive.

"Section 6.81. Power to Correct Error in Assessment. If it shall appear after confirmation of any assessment roll that an error has been made, the City Clerk shall cause to be published one time in some newspaper published in the City, or if there be no such newspaper, the City Clerk shall cause to be posted at three public places in the City a notice referring to the assessment roll in which the error was made, naming the owner or owners of the lot or parcel of land affected by the error, if the same can be ascertained, and naming the time and place fixed for a hearing by the Council for the correction of the error, such meeting not to be earlier than 10 days from the publication or from the date of the posting of the notice. At the time fixed in the notice or at some subsequent time to which the Council may adjourn, the Council, after giving the owner or owners of the property affected and other persons interested therein an opportunity to be heard, may proceed to correct the error, and the assessment then made shall have the same force and effect as if it had originally been properly made. No notice and hearing
shall be necessary if the correction does not increase an assessment against any property not owned by the City or if all of the property owners affected by the correction waive notice in writing.

"Section 6.82. Reassessment. The Council shall have the power, when in its judgment there is any irregularity, omission, error, or lack of jurisdiction in any of the proceedings relating thereto, to set aside the whole of the local assessment made by it, and thereupon to make a reassessment. In such case there shall be included, as a part of the cost of the improvements involved, all interest paid or accrued on notes or certificates of indebtedness, or bonds issued by the City to pay the expenses of such improvement. The proceeding shall, as far as practicable, be in all respects as in the case of original assessments, and the reassessment shall have the same force as if it had originally been properly made.

"Section 6.83. Publication of Notice of Confirmation of Assessment Roll. Within 10 days from the confirmation of the assessment roll, the City Clerk shall give notice to all owners of lands to be assessed that the assessment roll has been confirmed, and that assessments may be paid at any time before the expiration of 30 days from the date of such notice, without interest from the date of the confirmation of the assessment roll, but that if such assessment is not paid in full within said time, all installments thereof shall bear interest at the rate of eight percent (8%) per annum from the date of confirmation of the assessment roll. Such notice by the City Clerk shall be given by regular mail. The certificate of the Clerk that such notices have been mailed shall be conclusive in the absence of fraud. (Ord. No. 80-22(a), § 1, 5-6-80)

"Section 6.84. Payment of Assessments in Cash or by Installments. The property owner hereinbefore mentioned in this act shall have the option and privilege of paying for the improvements hereinbefore provided for in cash as provided in the preceding section or in not less than five or more than 10 equal annual installments as may have been determined in the original resolution ordering the improvement or improvements. If paid in installments, such installments shall bear interest at the rate of eight percent (8%) per annum from the date of confirmation of the assessment roll. If any assessment is not paid in cash, the first installment thereof with interest thereon shall become due and payable 30 days after the notice required by the preceding section and one subsequent installment and interest thereon shall be due and payable on the same day of the same month in each successive year until said assessment is paid in full, provided, however, that if the governing body shall so direct such installments shall become due and payable on the same date when property taxes of the City are due and payable. If any installment with interest thereon is not paid when due, it shall be subject to the same penalties as are now prescribed by law for unpaid taxes, in addition to the interest herein provided for. The whole assessment may be paid at any time by the payment of the full amount due with accrued interest. (Ord. No. 80-22(a), § 1, 5-6-80)

"Section 6.85. Enforcement of Payment of Assessments. Upon the failure of any property owner to pay any installment when due and payable, all of the installments remaining unpaid shall immediately become due and payable, and property and rights-of-way may be sold by the City under the same rules, regulations, rights of redemption, and savings as are now prescribed by law for the sale of land for unpaid taxes. Unpaid assessments, interest, and penalties owed by railroad companies and the State of North Carolina, its agencies or subdivisions, may be collected by writs of mandamus issued by the Superior Court of Alamance County. Collection of assessments with interest and penalties may also be made by the City by proceedings to foreclose the lien of assessments as a lien for mortgages is or may be foreclosed under the laws of the State, and it shall be lawful to join in any bill for foreclosure any one or more lots or parcels of land, by whomsoever owned, if assessed for an improvement ordered by the same resolution, after default in the payment of any installment. The payment of all installments due, together with interest and penalties due thereon and costs, before the lot or parcel of land, against which the same is a lien, is sold or said lien is foreclosed shall bar the right of the City to sell land or to foreclose the lien by reason of default.

"Section 6.86. Assessment of Cost of Water Main and Sewer Extensions. If the resolution ordering the making of any improvement or improvements included a provision for any
necessary extension of a water main or sewer or sewers beyond the limit of a street or streets, at
such time after the completion of said extension or extensions as, in the judgment of the
Council, circumstances justify the assessment of the cost thereof, the Council shall cause a
preliminary assessment to be made and the procedure thereafter to be followed with respect to
such assessment and the force and effect thereof shall be as already prescribed for other
assessments.

"Section 6.87. Apportionment of Assessments. In any case where one or more special
assessments have been made, and property has been, or is about to be, subdivided, and it is
desirable that the assessments be apportioned among the subdivisions of such property, the
Council may, upon application by the owner or owners, apportion the assessments among the
subdivisions. Thereafter, each subdivision shall be relieved of any part of the original
assessment except the part apportioned to the subdivision, and the part of the original
assessment apportioned to any subdivision shall be of the same force and effect as the original
assessment.

"Section 6.88. Change of Ownership. No change of ownership of any property or interest
therein after the passage of a resolution ordering the making of a local improvement shall affect
subsequent proceedings, and the improvement may be completed and assessment made therefor
as if there had been no change in ownership.

"Section 6.89. Lands Subject to Assessment. No lands in the City, including railroad
company lands and rights-of-way and property of the State of North Carolina, its agencies, or
subdivisions shall be exempt from special assessments except lands belonging to the United
States that are exempt under the provisions of Federal Statutes, and the Council and the
officers, trustees, or boards of all incorporated or unincorporated bodies in whom is vested the
right to hold and dispose of real property shall have the right by authority duly given to sign the
petition for any local improvements.

"Section 6.90. Proceedings In Rem. All proceedings for special assessments shall be
proceedings in rem, and no mistake or omission as to the name of any owner or person
interested in any lot or parcel of land affected thereby shall be regarded as a substantial mistake
or omission.

"Section 6.91. Grassplot, Sidewalk, and Driveway Maintenance. It shall be the
responsibility of the abutting property owner to maintain any grassplot or driveway between the
property line and the curb of a paved street and to maintain in good, passable condition any
sidewalk immediately fronting his lot.

"Section 6.92. Council may Hold in Abeyance Certain Water and Sewer Assessments.
(a) The City Council may provide by resolution that assessments levied against abutting
lots or parcels of land for water main improvements or sanitary sewer improvements, when in
its opinion such improvements may not presently be used by the owner or owners of the
abutting lots or parcels of land, may be held in abeyance without the payment of any interest
thereon until such time as the Council shall determine that any such assessments shall be paid
in accordance with the terms set out in the confirming resolution. A part of the assessments
levied for the improvements herein set out on a street or streets, or portion thereof, may be held
in abeyance as herein provided without holding all of said assessments in abeyance.

(b) All statutes of limitations are hereby suspended during the time that any assessment
is held in abeyance without the payment of interest, as provided in subsection (a) of this
section. Such time shall not be a part of the time limited for the commencement of action for
the enforcement of the payment of any such assessment, and such action may be brought at any
time within 10 years from the date of the adoption of a resolution by the Council, determining
that such assessment shall be paid in accordance with the original resolution confirming it.

(c) Nothing herein shall be construed to revive any right of action that has heretofore
been barred by the statute of limitations.

"Section 6.93. Abutting Property Outside City Limits. If any lots or parcels of land
abutting any local improvements are located outside the city limits, the Council may continue
and delay the levy of assessments against such property until the city limits are extended to

260
include such property, or the Council may provide that no water or sewer service connections shall be made to such property, pending the annexation thereof, until all assessments thereon are paid. Upon annexation, if not paid prior thereto, the Council may levy assessments for such local improvements against such property, and the procedure therefor shall be the same as provided in this Charter. Nothing contained in this section shall be construed to prohibit or restrict the City Council and a property owner from entering into an agreement for payment in lieu of assessment.

"CHAPTER VII. MISCELLANEOUS.

"Section 7.01. Settlement of Claims by City Manager. The City Manager shall have authority to settle claims against the City as provided by ordinance."

SECTION 2. The purpose of this act is to revise the Charter of the City of Burlington and to consolidate certain acts concerning the property, affairs, and government of the City. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act so that all rights and liabilities that have accrued are preserved and may be enforced.

SECTION 3. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 4. The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

(1) Chapter 119 of the 1961 Session Laws, Section 1 only.
(2) Chapter 765 of the 1961 Session Laws.
(3) Chapter 828 of the 1963 Session Laws.
(4) Chapter 400 of the 1967 Session Laws.
(6) Chapter 479 of the 1967 Session Laws.
(7) Chapter 642 of the 1969 Session Laws.
(8) Chapter 679 of the 1979 Session Laws.
(10) S.L. 2010-25.
(11) S.L. 2010-53.

SECTION 5. This act does not repeal by implication any local acts otherwise applicable to the City of Burlington.

SECTION 6. The Mayor and City Council members serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified.

SECTION 7. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 8. All existing ordinances, resolutions, and other provisions of the City of Burlington not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 9. No action or proceeding pending on the effective date of this act by or against the City of Burlington or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 10. Whenever a reference is made in this act to a particular provision of the General Statutes and such provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute or to the General Statute that most clearly corresponds to the statutory provision that is superseded or recodified.

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

In the General Assembly read three times and ratified this the 17th day of July, 2014. Became law on the date it was ratified.
AN ACT TO AUTHORIZE THE TOWN OF ELIZABETHTOWN AND THE TOWN OF MATTHEWS TO ENROLL ITS EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.1(11) reads as rewritten:
"(11) Employing Unit. – A North Carolina School System; Community College; State Department, Agency, or Institution; Administrative Office of the Courts; or Association or Examining Board whose employees are eligible for membership in a State-Supported Retirement System. An employing unit also shall mean (i) a charter school in accordance with Part 6A of Chapter 115C of the General Statutes whose board of directors elects to become a participating employer in the Plan under G.S. 135-48.54. G.S. 135-48.54 or (ii) a local government unit that participates in the Plan under G.S. 135-48.47 or under any other law. Bona fide fire departments, rescue or emergency medical service squads, and National Guard units are deemed to be employing units for the purpose of providing benefits under this Article."

SECTION 2. G.S. 135-48.8 reads as rewritten:
(a) The State of North Carolina deems it to be in the public interest for North Carolina firefighters, rescue squad workers, and members of the National Guard, and certain of their dependents, who are not eligible for any other type of comprehensive group health insurance or other comprehensive group health benefits, and who have been without any form of group health insurance or other comprehensive group health benefit coverage for at least six consecutive months, to be given the opportunity to participate in the benefits provided by the State Health Plan for Teachers and State Employees. Coverage under the Plan shall be voluntary for eligible firefighters, rescue squad workers, and members of the National Guard who elect participation in the Plan for themselves and their eligible dependents.
(b) The State of North Carolina deems it to be in the public interest for certain local government units to be allowed to join the State Health Plan for Teachers and State Employees and to participate in the Plan."

SECTION 3. Part 4 of Article 3B of Chapter 135 of the General Statutes is amended by adding a new section to read as follows:
"§ 135-48.47. Participation in State Health Plan by certain local government employees and dependents.
(a) Eligibility. – The employees and dependents of employees of the following local government units are eligible to participate in the State Health Plan:
(1) Town of Elizabethtown.
(2) Town of Matthews.
Employees and dependents participating under this section are not guaranteed participation in the Plan, and participation is contingent on their respective local government units complying with the provisions of this section and this Article, as well as any policies adopted by the Plan.
(b) Participation Requirements. – The participation of a local government unit listed in subsection (a) of this section in the State Health Plan shall be governed by the following:
(1) The local government unit must, at least 60 days prior to joining the Plan, enter into a memorandum of understanding with the Plan that acknowledges the conditions of this section and this Article.
(2) The local government unit and its employees must meet the federal requirements to participate in a governmental plan. The Plan may refuse participation to persons who would jeopardize the Plan's qualification as a governmental plan under federal law.
(3) The local government unit shall determine the eligibility of its employees and employees' dependents and what portion of the premiums employees will pay to the local government unit.

(4) Premiums for coverage and Plan options shall be the same as those offered to State employees and dependents on a fully contributory basis.

(5) The local government unit shall pay all premiums for all covered individuals directly to the Plan or the Plan's designee."

SECTION 4. G.S. 135-48.55 reads as rewritten:

"§ 135-48.55. Interest charged to charter schools and local government units on late premiums.

The total amount of premiums due the Plan from charter schools and local government units as employing units, including amounts withheld from the compensation of Plan members, that is not remitted to the Plan by the fifteenth day of the month following the due date of remittance shall be assessed interest of one and one-half percent (1 ½%) of the amount due the Plan, per month or fraction thereof, beginning with the sixteenth day of the month following the due date of the remittance. The interest authorized by this section shall be assessed until the premium payment plus the accrued interest amount is remitted to the Plan. The remittance of premium payments under this section shall be presumed to have been made if the remittance is postmarked in the United States mail on a date not later than the fifteenth day of the month following the due date of the remittance."

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

In the General Assembly read three times and ratified this the 16th day of July, 2014. Became law upon approval of the Governor at 12:05 p.m. on the 22nd day of July, 2014.

Session Law 2014-76

AN ACT RELATING TO THE HANDLING OF ANTINEOPLASTIC AGENTS TO PREVENT DISEASE AND INJURY CAUSED BY EXPOSURE.

Whereas, according to the National Institute for Occupational Safety and Health (NIOSH), early concerns about occupational exposure to antineoplastic agents first appeared in the 1970s; and

Whereas, antineoplastic agents may cause skin rashes, infertility, miscarriage, birth defects, and have been linked to a wide variety of cancers; and

Whereas, NIOSH published an alert on preventing occupational exposures to antineoplastic agents in health care settings in 2004 with an update in 2010; and

Whereas, in this alert, the NIOSH presents a standard precautions or universal precautions approach to handling antineoplastic agents safely, meaning that it recommends that antineoplastic agents be handled as outlined in the alert; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds that health care personnel who work with or near hazardous antineoplastic agents in health care settings may be exposed to these agents in the workplace. It is the intent of the General Assembly to require health care facilities to follow rules requiring compliance with all aspects of alerts from the National Institute for Occupational Safety and Health in order to protect health care personnel in this State from hazardous exposure to such agents.

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

"§ 95-127. Definitions.

In this Article, unless the context otherwise requires—As used in this Article, the following definitions apply:
(1) The term "Advisory Council" shall mean the Advisory Council – The Advisory Council or body established under this Article.

(2) Antineoplastic agent. – A chemotherapy drug or cytotoxic drug used to treat cancer patients and some non-cancer patients.

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

(4) The term "classified service" means a Classified service. – A position included in the State Merit System of Personnel Administration subject to the laws, rules and regulations of the State Personnel Board as administered by the State Personnel Director and as set forth in Chapter 126 of the General Statutes.


(6) The term "days" shall mean a Day. – A calendar day unless otherwise noted.

(7) The term "Department" means the Department. – The North Carolina Department of Labor of North Carolina.

(8) The term "Deputy Commissioner" means the Deputy Commissioner. – The Deputy Commissioner of the North Carolina Department of Labor, who is appointed by the Commissioner to aid and assist the Commissioner in the performance of his duties. The Deputy Commissioner shall exercise such power and authority as delegated to him or her by the Commissioner.

(9) The term "Director" means the Director. – The officer or agent appointed by the Commissioner of Labor for the purpose of assisting in the administration of the Occupational Safety and Health Act of North Carolina.

(10) The term "employee" means an Employee. – An employee of an employer who is employed in a business or other capacity of his or her employer, including any and all business units and agencies owned and/or controlled by the employer.

(11) The term "employer" means a Employer. – A person engaged in a business who has employees, including any state or political subdivision of a state, but does not include the employment of domestic workers employed in the place of residence of his or her employer.

(12) The term "established federal standard" means any Established federal standard. – Any operative occupational safety and health standard established by any agency of the United States and presently in effect, or contained in any act of Congress in force on the date of enactment of this Article, and adopted by the Secretary of Labor under the Occupational Safety and Health Act of 1970.


(14) The term "imminent danger" means any Imminent danger. – Any conditions or practices in any place of employment which are such that a danger exists which could reasonably be expected to cause death, or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Article.

(15) The term "issue" means an Issue. – An industrial, occupational or hazard grouping.

(16) The term "occupational safety and health standards" means a Occupational safety and health standard. – A standard which requires conditions, or the adoption or use of one or more practices, means, methods,
safety devices, operations or processes reasonably necessary and appropriate to provide safe and healthful employment and places of employment, and shall include all occupational safety and health standards adopted and promulgated by the Secretary which also may be and are adopted by the State of North Carolina under the provisions of this Article. This term includes but is not limited to interim federal standards, consensus standards, any proprietary standards or permanent standards, as well as temporary emergency standards which may be adopted by the Secretary, promulgated as provided by the Occupational Safety and Health Act of 1970, and which standards or regulations are published in the Code of Federal Regulations or otherwise properly promulgated under the federal act or any appropriate federal agencies.

(16)(17) The term "person" means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives.

(17)(18) The term "Secretary" means the United States Secretary of Labor.

(18)(19) A "serious violation" – A violation that shall be deemed to exist in a place of employment if there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use at such place of employment, unless the employer did not know, and could not, with the exercise of reasonable diligence, know of the presence of the violation.

(19)(20) The term "State" means the State of North Carolina."

SECTION 3. G.S. 94-133(a) reads as rewritten:

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

SECTION 4. Article 16 of Chapter 95 of the General Statutes is amended by adding a new section to read:

"§ 95-156. Handling of dangerous antineoplastic agents.
(a) The Commissioner of Labor shall adopt rules to establish requirements for the handling of antineoplastic agents in facilities where there is occupational exposure to antineoplastic agents.
(b) The rules adopted pursuant to this section shall be consistent with, but not exceed, the recommendations issued by the National Institute for Occupational Safety and Health (NIOSH) of the Centers for Disease Control and Prevention (CDC), as contained in the Alert: Preventing Occupational Exposure to Antineoplastic and Other Hazardous Drugs in Health Care Settings, as published in 2004 and including subsequent amendments and editions. The
Department's adoption of the rules may incorporate updates and changes to NIOSH's guidelines as made by CDC.

g) Rules adopted pursuant to this section shall not apply to an entity that has obtained a permit pursuant to G.S. 90-85.21 or G.S. 90-85.21A.

d) The Commissioner shall enforce these rules and investigate complaints in accordance with the provisions of this Article."

SECTION 5. The Commissioner of Labor shall adopt the rules to implement this act no later than January 1, 2016. Rules adopted pursuant to this section shall not be subject to G.S. 150B-19.1(e), 150B-19.1(f), 150B-19.1(h), and 150B-21.4. The Commissioner of Labor shall establish an advisory workgroup, consisting of hospitals, organizations representing health care personnel, and other interested stakeholders, for the development of rules as required by this act. Consideration shall be given to what constitutes a reasonable time frame for facilities to implement new requirements.

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

In the General Assembly read three times and ratified this the 16th day of July, 2014. Became law upon approval of the Governor at 12:05 p.m. on the 22nd day of July, 2014.

Session Law 2014-77 S.B. 794

AN ACT TO DISAPPROVE CERTAIN RULES ADOPTED BY THE NORTH CAROLINA INDUSTRIAL COMMISSION, TO PROVIDE SPECIFIC DIRECTIONS TO THE INDUSTRIAL COMMISSION TO REPLACE THE RULES, TO AMEND CERTAIN PROVISIONS OF THE WORKERS' COMPENSATION LAW; AND TO ALLOW THE CONFERENCE OF CHIEF DISTRICT JUDGES TO PRESCRIBE UNIFORM STATEWIDE PRESUMPTIVE GUIDELINES FOR THE COMPUTATION OF RETROACTIVE CHILD SUPPORT OBLIGATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. Pursuant to G.S. 150B-21.3(b1), 04 NCAC 10A .0605 (Discovery), 04 NCAC 10A .0701 (Review by the Full Commission), 04 NCAC 10C .0109 (Vocational Rehabilitation Services and Return to Work), 04 NCAC 10E .0203 (Fees Set by the Commission), 04 NCAC 10L .0101 (Form 21 – Agreement for Compensation for Disability), 04 NCAC 10L .0102 (Form 26 – Supplemental Agreement as to Payment of Compensation), and 04 NCAC 10L .0103 (Form 26A – Employer's Admission of Employee's Rights to Permanent Partial Disability), as adopted by the Industrial Commission on March 11, 2014, and approved by the Rules Review Commission on March 20, 2014, are disapproved.

SECTION 2. Pursuant to G.S. 150B-21.3(b1), 04 NCAC 10A .0609A (Medical Motions and Emergency Medical Motions), as adopted by the Industrial Commission on March 11, 2014, and approved by the Rules Review Commission on April 17, 2014, is disapproved.

SECTION 3. 04 NCAC 10A .0202 (Hearing Costs or Fees), as adopted by the Industrial Commission on March 11, 2014, and approved by the Rules Review Commission on March 20, 2014, is disapproved; and 04 NCAC 10A .0702 (Review of Administrative Decisions), as adopted by the Industrial Commission on September 20, 2012, and approved by the Rules Review Commission on October 18, 2012, is disapproved.

SECTION 4. G.S. 97-25 reads as rewritten:

"§ 97-25. Medical treatment and supplies.

(a) Medical compensation shall be provided by the employer.

(b) Upon the written request of the employee to the employer, the employer may agree to authorize and pay for a second opinion examination with a duly qualified physician licensed to practice in North Carolina, or licensed in another state if agreed to by the parties or ordered by the Commission. If, within 14 calendar days of the receipt of the written request, the request is denied or the parties, in good faith, are unable to agree upon a health care provider to
perform a second opinion examination, the employee may request that the Industrial Commission order a second opinion examination. The expense thereof shall be borne by the employer upon the same terms and conditions as provided in this section for medical compensation.

(c) Provided, however, if the employee so desires, an injured employee may select a health care provider of the employee's own choosing to attend, prescribe, and assume the care and charge of the employee's case subject to the approval of the Industrial Commission. In addition, in case of a controversy arising between the employer and the employee, the Industrial Commission may order necessary treatment. In order for the Commission to grant an employee's request to change treatment or health care provider, the employee must show by a preponderance of the evidence that the change is reasonably necessary to effect a cure, provide relief, or lessen the period of disability. When deciding whether to grant an employee's request to change treatment or health care provider, the Commission may disregard or give less weight to the opinion of a health care provider from whom the employee sought evaluation, diagnosis, or treatment before the employee first requested authorization in writing from the employer, insurer, or Commission.

(d) The refusal of the employee to accept any medical compensation when ordered by the Industrial Commission shall bar the employee from further compensation until such refusal ceases, and no compensation shall at any time be paid for the period of suspension unless in the opinion of the Industrial Commission the circumstances justified the refusal. Any order issued by the Commission suspending compensation pursuant to G.S. 97-18.1 shall specify what action the employee should take to end the suspension and reinstate the compensation.

(e) If in an emergency on account of the employer's failure to provide medical compensation, a physician other than provided by the employer is called to treat the injured employee, the reasonable cost of such service shall be paid by the employer if so ordered by the Industrial Commission.

(f) In claims subject to G.S. 97-18(b) and (d), a party may file an expedited, emergency, or other medical motion with the Office of the Chief Deputy Commissioner. The nonmoving party shall have the right to contest the motion. Motions and responses shall be submitted via electronic mail to the Commission, the opposing party and the opposing party's attorney, simultaneously. The Commission shall conduct an informal telephonic pretrial conference to determine if the motion warrants an expedited or emergency hearing. If the Commission determines that the motion does not warrant an expedited or emergency hearing, the motion shall be decided administratively within 60 days of the date the motion was filed pursuant to rules governing motions practices in contested cases. If the Commission determines that any party has acted unreasonably by initiating or objecting to a medical motion, the Commission may assess costs associated with any proceeding, including reasonable attorneys' fees and deposition costs, against the offending party.

(g) If the Commission determines that a medical motion should be expedited, each party shall be afforded an opportunity to state its position and to submit documentary evidence at an informal telephonic hearing. The medical motion shall contain documentation and support of the request, including the most relevant medical records and a representation that informal means of resolving the issue have been attempted in good faith, and the opposing parties' position, if known. The Commission shall determine whether deposition testimony of medical and other experts is necessary and if so shall order that the testimony be taken within 35 days of the date the motion is filed. For good cause shown, the Commission may reduce or enlarge the time to complete depositions of medical and other experts. Transcripts of depositions shall be expedited and paid for by the administrator, carrier, or employer. Transcripts shall be submitted electronically to the Commission within 40 days of the date the motion is filed unless the Commission has reduced or enlarged the time to complete the depositions. The Commission shall render a decision on the motion within five days of the date transcripts are due to the Commission.
If the Commission determines that a medical motion is an emergency, the Commission shall make a determination on the motion within five days of receipt by the Commission of the medical motion. Motions requesting emergency medical relief shall contain the following: a motion as set forth in this subsection regarding a request for medical compensation or a dispute involving medical issues. The nonmoving party shall have the right to contest the motion. Motions and responses shall be submitted contemporaneously via electronic mail to the Commission and to the opposing party or the opposing party’s attorney.

(1) A party may file a motion with the Executive Secretary for an administrative ruling regarding a request for medical compensation or a dispute involving medical issues. The motion shall be decided administratively pursuant to rules governing motions practices in contested cases. The Commission shall decide the motion within 30 days of the filing of the motion unless an extension of time to respond to the motion has been granted for good cause shown. Either party may file a motion for reconsideration of the administrative order with the Executive Secretary. Either party may request an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary approving or denying the original motion or the motion for reconsideration. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the decision of the Executive Secretary, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision shall not be stayed during the pendency of an appeal pursuant to G.S. 97-84 and subdivision (2) of this subsection except under those circumstances set out in subdivision (4) of this subsection. A motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the formal hearing pursuant to G.S. 97-84. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner’s decision on the motion within 60 days of the filing of the notice of appeal.

(2) In lieu of filing a motion with the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection, when appealing a ruling made pursuant to subdivision (1) of this subsection or when appealing an administrative ruling of the Chief Deputy or the Chief Deputy’s designee on an emergency motion, a party may request a full evidentiary hearing pursuant to G.S. 97-84 on an expedited basis, limited to a request for medical compensation or a dispute involving medical issues, by filing a motion with the Office of the Chief Deputy Commissioner. The case will not be ordered into mediation based upon a party’s request for hearing on the motion or appeal under this subdivision, except upon the consent of the parties. The Commission shall set the date of the expedited hearing, which shall be held within 30 days of the filing of the motion or appeal and shall notify the parties of the time and place of the hearing on the motion or appeal. Upon request, the Commission may order expedited discovery. The record shall be closed within 60 days of the filing of the motion, or in the case of an appeal pursuant to subdivisions (1) and (3) of this subsection, within 60 days of the filing of the appeal, unless the parties agree otherwise or the Commission so orders. Transcripts of depositions shall be expedited if
necessary and paid pursuant to rules promulgated by the Commission related to depositions and shall be submitted electronically to the Commission. The Commission shall decide the issue in dispute and make findings of fact based upon the preponderance of the evidence in view of the entire record. The award, together with a statement of the findings of fact, rulings of law, and other matters pertinent to the questions at issue shall be filed with the record of the proceedings within 15 days of the close of the hearing record, and a copy of the award shall immediately be sent to the parties. Either party may appeal the decision of the Deputy Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. The decision of the Deputy Commissioner pursuant to G.S. 97-84 shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. A motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(3) An emergency medical motion filed by either party shall be filed with the Office of the Chief Deputy Commissioner. The Chief Deputy or Chief Deputy's designee shall rule on the motion within five days of receipt unless the Chief Deputy or Chief Deputy's designee determines that the motion is not an emergency, in which case the motion shall be referred to the Executive Secretary for an administrative ruling pursuant to subdivision (1) of this subsection. Motions requesting emergency medical relief shall contain all of the following:

(1)a. An explanation of the medical diagnosis and treatment recommendation of the health care provider that requires emergency attention.

(1)b. A specific statement detailing the time-sensitive nature of the request to include relevant dates and the potential for adverse consequences to the employee movant if the recommended treatment relief is not provided emergently.

(1)c. An explanation of opinions known and in the possession of the employee movant of additional medical or other relevant experts, independent medical examiners, and second opinion examiners.

(1)d. Documentation known and in the possession of the employee movant in support of the request, including relevant medical records.

(1)e. A representation that informal means of resolving the issue have been attempted.

Either party may appeal the decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion by requesting an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection to appeal the administrative decision of the Chief Deputy or the Chief Deputy's designee on the emergency motion. Within five days of the filing of a request for an expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection, the Commission shall assign a Deputy Commissioner to conduct the formal hearing. The decision of the Chief Deputy or the Chief Deputy's designee shall not be stayed during the pendency of an appeal of the administrative decision except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay shall be filed with the Deputy Commissioner scheduled to conduct the expedited formal hearing pursuant to G.S. 97-84 and subdivision (2) of this subsection. Either party may appeal the decision of the Deputy
Commissioner pursuant to G.S. 97-84 to the Full Commission pursuant to G.S. 97-85. If so, the decision of the Deputy Commissioner shall not be stayed during the pendency of an appeal except under those circumstances set out in subdivision (4) of this subsection. Any motion to stay the decision of the Deputy Commissioner pursuant to G.S. 97-84 shall be directed to the Chair of the Commission. The Full Commission shall render a decision on the appeal of the Deputy Commissioner's decision on the motion within 60 days of the filing of the notice of appeal.

(4) The Commission shall consider, among other factors, all of the following when determining whether to grant a motion to stay filed pursuant to this subsection:
   a. Whether there would be immediate and irreparable injury, harm, loss, or damage to either party.
   b. The nature and cost of the medical relief sought.
   c. The risk for further injury or disability to the employee inherent in the treatment or its delay.
   d. Whether it has been recommended by an authorized physician.
   e. Whether alternative therapeutic modalities are available and reasonable.

(5) If the Commission determines that any party has acted unreasonably by initiating or objecting to a motion filed pursuant to this section, the Commission may assess costs associated with any proceeding, including any reasonable attorneys' fees and deposition costs, against the offending party.

SECTION 5. G.S. 97-78(g)(2) reads as rewritten:
"(2) The total number of requests for, and disputes involving, medical compensation under G.S. 97-25 in which final disposition was not made within 45-75 days of the filing of the motion with the Commission, and, for each such request or dispute, the date the motion or other initial pleading was filed, the date on which final disposition was made and, where reasonably ascertainable, the date on which any ordered medical treatment was actually provided."

SECTION 6. The Industrial Commission shall adopt rules to replace the rules disapproved by Sections 1, 2, and 3 of this act, in accordance with the following directions:
(1) With regard to 04 NCAC 10A .0605 (Discovery), the Commission shall amend subsection (6) of the rule by deleting the following sentence: "Until a matter is calendared for a hearing, parties may serve requests for production of documents without leave of the Commission" and by inserting the following sentence: "The parties may serve requests for production of documents without leave of the Commission until 35 days prior to the date of hearing"; and by changing the word "shall" to "may" in subsection (7) of the rule.
(2) With regard to 04 NCAC 10A .0609A (Medical Motions and Emergency Medical Motions), the Commission shall amend subsection (a) of the rule by adding the word "either" between the word "before" and "the"; adding the phrase "or the Executive Secretary" after the word "Commissioner"; changing the word "simultaneously" to "contemporaneously"; and changing the word "and" that appears between the words "party" and "opposing" to "or". Subsection (b) of the rule shall be amended by deleting the phrase "Once notification has been received by the parties that a medical motion has been assigned to a Deputy Commissioner, subsequent"; adding the word "Subsequent" before the word "filings"; adding the word "electronically" between the words "submitted" and "directly"; and adding the phrase "either the Executive Secretary or" between the words "to" and "the". The
Commission shall amend subsection (c) of the rule by deleting the sentence "Upon receipt of a medical motion, carriers, third-party administrators, and employers shall immediately send notification of the name, email address, telephone number and fax number of the attorney appearing on their behalf to medicalmotions@ic.nc.gov," and deleting the word "also" from the subsection. The Commission shall amend subsection (d)(2) of the rule by substituting the word "employee" for the word "claimant" throughout. The Commission shall amend subsection (d)(6) of the rule by substituting the following phrase "if an attorney has been retained for the employer or carrier, the attorney's" for the phrase "the counsel for employer and carrier's." The Commission shall amend subsection (d)(8) of the rule by adding the word "the" between the words "of" and "claimant"; by substituting the word "employee" for "claimant"; by deleting the phrase "and the treatment recommendation"; by adding the word "the" between the words "and" and "name"; and by substituting the word "any" for the word "the" that appears between the words "of" and "health". The Commission shall add the phrase ", if any" after the word "request" in subsection (d)(10) of the rule. The Commission shall amend subsection (d)(11) of the rule by substituting the word "movant" for the word "employee"; and by substituting the phrase "of additional medical or other" with the phrase "by any". In subsection (d)(12) of the rule, the Commission shall substitute the word "employee" for "plaintiff". The Commission shall substitute the word "employee" for the word "claimant" throughout subsection (e)(2) of the rule. The Commission shall amend subsection (e)(3) of the rule by adding the phrase ", if known" after the word "code". The Commission shall amend subsection (e)(8) of the rule by substituting the word "relief" for the word "treatment". The Commission shall amend subsection (e)(9) of the rule by substituting the word "movant" for the word "employee"; and substituting the phrase "of additional medical or other" with the phrase "by any". The Commission shall amend subsection (e)(11) of the rule by substituting the word "documents" for the word "documentation"; and substituting the phrase "employee in support of" with the phrase "movant relevant to". The Commission shall amend the rule by deleting subsections (f), (g), and (i) of the rule; former subsection (j) of the rule shall become new subsection (f) of the rule; former subsection (k) of the rule shall become new subsection (i) of the rule. The Commission shall amend subsection (h) of the rule by deleting the phrase "deemed necessary by the Deputy Commissioner"; by adding the phrase "pursuant to G.S. 97-25" between the words "order" and "within"; and by deleting the phrase "within 35 days of the date the motion is filed. Transcripts of depositions shall be submitted electronically to the Commission within 40 days of the date of the filing of the motion"; and by adding the phrase "or upon agreement of the parties" after the phrase "for good cause shown". The Commission shall amend the rule by adding a new subsection (g) that shall read as follows: "(g) A party may appeal an order of the Executive Secretary on a motion brought pursuant to G.S. 97-25(f)(1) or receipt of a ruling on a motion to reconsider filed pursuant to Rule .0702(b) of the Subchapter by giving notice of appeal to the Docket Section within 15 calendar days. A letter expressing an intent to appeal a decision of the Executive Secretary shall be considered a request for an expedited hearing pursuant to G.S. 97-25 and G.S. 97-84. The letter shall specifically identify the order from which appeal is taken. After receipt of a notice of appeal, the appeal shall be assigned to a Deputy Commissioner by the Docket Section, and an order under the name of the Deputy Commissioner to which the
appeal is assigned shall be issued within three days of receipt of the notice of appeal." The Commission shall amend the rule by adding a new subsection (j) that shall read as follows: "(j) A party may appeal the administrative decision of the Chief Deputy or the Chief Deputy's designee filed pursuant to G.S. 97-25(f)(3) by giving notice of appeal to the Docket Section within 15 calendar days of receipt of the Order. A letter expressing an intent to appeal the Chair or the Chair's designee's Order filed pursuant to G.S. 97-25(f)(3) shall be considered a notice of appeal, provided that the letter specifically identifies the Order from which appeal is taken. After receipt of notice of appeal, the appeal shall be acknowledged by the Docket Section within three days by sending an Order under the name of the Deputy Commissioner to which the appeal is assigned. The appeal of the administrative decision of the Chair or the Chair's designee shall be subject to G.S. 97-25(f)(2) and G.S 97-84." The Commission shall amend new subsection (i) of the rule by substituting the phrase "the decision of a Deputy Commissioner, Chief Deputy, or Chief Deputy's designee filed" for the phrase "a Deputy Commissioner's Order on a motion brought"; by adding the phrase "(f)(2)" between the words "G.S. 97-25" and "by"; by deleting the phrase "or receipt of the ruling on a Motion to Reconsider the Order filed pursuant to Rule .0702(b) of this Subchapter"; by substituting the word "filed" for the phrase "on a motion brought"; by substituting the phrase "briefs and set the schedule for filing." for the phrase "briefs and the schedule for filing them. At the time the motion is set for informal hearing, the Chair of the Panel shall also indicate to the parties if oral arguments are to be by telephone, in person, or waived."; and by adding "A Full Commission hearing on an appeal of a medical motion filed pursuant to G.S. 97-25(f)(1), 97-25(f)(2), and 97-25(f)(3) shall be held telephonically and shall not be recorded unless unusual circumstances arise and the Commission so orders."

(3) With regard to 04 NCAC 10A .701 (Review by the Full Commission), the Commission shall amend subsection (b) of the rule by inserting the sentences "Parties represented by counsel shall sign a joint certification acknowledging receipt of the Form 44 Application for Review and the official transcript and exhibits and submit the certification within ten days of receipt of the Form 44 Application for Review and the official transcript and exhibits. The certification shall stipulate the date the Form 44 Application for Review and the official transcript and exhibits were received by the parties and shall note the date the appellant's brief is due." after the sentence that reads "The e-mail shall also provide instructions for the submission of the parties' acknowledgement of receipt of the Form 44 Application for Review and the official transcript and exhibits to the Commission."

(4) With regard to 04 NCAC 10C .0109 (Vocational Rehabilitation Services and Return to Work), the Commission shall amend subsection (b) of the rule by deleting the phrase "only toward prospective employers offering the opportunity for suitable employment". The Commission shall change the word "shall" to "should" in subsection (c) of the rule. The Commission shall change subsection (d)(3) of the rule by substituting the phrase "the likely duration until completion of the requested retraining or education, the number of credits needed to complete the retraining or education, the course names and schedules for the retraining or education, and which courses are available on-line versus in person" for the phrase "the likely duration until completion of the requested retraining or education and the likely class schedules, class attendance requirements, and out-of-class time required for homework and study". The Commission shall substitute the phrase "initiate
or continue placement activities” for the phrase "place the worker in suitable employment" within subsection (j) of the rule.

(5) With regard to 04 NCAC 10E .0202 (Hearing Costs), the Commission shall amend subsection (a) of the rule to insert the following phrase "other than workers' compensation cases" after the word "Commission" effective July 1, 2015. The Commission shall amend the rule by deleting the following sentence from subsection (a) of the rule effective July 1, 2015: “In workers' compensation cases, these fees shall be paid by the employer unless the Commission orders otherwise, except as specified in subsection (2) above.”

(6) With regard to 04 NCAC 10E .0203 (Fees Set by the Commission), the Commission shall delete subsection (a)(2) of the rule effective July 1, 2015.

(7) With regard to 04 NCAC 10L .0101 (Form 21 – Agreement for Compensation for Disability), 04 NCAC 10L .0102 (Form 26 – Supplemental Agreement as to Payment of Compensation), and 04 NCAC 10L .0103 (Form 26A – Employer's Admission of Employee's Rights to Permanent Partial Disability), the Commission shall delete any references to fees for processing agreements and the party responsible for payment of fees effective July 1, 2015.

(8) With regard to 04 NCAC 10A .0702 (REVIEW OF ADMINISTRATIVE DECISIONS), the Commission shall amend the rule by striking subdivision (3) from subsection (a); by renumbering existing subdivisions (a)(4) and (a)(5) as new subdivisions (a)(3) and (a)(4) respectively; and by adding a new subsection (e) that reads, "This rule shall not apply to medical motions filed pursuant to G.S. 97-25; provided, however, that a party may request reconsideration of an administrative ruling on a medical motion, or may request a stay, or may request an evidentiary hearing de novo, all as set forth in G.S. 97-25.”

SECTION 7. Notwithstanding G.S. 150B-21.2, the Industrial Commission shall adopt permanent rules in accordance with the provisions of this act using the procedure and time lines for temporary rules set forth in G.S. 150B-21.1(a3). Rules adopted by the Industrial Commission in accordance with this section shall be subject to review by the Rules Review Commission as provided by G.S. 150B-21.1(b); provided, however, that if the rules are approved by the Rules Review Commission, they shall become effective as provided by G.S. 150B-21.3(b). Rules adopted pursuant to this section shall not be subject to G.S. 150B-19.1(h) or G.S. 150B-21.4. The Industrial Commission shall consult with the Office of Administrative Hearings to ensure that rules adopted in accordance with this section are submitted to the Rules Review Commission in time to be eligible for legislative disapproval in the 2015 Regular Session of the 2015 General Assembly. The rules of the Industrial Commission that were in effect on the effective date of S.L. 2011-287 shall remain in effect with regard to rules disapproved by Sections 1, 2, and 3 of this act until rules adopted to replace the disapproved rules become effective pursuant to this section.

SECTION 8. G.S. 50-13.4(c1) reads as rewritten:

"(c1) Effective July 1, 1990, the Conference of Chief District Judges shall prescribe uniform statewide presumptive guidelines for the computation of child support obligations, including retroactive support obligations, of each parent as provided in Chapter 50 or elsewhere in the General Statutes and shall develop criteria for determining when, in a particular case, application of the guidelines would be unjust or inappropriate. Prior to May 1, 1990 these guidelines and criteria shall be reported to the General Assembly by the Administrative Office of the Courts by delivering copies to the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The purpose of the guidelines and criteria shall be to ensure that payments ordered for the support of a minor child are in such amount as to meet the reasonable needs of the child for health, education, and maintenance, having due regard to the estates, earnings, conditions, accustomed standard of living of the
child and the parties, the child care and homemaker contributions of each party, and other facts of the particular case. The guidelines shall include a procedure for setting child support, if any, in a joint or shared custody arrangement which shall reflect the other statutory requirements herein.

Periodically, but at least once every four years, the Conference of Chief District Judges shall review the guidelines to determine whether their application results in appropriate child support award amounts. The Conference may modify the guidelines accordingly. The Conference shall give the Department of Health and Human Services, the Administrative Office of the Courts, and the general public an opportunity to provide the Conference with information relevant to the development and review of the guidelines. Any modifications of the guidelines or criteria shall be reported to the General Assembly by the Administrative Office of the Courts before they become effective by delivering copies to the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The guidelines, when adopted or modified, shall be provided to the Department of Health and Human Services and the Administrative Office of the Courts, which shall disseminate them to the public through local IV-D offices, clerks of court, and the media.

Until July 1, 1990, the advisory guidelines adopted by the Conference of Chief District Judges pursuant to this subsection as formerly written shall operate as presumptive guidelines and the factors adopted by the Conference of Chief District Judges pursuant to this subsection as formerly written shall constitute criteria for varying from the amount of support determined by the guidelines.”

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

In the General Assembly read three times and ratified this the 15th day of July, 2014.

Became law upon approval of the Governor at 12:06 p.m. on the 22nd day of July, 2014.

Session Law 2014-78 S.B. 812

AN ACT TO EXERCISE NORTH CAROLINA'S CONSTITUTIONAL AUTHORITY OVER ALL ACADEMIC STANDARDS; TO REPLACE COMMON CORE; AND TO ENSURE THAT STANDARDS ARE ROBUST AND APPROPRIATE AND ENABLE STUDENTS TO SUCCEED ACADEMICALLY AND PROFESSIONALLY.

Whereas, the North Carolina Constitution, Article IX, Section 5, directs the State Board of Education to supervise and administer a free public school system and make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly; and

Whereas, the North Carolina General Statutes direct the State Board of Education to adopt and modify academic standards for the public schools; and

Whereas, the North Carolina General Statutes also grant local boards of education broad discretion and authority with respect to specific curricular decisions and academic programs, as long as they align with the standards adopted by the State Board of Education; and

Whereas, North Carolina desires its academic standards to be among the highest in the nation; and

Whereas, the adoption and implementation of demanding, robust academic standards is essential for providing high-quality education to our students and for fostering a competitive economy for the future of our State; and

Whereas, North Carolina's standards must be age-level and developmentally appropriate; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) The State Board of Education shall:
(1) Continue to exercise its authority under the North Carolina Constitution and G.S. 115C-12(9c) to adopt academic standards for the public schools.
(2) Conduct a comprehensive review of all English Language Arts and Mathematics standards adopted under G.S. 115C-12(9c) and propose modifications to ensure that those standards meet all of the following criteria:
   a. Increase students' level of academic achievement.
   b. Meet and reflect North Carolina's priorities.
   c. Are age-level and developmentally appropriate.
   d. Are understandable to parents and teachers.
   e. Are among the highest standards in the nation.
(3) Not enter into any agreement, understanding, or contract that would cede control of the Standard Course of Study and related assessments. This requirement does not prohibit the use of national or international curricula, such as the Advanced Placement or International Baccalaureate programs.
(4) Involve and survey a representative sample of parents, teachers, and the public to help determine academic content standards that meet and reflect North Carolina's priorities and the usefulness of the content standards.
(5) Prior to making changes to the standards, consult with the Academic Standards Review Commission, which is established in Section 2 of this act.

SECTION 1.(b) Academic standards adopted by the State Board of Education under G.S. 115C-12(9c) shall continue to be named and referred to as the "North Carolina Standard Course of Study," reflecting emphasis on North Carolina's needs and priorities. The State Board of Education shall maintain and reinforce the independence of the North Carolina Standard Course of Study and related student assessments, rejecting usurpation and intrusion from federally mandated national or standardized controls.

SECTION 2.(a) There is established the Academic Standards Review Commission. The Commission shall be located administratively in the Department of Administration but shall exercise all its prescribed powers independently of the Department of Administration.

SECTION 2.(b) The Commission shall be composed of 11 members as follows:
(1) Four members appointed by the President Pro Tempore of the Senate. The President Pro Tempore shall consider, but is not limited to, appointing representatives from the following groups in these appointments: parents of students enrolled in the public schools; Mathematics and English Language Arts teachers; Mathematics and English Language Arts curriculum experts; school leadership to include principals and superintendents; members of the business community; and members of the postsecondary education community who are qualified to assure the alignment of standards to career and college readiness.
(2) Four members appointed by the Speaker of the House of Representatives. The Speaker of the House of Representatives shall consider, but is not limited to, appointing representatives from the following groups in these appointments: parents of students enrolled in the public schools; Mathematics and English Language Arts teachers; Mathematics and English Language Arts curriculum experts; school leadership to include principals and superintendents; members of the business community; and members of the postsecondary education community who are qualified to assure the alignment of standards to career and college readiness.
(3) Two members of the State Board of Education as follows: (i) the Chair or the Chair's designee and (ii) a member appointed by the Chair, representing the State Board's Task Force on Summative Assessment.
(4) One member appointed by the Governor.
No individual serving in a statewide elected office or as a member of the General Assembly shall be appointed to the Commission. The Commission shall meet on the call of the Chair of the State Board of Education no later than September 1, 2014. The cochairs of the Commission shall be elected during the first meeting from among the members of the Commission by the members of the Commission.

SECTION 2.(c) The Commission shall:

1. Conduct a comprehensive review of all English Language Arts and Mathematics standards that were adopted by the State Board of Education under G.S. 115C-12(9c) and propose modifications to ensure that those standards meet all of the following criteria:
   a. Increase students' level of academic achievement.
   b. Meet and reflect North Carolina's priorities.
   c. Are age-level and developmentally appropriate.
   d. Are understandable to parents and teachers.
   e. Are among the highest standards in the nation.

2. As soon as practicable upon convening, and at any time prior to termination, recommend changes and modifications to these academic standards to the State Board of Education.

3. Recommend to the State Board of Education assessments aligned to proposed changes and modifications that would also reduce the number of high-stakes assessments administered to public schools.

4. Consider the impact on educators, including the need for professional development, when making any of the recommendations required in this section.

The Commission shall assemble content experts to assist it in evaluating the rigor of academic standards. The Commission shall also involve interested stakeholders in this process and otherwise ensure that the process is transparent.

SECTION 2.(d) The Commission shall meet upon the call of the cochairs. A quorum of the Commission shall be nine members. Any vacancy on the Commission shall be filled by the appointing authority. The Commission shall hold its first meeting no later than September 1, 2014.

SECTION 2.(e) To the extent that funds are available, the Commission may contract for professional, clerical, and consultant services. Professional and clerical staff positions for the Commission may be filled by persons whose services are loaned to the Commission to fulfill the work of the Commission.

SECTION 2.(f) The Department of Administration shall provide meeting rooms, telephones, office space, equipment, and supplies to the Commission and shall be reimbursed from the Commission's budget, to the extent that funds are available.

SECTION 2.(g) To the extent that funds are available, the Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.

SECTION 2.(h) Upon the request of the Commission, all State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

SECTION 2.(i) The Commission shall make a final report of its findings and recommendations to the State Board of Education, the Joint Legislative Education Oversight Committee, and the 2016 Session of the 2015 General Assembly. The Commission shall terminate on December 31, 2015, or upon the filing of its final report, whichever occurs first.

SECTION 3.(a) G.S. 115C-174.11(c)(3) is repealed.

SECTION 3.(b) The State Board of Education shall continue to develop and update the North Carolina Standard Course of Study in accordance with G.S. 115C-12(9c), including a review of standards in other states and of national assessments aligned with those standards, and shall implement the assessments the State Board deems most aligned to assess
student achievement on the North Carolina Standard Course of Study, in accordance with Section 9.2(b) of S.L. 2013-360 and Section 5 of this act.

**SECTION 4.** G.S. 115C-12(39) reads as rewritten:

"(39) Power to Accredit Schools. – Upon the request of a local board of education, the State Board of Education shall evaluate schools in local school administrative units to determine whether the education provided by those schools meets acceptable levels of quality. The State Board shall adopt rigorous and appropriate academic standards for accreditation after consideration of (i) the standards of regional and national accrediting agencies, (ii) the Common Core Standards adopted by the National Governors Association Center for Best Practices and the Council of Chief State School Officers, (iii) the academic standards adopted in accordance with subdivision (9c) of this section, and (iii) other information it deems appropriate.

The local school administrative unit shall compensate the State Board for the actual costs of the accreditation process."

**SECTION 5.** The State Board of Education shall report to the Joint Legislative Education Oversight Committee by July 15, 2015, on the acquisition and implementation of a new assessment instrument or instruments to assess student achievement on the academic standards adopted pursuant to G.S. 115C-12(9c). The State Board shall not acquire or implement the assessment instrument or instruments without the enactment of legislation by the General Assembly authorizing the purchase. The assessment instrument or instruments shall be nationally normed, aligned with the North Carolina Standard Course of Study, and field-tested. Examples of appropriate assessment models would include, but not be limited to, the Iowa Test of Basic Skills (ITBS), the Scholastic Aptitude Test (SAT), ACT Aspire, and the National Assessment of Educational Progress (NAEP).

**SECTION 6.** Local boards of education shall continue to provide for the efficient teaching of the course content required by the Standard Course of Study as provided under G.S. 115C-47(12). The current Standard Course of Study remains in effect until official notice is provided to all public school teachers, administrators, and parents or guardians of students enrolled in the public schools of any changes made in the Standard Course of Study by the State Board of Education.

**SECTION 7.** This act becomes effective July 1, 2014.

In the General Assembly read three times and ratified this the 16th day of July, 2014. Became law upon approval of the Governor at 12:07 p.m. on the 22nd day of July, 2014.

Session Law 2014-79

S.B. 614

AN ACT TO FURTHER PROTECT MILITARY LANDS, TO MAKE AMENDMENTS TO THE MILITARY AFFAIRS COMMISSION, AND TO PROTECT SENSITIVE MILITARY DOCUMENTS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 8B of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-135.29. Review of Military Lands Protection Act proposals.

The State Construction Office shall maintain, and make available to the public, accurate maps of areas surrounding major military installations, including Military Training Routes and Military Operating Areas, as defined in G.S. 143-151.71, that are subject to the provisions of Article 9G of Chapter 143 of the General Statutes."

277
SECTION 2. G.S. 143-151.71 reads as rewritten:

"§ 143-151.71. Definitions.
Within the meaning of this Article:

(1) "Area surrounding major military installations" is the area that extends five miles beyond the boundary of a major military installation and may include incorporated and unincorporated areas of counties and municipalities.

(2) "Building Code Council" means the Council created pursuant to Article 9 of Chapter 143 of the General Statutes.

(3) "Commissioner" means the Commissioner of Insurance.

(4) "Construction" includes reconstruction, alteration, or expansion.

(5) "Major military installation" means Fort Bragg, Pope Army Airfield, Camp Lejeune Marine Corps Air Base, New River Marine Corps Air Station, Cherry Point Marine Corps Air Station, Military Ocean Terminal at Sunny Point, the United States Coast Guard Air Station at Elizabeth City, Naval Support Activity Northwest, Air Route Surveillance Radar (ARSR-4) at Fort Fisher, and Seymour Johnson Air Force Base, in its own right and as the responsible entity for the Dare County Bombing Range, and any facility located within the State that is subject to the installations' oversight and control.

(6) "Person" means any individual, partnership, firm, association, joint venture, public or private corporation, trust, estate, commission, board, public or private institution, utility, cooperative, interstate body, the State of North Carolina and its agencies and political subdivisions, or other legal entity.

(6a) "State Construction Office" means the State Construction Office of the Department of Administration.

(7) "Tall buildings or structures" means any building, structure, or unit within a multiunit building with a vertical height of more than 200 feet measured from the top of the foundation of the building, structure, or unit and the uppermost point of the building, structure, or unit. "Tall buildings or structures" do not include buildings and structures listed individually or as contributing resources within a district listed in the National Register of Historic Places."

SECTION 3. G.S. 143-151.73 reads as rewritten:

"§ 143-151.73. Certain buildings and structures prohibited without endorsement.

(a) No county or city may authorize the construction of and no person may construct a tall building or structure in any area surrounding a major military installation in this State, unless the county or city is in receipt of either a letter of endorsement issued to the person by the Building Code Council State Construction Office pursuant to G.S. 143-151.75 or proof of the Council's State Construction Office's failure to act within the time allowed pursuant to G.S. 143-151.75.

(b) No county or city may authorize the provision of the following utility services to any building or structure constructed in violation of subsection (a) of this section: electricity, telephone, gas, water, sewer, or septic system."

SECTION 4. G.S. 143-151.75 reads as rewritten:

"§ 143-151.75. Endorsement for proposed tall buildings or structures required.

(a) No person shall undertake construction of a tall building or structure in any area surrounding a major military installation in this State without either first obtaining the endorsement from the Building Code Council State Construction Office or proof of the Council's State Construction Office's failure to act within the time allowed.

(b) A person seeking endorsement for a proposed tall building or structure in any area surrounding a major military installation in this State shall provide written notice of the intent to seek endorsement to the base commander of the major military installation that is located
within five miles of the proposed tall building or structure and shall provide all of the following to the Building Code Council State Construction Office:

(1) Identification of the major military installation and the base commander of the installation that is located within five miles of the proposed tall building or structure.

(2) A copy of the written notice sent to the base commander of the installation identified in subdivision (1) of this subsection that is located within five miles of the proposed tall building or structure.

(3) A written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration pursuant to Subpart D of Part 77 of Title 14 of the Code of Federal Regulations (January 1, 2012, Edition) for the proposed tall building or structure.

(c) After receipt of the information provided by the applicant pursuant to subsection (b) of this section, the Building Code Council State Construction Office shall, in writing, request a written statement concerning the proposed tall building or structure from the base commander of the major military installation identified in subdivision (1) of subsection (b) of this section. The Building Code Council State Construction Office shall request that the following information be included in the written statement from the base commander:

(1) A determination whether the location of the proposed tall building or structure is within a protected area that surrounds the installation.

(2) A determination whether any activities of the installation may be adversely affected by the proposed tall building or structure. A detailed description of the potential adverse effects, including frequency disturbances and physical obstructions, shall accompany the determination required by this subdivision.

(d) The Building Code Council State Construction Office shall not endorse a tall building or structure if the Council State Construction Office finds any one or more of the following:

(1) The proposed tall building or structure would encroach upon or otherwise interfere with the mission, training, or operations of any major military installation in North Carolina and result in a detriment to continued military presence in the State. In its evaluation, the Building Code Council State Construction Office may consider whether the proposed tall building or structure would cause interference with air navigation routes, air traffic control areas, military training routes, or radar based on the written statement received from a base commander as provided in subsection (c) of this section and written comments received by members of affected communities. Provided, however, if the Building Code Council State Construction Office does not receive a written statement requested pursuant to subsection (c) of this section within 45 days of issuance of the request to the base commander, the Building Code Council State Construction Office shall deem the tall building or structure as endorsed by the base commander.

(2) The Council State Construction Office is not in receipt of the written "Determination of No Hazard to Air Navigation" issued to the person by the Federal Aviation Administration required pursuant to subdivision (3) of subsection (b) of this section.

(e) The Building Code Council State Construction Office shall make a final decision on the request for endorsement of a tall building or structure within 90 days from the date on which the Council State Construction Office requested the written statement from the base commander of the major military installation identified in subdivision (1) of subsection (b) of this section. If the Council State Construction Office determines that a request for a tall building or structure fails to meet the requirements for endorsement under this section, the Council State Construction Office shall deny the request. The Council State Construction Office shall notify...
the person of the denial, and the notice shall include a written statement of the reasons for the denial. If the Council State Construction Office fails to act within any time period set forth in this section, the person may treat the failure to act as a decision to endorse the tall building or structure.

(f) The Building Code Council State Construction Office may meet by telephone, video, or Internet conference, so long as consistent with applicable law regarding public meetings, to make a decision on a request for endorsement for a tall building or structure pursuant to subsection (e) of this section.”

SECTION 5. G.S. 143-138(2)(d) is repealed.

SECTION 6. G.S. 127C-1 is amended by adding a new subsection to read:

"(f) Meetings and Records. – In accordance with Article 33C of Chapter 143 of the General Statutes and Chapter 132 of the General Statutes, the Commission may withhold documents and discussions related to the federal government's process to determine closure or realignment of military installations withheld from public inspection so long as public inspection would frustrate the purpose of confidentiality."

SECTION 7. Chapter 127C of the General Statutes is amended by adding a new section to read:

§ 127C-5. Protection of sensitive documents.

(a) In carrying out any purpose set out in G.S. 127C-1(b), the Commission and the Department of Commerce may share documents and discussions protected from disclosure under G.S. 132-1.2 and G.S. 143-318.11 with other public bodies. Any information shared under this subsection shall be confidential and exempt from Chapter 132 of the General Statutes to the same extent that it is confidential in the possession of the Commission or the Department.

(b) In carrying out any purpose set out in G.S. 127C-1(b), the Commission and the Department of Commerce may share documents and discussions protected from disclosure under G.S. 132-1.2 and G.S. 143-318.11 with any third party in its discretion. Any information shared under this subsection shall be shared under an agreement to keep the information confidential to the same extent that it is confidential in the possession of the Commission or the Department.

SECTION 8. G.S. 132-1.2 is amended by adding a new subdivision to read:

"(d) Reveals documents related to the federal government’s process to determine closure or realignment of military installations until a final decision has been made by the federal government in that process."

SECTION 9.(a) G.S. 143-318.11(a)(4) reads as rewritten:

"(4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. The Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session."

SECTION 9.(b) This section becomes effective when it becomes law and applies to meetings held on or after that date.

SECTION 10. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of July, 2014. Became law upon approval of the Governor at 12:09 p.m. on the 22nd day of July, 2014.
AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF PLEASANT GARDEN AT THE REQUEST OF THE PROPERTY OWNER AND THE TOWN; AND REMOVING CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF WATHA.

The General Assembly of North Carolina enacts:

SECTION 1. (a) The following described property is added to the corporate limits of the Town of Pleasant Garden:

That certain tract or parcel of land lying and being situate in Guilford County, North Carolina, more particularly described in Deed Book 2849, Page 887, Guilford County Register of Deeds as follows:

BEGINNING at an iron stake in the eastern right-of-way line of N.C. Highway 22, said point being the southwest corner of that tract conveyed to Frank M. Plunkett et ux by deed recorded in Book 2456, page 444, in the Office of the Register of Deeds of Guilford County, North Carolina, and running thence from said beginning point, and with the south line of Jesse R. Hawkins, South 85° 04' East 250.0 feet to an iron stake, Hawkins' southeast corner; thence again with Hawkins' line North 06° 28' East 100.0 feet to an iron stake in George Jackson's south line; thence with George Jackson's line South 85° 04' East approximately 1,416.5 feet to an oak tree, a corner with Lora L. Harris; thence with the Harris line South 01° 00' West 700.0 feet to an iron stake; thence a new line with the Grantors North 85° 04' West approximately 1,666.5 feet to an iron stake in the eastern right-of-way line of N.C. Highway 22; thence northwardly with the eastern right-of-way line of said road 600.00 feet to the point of BEGINNING, containing 26.2 acres more or less, and being the northern portion of the First Tract described in that deed from Cameron L. Tucker to W. Charles Kirkman, recorded in Book 124, page 40, Guilford County Registry, and devised to Robert L. Kirkman by the Will of W. Charles Kirkman. Said property being known as 4591 Alliance Church Road, Pleasant Garden, North Carolina; Guilford County Tax Parcel ID Number 0130818.

SECTION 1. (b) The property described in Section 1(a) of this act is being added to the corporate limits of the Town of Pleasant Garden at the request of the property owner and the Town and therefore is a voluntary annexation of the property.

SECTION 1. (c) This section becomes effective July 1, 2014.

SECTION 2. (a) The following described property is removed from the corporate limits of the Town of Watha:

Located in Union Township, Pender County, North Carolina adjacent to and West of the paved centerline of U.S. Highway No. 117, adjacent to and East of the Eastern right-of-way line of Interstate Highway No. 40 and being more fully described as follows, to wit:

BEGINNING at a point in the paved centerline of U.S. Highway No. 117, said point being located along said line at a point that is North 32 degrees 40 minutes 32 seconds West 710.405 feet (said point having N.C. Grid Coordinates: N=334,595.63' & E=2,319,710.56' NAD 83/NSRS 2007) from N.C. Grid Monument "CHERRY" which as N.C. Grid Coordinates of N=333,997.65' & E=2,320,094.10 and CF=0.9999929753 (NAD 83/NSRS 2007); and running thence from the Beginning so located, along an old marked line South 44 degrees 56 minutes 03 seconds West 2,260.33 feet (passing over an existing iron stake in line at 75.92 feet) to an existing iron pipe in the Eastern right-of-way line of Interstate Highway No. 40; thence with said right-of-way line North 09 degrees 01 minutes 04 seconds West 43.49 feet to an existing concrete right-of-way monument in line; thence continuing with said road right-of-way line North 09 degrees 26 minutes 49 seconds West 402.66 feet to an existing iron stake in said line; thence continuing with said road right-of-way line North 09 degrees 26 minutes 25 seconds West 557.706 feet to an existing iron pipe that marks the Southwestern corner of the Town of Watha land shown on a map recorded in Map Book 48, at Page 83 of the Pender
County Registry; thence along the Southeastern line of said lands North 43 degrees 28 minutes 17 seconds East 512.95 feet to an existing iron pipe that marks the Southeastern corner of said Town of Watha lands; thence with the Betty Crumpler line North 44 degrees 15 minutes 04 seconds East 986.79 feet to an existing 1 inch square iron stake; thence continuing with the Betty Crumpler line North 42 degrees 17 minutes 02 seconds East 632.61 feet to an existing nail and cap in the paved centerline of U.S. Highway No. 117; thence with said paved centerline of U.S. Highway No. 117 South 12 degrees 49 minutes 19 seconds East 389.98 feet to the point of beginning of a curve to the left in said roadway; thence continuing with the curved paved centerline of said road as it curves to the left the following chord courses and distances: South 13 degrees 40 minutes 40 seconds East 122.78 feet, South 16 degrees 15 minutes 03 seconds East 101.20 feet, South 19 degrees 19 minutes 52 seconds East 100.65 feet and South 23 degrees 36 minutes 10 seconds East 129.57 feet to an existing "PK" Nail in said road centerline that is directly above the center of a large box concrete culvert that accommodates the waters of Powell's Pond Branch beneath the roadway; thence continuing with said road centerline South 26 degrees 55 minutes 51 seconds East 142.35 feet to the Beginning, containing 39.669 acres, more or less after the exclusion of the portion of U.S. Highway No. 117 (150 foot wide right-of-way) contained within the above-described boundaries and is as surveyed by Daniel H. Thompson, NCPLS No. L-2174 of Burgaw, North Carolina during April 2013. As a reference to the described tracts, see Deed Book 1379, at Page 68, Deed Book 632, at Page 64 – Tracts 1 and 2, Deed Book 2161, at Page 310 and Deed Book 3209, at Page 003 of the Pender County Registry. Also, see Map Book 40, at Page 34, Map Book 52, at Page 43 and Map Book 48, at Page 83 each recorded in the Office of the Pender County Register of Deeds. That the above-described tract of real property is shown on survey map entitled "Annexation Map To The Town of Watha, North Carolina" as prepared by Daniel H. Thompson, NCPLS on April 25, 2013 and recorded in Map Book 55, at Page 68 in the Office of the Pender County Register of Deeds, State of North Carolina.

SECTION 2.(b) This section has no effect upon the validity of any liens of the Town of Watha for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the Town of Watha.

SECTION 2.(c) This section becomes effective June 30, 2014.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of July, 2014.

Became law on the date it was ratified.

Session Law 2014-81


The General Assembly of North Carolina enacts:

SECTION 1. Section 1.2 of the Charter of the Town of Lake Lure, being Chapter 194 of the 1987 Session Laws, reads as rewritten:

"Section 1.2. Town Boundaries. The until modified in accordance with law, the boundaries of the Town are those existing at the time of ratification of this Charter, as set forth on the official map entitled 'Boundary Map of the Town of Lake Lure, N. C.,' dated March 10, 2014, and recorded at Plat Book 35, Page 30, in the office of the Rutherford County Register of Deeds. The official map of the Town's boundaries shall be maintained as required by G.S. 160A-22. Immediately upon modification of the boundaries in accordance with law, the
appropriate changes to the official map shall be made, copies shall be filed in the offices of the Secretary of State, the Rutherford County Register of Deeds and the appropriate board of elections, as required by general law.”

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 23rd day of July, 2014.
Became law on the date it was ratified.

Session Law 2014-82

AN ACT TO AUTHORIZER STANLY COMMUNITY COLLEGE TO ENTER INTO AGREEMENTS WITH STANLY COUNTY TO JOINTLY ERECT BUILDINGS ON PROPERTY OWNED BY STANLY COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. (a) Notwithstanding the provisions of G.S. 115D-15.1(b) and (d), Stanly Community College may enter into agreements with Stanly County to jointly erect buildings on property owned by Stanly Community College without the approval of the State Board of Community Colleges if such agreements meet the requirements of subsection (b) of this section. G.S. 143-129 and G.S. 143-341 shall not apply to transfers of property or capital improvements to property transferred under this section.

SECTION 1. (b) An agreement under subsection (a) of this section shall require Stanly Community College to transfer property to Stanly County to construct facilities consisting of college classrooms, office space, laboratories, or any other space necessary for the operation of a community college. Upon completion of facilities constructed pursuant to this section, Stanly County shall lease the facilities to Stanly Community College. At the end of the lease term, Stanly County shall transfer title to the property and improvements back to Stanly Community College.

SECTION 2. This act is effective when it becomes law and applies to contracts awarded on or before June 30, 2019.
In the General Assembly read three times and ratified this the 25th day of July, 2014.
Became law on the date it was ratified.

Session Law 2014-83

AN ACT TO MAKE CHANGES TO THE AVERASBORO TOWNSHIP TOURISM DEVELOPMENT AUTHORITY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 142 of the 1987 Session Laws, as amended by Part XII of S.L. 2001-439, reads as rewritten:

"Section 1. Occupancy Tax. – (a) Authorization and Scope. – The Harnett County Board of Commissioners may levy a room occupancy tax in an amount not to exceed three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within Averasboro Township that is subject to sales tax imposed by the State under G.S.105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious institutions or organizations.

(a1) Additional Occupancy Tax. – In addition to the tax authorized by subsection (a) of this section, the Harnett County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of accommodations taxable under that subsection. The county may not levy a tax under this section unless it also levies the tax under subsection (a) of this section. A tax levied under this section may not become effective before the first day of the second month after the resolution levying the tax is adopted.

283
The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with this section.

(b) Repealed.

c) Administration. – For the purpose of levying and administering the tax authorized by this act, Averasboro Township shall be a body politic and corporate and shall have the power to carry out the provisions of this act. The Harnett County Board of Commissioners shall serve, ex officio, as the governing body of the Township, and the officers of the board of commissioners shall serve as the officers of the governing body of the township. A simple majority of the governing body constitutes a quorum, and approval by a majority of those present is sufficient to determine any matter before the governing body, if a quorum is present.

The Harnett County Board of Commissioners, as the governing body of Averasboro Township, shall administer a tax levied under this act. A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155 as if Averasboro Township were a county. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

d) Repealed.

e) Distribution and Use of Tax Revenue. – The township shall, on a quarterly, monthly basis, remit the net proceeds of the occupancy tax to the Averasboro Township Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Averasboro Township and shall use the remainder for tourism-related expenditures.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the township of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a township or to attract tourists or business travelers to the township. The term includes tourism-related capital expenditures.

(f) Repealed.

(g) Repealed.

"Sec. 2. Tourism Development Authority. – (a) Appointment and membership. – When the board of commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating an Averasboro Township Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. There shall be seven nine members of the Authority as follows:

(1) Three members, appointed by the Authority from applications submitted to the Authority, each of whom is a hotel, motel, or bed and breakfast operator from Averasboro Township.

(2) One individual currently active in tourism promotion and who does not own or operate a hotel, motel, or other taxable tourist accommodation, to be appointed by the Authority from applications submitted to the Authority.

(3) One individual currently active in tourism promotion and who does not own or operate a hotel, motel, or other taxable tourist accommodation. This individual will be the President of the Dunn Area Chamber of Commerce or
a designee to be appointed by the Board of Directors of the Dunn Area Chamber of Commerce. Two members appointed by the board of commissioners from nominations submitted by the Dunn Area Chamber of Commerce, one who is a hotel or motel operator from Averasboro Township and one who is a representative of the travel industry.

(2) The Harnett County Manager, to serve ex officio.

(3) The Averasboro Township Commissioner representing Averasboro Township, to serve ex officio.

(4) The President of the Dunn Area Chamber of Commerce, to serve ex officio.

(5) The Vice President of Economic and Industrial Development of the Dunn Area Chamber of Commerce, to serve ex officio.

(6) The City Manager of the Town of Dunn, to serve ex officio.

(7) A city council member of Dunn, appointed by the Dunn City Council, to serve ex officio.

The members appointed by the board of commissioners shall serve for a term of one year; vacancies shall be filled in the same manner as the initial appointments. All of the members, including those who serve ex officio, shall be voting members of the Authority. A majority of the members shall constitute a quorum for the transaction of business and an affirmative vote of the majority of the members present at a meeting of the Authority shall be required to constitute action of the Authority. The board of commissioners shall designate one member of the Authority as chair and one member of the Authority to serve as vice-chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet monthly or at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for the Harnett County-City of Dunn shall be the ex officio finance officer of the Authority.

(b) Duties. – The authority shall develop, promote, and advertise travel and tourism in Averasboro Township, sponsor tourist-oriented events and activities for Averasboro Township, operate and maintain museums and historic sites throughout Averasboro Township, and purchase, operate, and maintain a convention facility for Averasboro Township. The Authority shall finance tourist-related capital projects in Averasboro Township.

(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the board of county commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

"Sec. 3. This act is effective upon ratification."

SECTION 2. This act is effective when it becomes law and applies to the distribution of the net proceeds of the occupancy tax on or after the earlier of October 1, 2014, or the date specified in a resolution adopted in accordance with this act.

In the General Assembly read three times and ratified this the 25th day of July, 2014.

Became law on the date it was ratified.

Session Law 2014-84

AN ACT TO MAKE CHANGES TO THE LAW GOVERNING RED LIGHT CAMERAS IN FAYETTEVILLE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-300.1(c), as amended by S.L. 2007-341, reads as rewritten:

"(c) Municipalities may adopt ordinances for the civil enforcement of G.S. 20-158 by means of a traffic control photographic system, as described in subsection (a) of this section. Notwithstanding the provisions of G.S. 20-176, in the event that a municipality adopts an ordinance pursuant to this section, a violation of G.S. 20-158 at a location at which a traffic
control photographic system is in operation shall not be an infraction. An ordinance authorized by this subsection shall provide that:

(1) The owner of a vehicle shall be responsible for a violation unless the owner can furnish evidence that the vehicle was, at the time of the violation, in the care, custody, or control of another person. The owner of the vehicle shall not be responsible for the violation if the owner of the vehicle, within 30 days after the date of personal service or mailing of notification of the violation, furnishes the officials or agents of the municipality which issued the citation either of the following:
   a. An affidavit stating the name and address of the person or company who had the care, custody, and control of the vehicle.
   b. An affidavit stating that the vehicle involved was, at the time, stolen. The affidavit must be supported with evidence that supports the affidavit, including insurance or police report information.

(1a) Subdivision (1) of this subsection shall not apply, and the registered owner of the vehicle shall not be responsible for the violation, if notice of the violation is given to the registered owner of the vehicle more than 90 days after the date of the violation.

(2) A violation detected by a traffic control photographic system shall be deemed a noncriminal violation for which a civil penalty of seventy-five dollars ($75.00) shall be assessed, and for which no points authorized by G.S. 20-16(c) shall be assigned to the owner or driver of the vehicle nor insurance points as authorized by G.S. 58-36-65.

(3) The owner of the vehicle shall be issued a citation which shall clearly state when the penalty is due and the manner in which the violation may be challenged. The owner shall comply with the directions on the citation. The citation shall be processed by officials or agents of the municipality and shall be forwarded by personal service or first-class mail to the address given on the motor vehicle registration. If the owner fails to pay the civil penalty or to respond to the citation within 30 days after the date the citation is served or mailed, the owner shall have waived the right to contest responsibility for the violation, and shall be subject to a civil penalty not to exceed one hundred dollars ($100.00). The municipality may establish procedures for the collection of these penalties and may enforce the penalties by civil action in the nature of debt.

(4) The municipality shall institute a nonjudicial administrative hearing to review objections to citations or penalties issued or assessed under this section.

(4a) A municipality enacting an ordinance implementing a traffic control photographic system may enter into a contract with a contractor for the lease, lease-purchase, or purchase of the system. The municipality may enter into only one contract for the lease, lease-purchase, or purchase of the system, and the duration of the contract may be for no more than 60 months. After the period specified in the contract has expired, the system shall either be the property of the municipality, or the system shall be removed and returned to the contractor.

(5) The clear proceeds from the citations issued pursuant to an ordinance authorized by this section shall be paid to the local school board. For the purposes of determining the clear proceeds derived from the citations, the following expenses, not to exceed ten percent (10%) of the civil penalty assessed pursuant to subdivision (2) of this subsection, are authorized to be deducted from each civil penalty assessed pursuant to the provisions of subdivision (2) of this subsection:
a. The cost of materials and postage directly related to the printing and mailing of the first and second notices sent to the owner and, if necessary, the driver of the vehicle.

b. The cost of computer services directly related to the production and mailing of the notices described in sub-subdivision a. of this subdivision.

(6) The municipality may assess a collection assistance fee against the owner and, if necessary, driver of the vehicle under the conditions in this subdivision. Amounts collected must be credited first to the payment of the civil penalty and then to collection assistance fee. The conditions are as follows:

a. The civil penalty has not been paid within 30 days after the personal service or first-class mailing of a second notice that the penalty is due. The second notice must be served or mailed no sooner than 30 days after the day the first notice was served or mailed and must contain a notice stating that a collection assistance fee will be assessed if the penalty is not paid within 30 days after the service or mailing of the second notice, the date when the collection assistance fee will be assessed, and the amount of the collection assistance fee. The collection assistance fee shall not exceed twenty percent (20%) of the civil penalty assessed pursuant to subdivision (2) of this subsection.

b. Collection assistance fees shall be placed in a separate fund that may be used only for the purpose of paying for the costs of collection expended to collect civil penalties that remain unpaid 30 days after the service or mailing of the second notice required pursuant to sub-subdivision a. of this subdivision.

SECTION 2. G.S. 160A-300.1(c)(2), as amended by S.L. 2007-341 and by Section 1 of this act, reads as rewritten:

“(2) A violation detected by a traffic control photographic system shall be deemed a noncriminal violation for which a civil penalty of seventy-five dollars ($75.00) one hundred dollars ($100.00) shall be assessed, and for which no points authorized by G.S. 20-16(c) shall be assigned to the owner or driver of the vehicle nor insurance points as authorized by G.S. 58-36-65.”

SECTION 3. The City of Fayetteville and the Cumberland County Board of Education may enter into an interlocal agreement necessary and proper to effectuate the purpose and intent of G.S. 160A-300.1 and this act. Any agreement entered into pursuant to this section may include provisions on cost-sharing and reimbursement that the Cumberland County Board of Education and the City of Fayetteville freely and voluntarily agree to for the purpose of effectuating the provisions of G.S. 160A-300.1 and this act.

SECTION 4. This act applies only to the City of Fayetteville and the Cumberland County Board of Education.

SECTION 5. Sections 1, 3, 4, and 5 of this act become effective July 1, 2014. Section 2 of this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law on the date it was ratified.
AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE VILLAGE OF PINEHURST AND AUTHORIZING THE VILLAGE TO LEVY SPECIAL ASSESSMENTS TO MEET THE COST OF CONSTRUCTION OF A STORMWATER MANAGEMENT SYSTEM TO SERVE THE PROPERTY ADDED.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is added to the corporate limits of the Village of Pinehurst:

A certain tract or parcel of land situated in Mineral Springs Township, Moore County, N.C. west of the Village of Pinehurst about 500 yards west of the intersection of Chicken Plant Road and Linden Road, fronting and lying on the north side of Linden Road bounded on the west and north by Carolyn B. Smith, on the east by Stephen J. DiMaggio and others, and being further described as follows:

BEGINNING at an existing concrete monument within the north 60 foot right of way line of Linden Road situated about 600 yards southwest of the intersection of Chicken Plant Road and Linden Road, said monument being the southeast corner of Carolyn B. Smith's tract described in Deed Book 92E, Page 319 in the Moore County Registry of Deeds; running thence from said beginning corner N 55 degrees 49 minutes 33 seconds W for a distance of 571.51 feet to an existing concrete monument, another corner of said Smith tract; thence N 55 degrees 49 minutes 46 seconds W for a distance of 409.25 feet to an existing concrete monument, another corner of said Smith tract; thence N 34 degrees 10 minutes 00 seconds E for a distance of 1067.16 feet to an existing concrete monument, another corner of said Smith tract situated in the southwest line of Florence Cox's tract described in Deed Book 241, Page 565 in the Moore County Registry of Deeds; thence S 55 degrees 46 minutes 15 seconds E for a distance of 408.89 feet to an existing concrete monument, said monument being the south corner of Roger L. Craven's tract described in Deed Book 503, Page 673 in the Moore County Registry of Deeds, the same being the west corner of James Talbert Jr. tract described in Deed Book 434, Page 504 in the Moore County Registry of Deeds, the same also being the northwest corner of Stephen J. DiMaggio tract described in Deed Book 3212, Page 150 in the Moore County Registry of Deeds; thence with the west line of said DiMaggio tract, S 04 degrees 30 minutes 31 seconds W for a distance of 374.94 feet to an existing iron pipe, the west corner of said DiMaggio tract; thence with the southwest line of said DiMaggio tract, S 69 degrees 28 minutes 23 seconds E for a distance of 397.12 feet to an existing concrete monument within the north 60 foot right of way line of Linden Road; thence as and within the north 60 foot right of way line of Linden Road S 34 degrees 08 minutes 14 seconds W for a distance of 834.65 feet, to the BEGINNING, containing 20.85 acres, more or less.

SECTION 2.(a) Upon the annexation of the property described in Section 1 of this act and the dedication of the existing roads in the property, which are currently owned by the Cotswold Homeowners Association and Planet Development, to the Village of Pinehurst, the Village Council of the Village of Pinehurst may levy special assessments upon the property owners of the property described in Section 1 of this act to meet the cost of a stormwater management system constructed by the Village of Pinehurst. The assessment roll shall become effective on a date set by the Village Council that is at least 30 days following the formal advertising for bids for the proposed work. The Village Council shall levy the special assessments in accord with a schedule that it develops and that is at an equal rate per lot for the 51 existing residences and 14 vacant lots and building sites located in the property described in Section 1 of this act. The amount levied by special assessment against the property owners shall not exceed sixty-six percent (66%) of the full cost of constructing the stormwater management system. Notwithstanding any provision of G.S. 160A-224 to the contrary, the Village Council may cause notice of the amount of assessment for each parcel of land assessed to be sent by
mail to the owner thereof as shown on the tax records of the Village of Pinehurst prior to confirmation of the assessment roll.

SECTION 2.(b) The Village Council may give owners of assessed property the option of paying the assessment either in cash or in installments, provided, however, that the period over which the installments are paid does not exceed five years from the date the assessment roll is confirmed. All installment payments shall be interest free.

SECTION 2.(c) In levying the special assessments, the Village Council shall follow, insofar as practicable, the procedures set forth in Article 10 of Chapter 160A of the General Statutes.

SECTION 3. This act becomes effective July 31, 2014.

In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law on the date it was ratified.

AN ACT TO ALLOW THE TOWN OF DUCK TO EXERCISE THE POWER OF EMINENT DOMAIN FOR PURPOSES OF ENGAGING IN BEACH EROSION CONTROL AND FLOOD AND HURRICANE PROTECTION WORKS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 40A-3(b1) reads as rewritten:

"(b1) Local Public Condemnors – Modified Provision for Certain Localities. – For the public use or benefit, the governing body of each municipality or county shall possess the power of eminent domain and may acquire by purchase, gift or condemnation any property or interest therein, either inside or outside its boundaries, for the following purposes.

(1) Opening, widening, extending, or improving roads, streets, alleys, and sidewalks. The authority contained in this subsection is in addition to the authority to acquire rights-of-way for streets, sidewalks and highways under Article 9 of Chapter 136. The provisions of this subdivision (1) shall not apply to counties.

(2) Establishing, extending, enlarging, or improving any of the public enterprises listed in G.S. 160A-311 for cities, or G.S. 153A-274 for counties.

(3) Establishing, enlarging, or improving parks, playgrounds, and other recreational facilities.

(4) Establishing, extending, enlarging, or improving storm sewer and drainage systems and works, or sewer and septic tank lines and systems.

(5) Establishing, enlarging, or improving hospital facilities, cemeteries, or library facilities.

(6) Constructing, enlarging, or improving city halls, fire stations, office buildings, courthouse jails and other buildings for use by any department, board, commission or agency.

(7) Establishing drainage programs and programs to prevent obstructions to the natural flow of streams, creeks and natural water channels or improving drainage facilities. The authority contained in this subdivision is in addition to any authority contained in Chapter 156.

(8) Acquiring designated historic properties, designated as such before October 1, 1989, or acquiring a designated landmark designated as such on or after October 1, 1989, for which an application has been made for a certificate of appropriateness for demolition, in pursuance of the purposes of G.S. 160A-399.3, Chapter 160A, Article 19, Part 3, effective until October 1, 1989, or G.S. 160A-400.14, whichever is appropriate.

(9) Opening, widening, extending, or improving public wharves.
Engaging in or participating with other governmental entities in acquiring, constructing, reconstructing, extending, or otherwise building or improving beach erosion control or flood and hurricane protection works, including, but not limited to, the acquisition of any property that may be required as a source for beach renourishment.

Establishing access for the public to public trust beaches and appurtenant parking areas.

The board of education of any municipality or county or a combined board may exercise the power of eminent domain under this Chapter for purposes authorized by Chapter 115C of the General Statutes.

The power of eminent domain shall be exercised by local public condemors under the procedures of Article 3 of this chapter.

This subsection applies only to Carteret and Dare Counties, the Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Emerald Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach, and Wrightsville Beach, and the Village of Bald Head Island.

This subsection, excluding subdivision (11) of this subsection, applies to the Town of Duck.

SECTION 2. G.S. 40A-42(a)(2) reads as rewritten:

"(a) …

(2) Modified Provision for Certain Localities. – When a local public condemnor is acquiring property by condemnation for a purpose set out in G.S. 40A-3(b1)(1), (4), (7), (10), or (11), or when a city is acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local board of education or any combination of local boards of education is acquiring property for any purpose set forth in G.S. 115C-517, or when a condemning or acquiring property by condemnation as authorized by G.S. 40A-3(c)(8), (9), (10), (12), or (13) title to the property and the right to immediate possession shall vest pursuant to this subsection. Unless an action for injunctive relief has been initiated, title to the property specified in the complaint, together with the right to immediate possession thereof, shall vest in the condemnor upon the filing of the complaint and the making of the deposit in accordance with G.S. 40A-41.

This subdivision applies only to Carteret and Dare Counties, the Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Duck, Emerald Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach, and Wrightsville Beach, and the Village of Bald Head Island."

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

In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law on the date it was ratified.

Session Law 2014-87  
H.B. 1059  
AN ACT TO MODIFY THE NEW HANOVER OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Section 7(d) of S.L. 2006-167 reads as rewritten:

"SECTION 7.(d) Distribution and Use of Tax Revenue. – New Hanover County District U shall deposit one hundred percent (100%) of the net proceeds of the room occupancy and
tourism development tax levied under this section into a special fund, the cash balance of which shall be deposited at interest or invested in accordance with G.S. 159-30. These funds shall be used only for beach nourishment, distribute and use the net proceeds of the room occupancy and tourism development tax levied under this section as set out in this subsection. In accordance with the North Carolina Constitution and the United States Constitution, the tax proceeds may be used only for the direct benefit of the jurisdiction of New Hanover District U. None of the proceeds may be used for beach nourishment in areas within New Hanover County that are outside of the district. As used in this subsection, the term "Authority" means the Cape Fear Coast Convention and Visitors Bureau, which has been established as a tourism development authority.

(1) Proceeds collected prior to July 1, 2014. – Within 30 days of the effective date of this act, New Hanover County District U shall remit to the Authority the net proceeds of the tax that have been collected by the district prior to July 1, 2014. The Authority shall use one hundred percent (100%) of the funds remitted to it under this subdivision for tourism-related expenditures in the district.

(2) Proceeds collected on or after July 1, 2014. – New Hanover County District U shall, on a quarterly basis, remit to the Authority the net proceeds of the tax collected by the district on or after July 1, 2014. The Authority shall use at least two-thirds of the funds remitted to it under this subdivision for tourism promotion and shall use the remainder for tourism-related expenditures in the district.”

SECTION 2. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law on the date it was ratified.

Session Law 2014-88 H.B. 1195

AN ACT TO ENACT ANTI-PENSION-SPIKING LEGISLATION BY ESTABLISHING A CONTRIBUTION-BASED BENEFIT CAP, TO ALLOW MEMBERS OF THE TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES’ RETIREMENT SYSTEM WHO LEAVE EMPLOYMENT WITHIN FIVE YEARS TO RECEIVE A RETURN OF THEIR CONTRIBUTIONS WITH ACCUMULATED INTEREST, AND TO RETURN TO A FIVE-YEAR VESTING PERIOD FOR MEMBERS OF THE TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEM AND THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM WHO BECAME MEMBERS ON OR AFTER AUGUST 1, 2011, AND MAKE A CONFORMING CHANGE TO THE SPECIAL SEPARATION ALLOWANCE FOR LAW ENFORCEMENT OFFICERS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(a3) Anti-Pension-Spiking Contribution-Based Benefit Cap. – Notwithstanding any other provision of this section, every service retirement allowance provided under this section for members who retire on or after January 1, 2015, is subject to adjustment pursuant to a contribution-based benefit cap under this subsection. The Board of Trustees shall adopt a contribution-based benefit cap factor recommended by the actuary, based upon actual experience, such that no more than three-quarters of one percent (0.75%) of retirement allowances are expected to be capped. The Board of Trustees shall modify such factors every five years, as shall be deemed necessary, based upon the five-year experience study as required by G.S. 135-6(n). Prior to establishing a service retirement allowance under this section, the Board shall:"

291
(1) Determine an amount equal to the member's accumulated contributions as required under G.S. 135-8(b)(1) for all years during which the member earned membership service used in the calculation of the retirement allowance that the member would receive under this section.

(2) Determine the amount of a single life annuity that is the actuarial equivalent of the amount determined under subdivision (1) of this subsection, adjusted for the age of the member at the time of retirement or, when appropriate, the age at the time of the member's death.

(3) Multiply the annuity amount determined under subdivision (2) of this subsection by the contribution-based benefit cap factor.

(4) Determine the amount of the retirement allowance that results from the member's membership service.

The product of the multiplication in subdivision (3) of this subsection is the member's contribution-based benefit cap. If the amount determined under subdivision (4) of this subsection exceeds the member's contribution-based benefit cap, the member's retirement allowance shall be reduced by an amount equal to the difference between the contribution-based benefit cap and the amount determined under subdivision (4) of this subsection.

Notwithstanding the foregoing, the retirement allowance of a member with an average final compensation of less than one hundred thousand dollars ($100,000), as hereinafter indexed, shall not be subject to the contribution-based benefit cap. The minimum average final compensation necessary for a retirement allowance to be subject to the contribution-based benefit cap shall be increased on January 1 each year by the percent change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (0.1%), provided that this percent change is positive.

Notwithstanding the foregoing, the retirement allowance of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the Retirement System after January 1, 2015, shall not be reduced; however, the member's last employer shall be required to make an additional contribution as specified in G.S. 135-8(f)(2), if applicable.”

SECTION 1.(b)

G.S. 128-27 is amended by adding a new section to read:

"(a3) Anti-Pension-Spiking Contribution-Based Benefit Cap. – Notwithstanding any other provision of this section, every service retirement allowance provided under this section for members who retire on or after January 1, 2015, is subject to adjustment pursuant to a contribution-based benefit cap under this subsection. The Board of Trustees shall adopt a contribution-based benefit cap factor recommended by the actuary, based upon actual experience, such that no more than three-quarters of one percent (0.75%) of retirement allowances are expected to be capped. The Board of Trustees shall modify such factors every five years, as shall be deemed necessary, based upon the five-year experience study as required by G.S. 128-28(o).

Prior to establishing a service retirement allowance under this section, the Board shall:

(1) Determine an amount equal to the member's accumulated contributions as required under G.S. 128-30(b)(1) for all years during which the member earned membership service used in the calculation of the retirement allowance that the member would receive under this section.

(2) Determine the amount of a single life annuity that is the actuarial equivalent of the amount determined under subdivision (1) of this subsection, adjusted for the age of the member at the time of retirement or, when appropriate, the age at the time of the member's death.

(3) Multiply the annuity amount determined under subdivision (2) of this subsection by the contribution-based benefit cap factor.

(4) Determine the amount of the retirement allowance that results from the member's membership service.
The product of the multiplication in subdivision (3) of this subsection is the member's contribution-based benefit cap. If the amount determined under subdivision (4) of this subsection exceeds the member's contribution-based benefit cap, the member's retirement allowance shall be reduced by an amount equal to the difference between the contribution-based benefit cap and the amount determined under subdivision (4) of this subsection.

Notwithstanding the foregoing, the retirement allowance of a member with an average final compensation of less than one hundred thousand dollars ($100,000), as hereinafter indexed, shall not be subject to the contribution-based benefit cap. The minimum average final compensation necessary for a retirement allowance to be subject to the contribution-based benefit cap shall be increased on January 1 each year by the percent change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (0.1%), provided that this percent change is positive.

Notwithstanding the foregoing, the retirement allowance of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the Retirement System after January 1, 2015, shall not be reduced; however, the member's last employer shall be required to make an additional contribution as specified in G.S. 128-30(g)(2)b., if applicable.

SECTION 1.(c) G.S. 135-4 is amended by adding a new subsection to read:
"(jj) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 135-5(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. The member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount."

SECTION 1.(d) G.S. 128-26 is amended by adding a new subsection to read:
"(y) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 128-27(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. The member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount."
SECTION 1.(e) G.S. 135-8(f)(2) is amended by adding a new sub-subdivision to read:

"f. Each employer shall transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his last month of membership service as an employee of that employer the lump sum payment, as calculated under G.S. 135-4(jj), that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre-cap amount. Employers are not required to make contributions on account of any retiree who became a member on or after January 1, 2015, and who earned at least five years of membership service in the Retirement System after January 1, 2015.

Under such rules as the Board of Trustees shall adopt, the Retirement System shall report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months, if applicable."

SECTION 1.(f) G.S.128-30(g)(2) reads as rewritten:

"(2) The collections of employers' contributions shall be made as follows:

a. Upon the basis of each actuarial valuation provided herein the Board of Trustees shall annually prepare and certify to each employer a statement of the total amount necessary for the ensuing fiscal year to the pension accumulation fund as provided under subsection (d) of this section. Such employer contributions shall be transmitted to the secretary-treasurer of the Board of Trustees together with the employee deductions as provided under sub-subdivision b. of subdivision (1) of this subsection.

b. Each employer shall transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his last month of membership service as an employee of that employer the lump sum payment, as calculated under G.S. 128-26(y), that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre-cap amount. Employers are not required to make contributions on account of any retiree who became a member on or after January 1, 2015, and who earned at least five years of membership service in the Retirement System after January 1, 2015.

Under such rules as the Board of Trustees shall adopt, the Retirement System shall report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months, if applicable."

SECTION 2.(a) G.S. 135-5(f) reads as rewritten:

"(f) Return of Accumulated Contributions. – Should a member cease to be a teacher or State employee except by death or retirement under the provisions of this Chapter, he shall upon submission of an application be paid, not earlier than 60 days from the date of termination of service, his contributions, and if he has attained at least five years of membership service or if termination of his membership service is involuntary as certified by the employer, the accumulated regular interest thereon, provided that he has not in the meantime returned to service. Upon payment of such sum his membership in the System shall cease and, if he thereafter again becomes a member, no credit shall be allowed for any service previously
rendered except as provided in G.S. 135-4, and such payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there shall be paid to such person or persons as he shall have nominated by electronic submission prior to completing 10 years of service in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of his accumulated contributions at the time of his death, unless the beneficiary elects to receive the alternate benefit under the provisions of (m) below. An extension service employee who made contributions to the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System as a result of dual employment may not be paid his accumulated contributions unless he is eligible to be paid his accumulated contributions in both systems for the same period of service.

Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the Consolidated Judicial Retirement System may irrevocably elect to transfer any accumulated contributions to the Consolidated Judicial Retirement System or to the Supplemental Retirement Income Plan and forfeit any rights in or to any benefits otherwise payable hereunder.

A member who is a participant or beneficiary of the Disability Income Plan of North Carolina as is provided in Article 6 of this Chapter shall not be paid a return of accumulated contributions, notwithstanding the member's status as an employee or teacher. Notwithstanding any other provision of law to the contrary, a member who is a beneficiary of the Disability Income Plan of North Carolina as provided in Article 6 of this Chapter and who is receiving disability benefits under the transition provisions as provided in G.S. 135-112, shall not be prohibited from receiving a return of accumulated contributions as provided in this subsection.

**SECTION 2.(b)** G.S. 128-27(f) reads as rewritten:

"(f) Return of Accumulated Contributions. – Should a member cease to be an employee except by death or retirement under the provisions of this Chapter, he shall upon submission of an application be paid, not earlier than 60 days from the date of termination of service, his contributions and, if he has attained at least five years of membership service or if termination of his membership service is involuntary as certified by the employer, and the accumulated regular interest thereon, provided that he has not in the meantime returned to service. Upon payment of such sum his membership in the System shall cease and, if he thereafter again becomes a member, no credit shall be allowed for any service previously rendered except as provided in G.S. 128-26; and such payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member there shall be paid to such person or persons as he shall have nominated by electronic submission prior to completing 10 years of service in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of his accumulated contributions at the time of his death, unless the beneficiary elects to receive the alternate benefit under the provisions of (m) below. An extension service employee who made contributions to the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System as a result of dual employment may not be paid his accumulated contributions unless he is eligible to be paid his accumulated contributions in both systems for the same period of service.

Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the Consolidated Judicial Retirement System may irrevocably elect to transfer any accumulated contributions to the Consolidated Judicial Retirement System or to the Supplemental Retirement Income Plan and forfeit any rights in or to any benefits otherwise payable hereunder."
SECTION 2.(c) G.S. 120-4.25 reads as rewritten:

"§ 120-4.25. Return of accumulated contributions.

If a member ceases to be a member of the General Assembly except by death or retirement, he shall, upon submission of an application, be paid not earlier than 60 days following the date of termination of service, the sum of his contributions if he has less than five years of creditable service, or the sum of his accumulated contributions if he has five or more years of creditable service, provided he has not in the meantime returned to service. Upon payment of this sum his membership in the System ceases. If he becomes a member afterwards, no credit shall be allowed for any service previously rendered except as provided in G.S. 120-4.14 and the payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable under this Article. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member, there shall be paid to the person or persons he nominated by electronic submission prior to completing 10 years of service in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if the person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of his accumulated contributions at the time of his death, unless the beneficiary elects to receive the alternate benefit under the provisions of G.S. 120-4.28."

SECTION 2.(d) G.S. 135-62(a) reads as rewritten:

"(a) Should a member cease membership service otherwise than by death or retirement under the provisions of this Article, he shall, upon submission of an application, be paid, not earlier than 60 days from the date of termination of service, his contributions and, if he has attained at least five years of membership service or if termination of his membership service is involuntary as certified by the employer, and the accumulated regular interest thereon, provided that he has not in the meantime returned to service as a judge. Upon payment of such accumulated contributions his membership in the Retirement System shall cease and, if he thereafter again becomes a member, no credit shall be allowed for any service previously rendered, except as otherwise provided in G.S. 135-56(b). Any such payment of a member's accumulated contributions shall be in full and complete discharge of any rights in or to any benefits otherwise payable under this Article."

SECTION 3.(a) G.S. 135-3(8) reads as rewritten:

"(8) The provisions of this subsection (8) shall apply to any member whose membership is terminated on or after July 1, 1963 and who becomes entitled to benefits hereunder in accordance with the provisions hereof.

a. Notwithstanding any other provision of this Chapter, any member who became a member prior to August 1, 2011, and who separates from service prior to the attainment of the age of 60 years for any reason other than death or retirement for disability as provided in G.S. 135-5(c), after completing 15 or more years of creditable service, and who leaves his total accumulated contributions in said System shall have the right to retire on a deferred retirement allowance upon attaining the age of 60 years; provided that such member may retire only upon electronic submission or written application to the Board of Trustees setting forth at what time, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired; and further provided that in the case of a member who so separates from service on or after July 1, 1967, or whose account is active on July 1, 1967, or has not withdrawn his contributions, the aforesaid requirement of 15 or more years of creditable service shall be reduced to 12 or more years of creditable service; and further provided that in the case of a member who so separates from service on or after July 1, 1971, or whose account is active on July 1, 1971, the aforesaid requirement
of 12 or more years of creditable service shall be reduced to five or more years of creditable service. Such deferred retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to a member who is not a law enforcement officer or an eligible former law enforcement officer. Notwithstanding the foregoing, any member whose services as a teacher or employee are terminated for any reason other than retirement, who becomes employed by a nonprofit, nonsectarian private school in North Carolina below the college level within one year after such teacher or employee has ceased to be a teacher or employee, may elect to leave his total accumulated contributions in the Teachers' and State Employees' Retirement System during the period he is in the employment of such employer; provided that he files notice thereof in writing with the Board of Trustees of the Retirement System within five years after separation from service as a public school teacher or State employee; such member shall be deemed to have met the requirements of the above provisions of this subdivision upon attainment of age 60 while in such employment provided that he is otherwise vested.

b. In lieu of the benefits provided in paragraph a of this subdivision (8), any member who became a member prior to August 1, 2011, and who separates from service prior to the attainment of the age of 60 years, for any reason other than death or retirement for disability as provided in G.S. 135-5(c), after completing 20 or more years of creditable service, and who leaves his total accumulated contributions in said System, may elect to retire on an early retirement allowance upon attaining the age of 50 years or at any time thereafter; provided that such member may so retire only upon electronic submission or written application to the Board of Trustees setting forth at what time, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired. Such early retirement allowance so elected shall be equal to the deferred retirement allowance otherwise payable at the attainment of the age of 60 years reduced by the percentage thereof indicated below.

<table>
<thead>
<tr>
<th>Age at Retirement</th>
<th>Percentage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>59</td>
<td>7</td>
</tr>
<tr>
<td>58</td>
<td>14</td>
</tr>
<tr>
<td>57</td>
<td>20</td>
</tr>
<tr>
<td>56</td>
<td>25</td>
</tr>
<tr>
<td>55</td>
<td>30</td>
</tr>
<tr>
<td>54</td>
<td>35</td>
</tr>
<tr>
<td>53</td>
<td>39</td>
</tr>
<tr>
<td>52</td>
<td>43</td>
</tr>
<tr>
<td>51</td>
<td>46</td>
</tr>
<tr>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

b1. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who became a member prior to August 1, 2011, and who is a law enforcement officer at the time of separation from service prior to the attainment of the age of 50 years, for any reason other than death or disability as provided in this Article, after completing 15 or more years of creditable service in this capacity
immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 50 years or at any time thereafter; provided, that the member may commence retirement only upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law-enforcement officers.

b2. In lieu of the benefits provided in paragraphs a and b of this subdivision, any member who became a member prior to August 1, 2011, and who is a law-enforcement officer at the time of separation from service prior to the attainment of the age of 55 years, for any reason other than death or disability as provided in this Article, after completing five or more years of creditable service in this capacity immediately prior to separation from service, and who leaves his total accumulated contributions in this System may elect to retire on a deferred early retirement allowance upon attaining the age of 55 years or at any time thereafter; provided, that the member may commence retirement only upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to commence retirement. The deferred early retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to law-enforcement officers.

b3. Vested deferred retirement allowance of members retiring on or after July 1, 1994. – In lieu of the benefits provided in paragraphs a. and b. of this subdivision, any member who became a member prior to August 1, 2011, and who separates from service prior to attainment of age 60 years, after completing 20 or more years of creditable service, and who leaves his total accumulated contributions in said System, may elect to retire on a deferred retirement allowance upon attaining the age of 50 years or any time thereafter; provided that such member may so retire only upon electronic submission or written application to the Board of Trustees setting forth at what time, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired. Such deferred retirement allowance shall be computed in accordance with the service retirement provisions of this Article pertaining to a member who is not a law enforcement officer or an eligible former law enforcement officer.

b4. Any member who became a member on or after August 1, 2011, and who is not a law enforcement officer and (i) separates from service prior to the attainment of the age of 60 years, after completing 25 or more years of creditable service, and who leaves the member's total accumulated contributions in said System, may elect to retire on an unreduced service retirement allowance upon attaining the age of 60 years or at any time thereafter; or (ii) separates from service prior to the attainment of the age of 50 years, after completing 20 or more years of creditable service, and who leaves the member's total
accumulated contributions in said System, may elect to retire on an early reduced retirement allowance upon attaining the age of 50 years or at any time thereafter; or (iii) separates from service prior to the attainment of the age of 60 years, after completing 10 or more years but less than 25 years of creditable service, and who leaves the member's total accumulated contributions in said System, may elect to retire on an early reduced retirement allowance upon attaining the age of 60 years or at any time thereafter; or (iv) separates from service prior to the attainment of the age of 65 years, after completing 10 or more years of creditable service, and who leaves the member's total accumulated contributions in said System, may elect to retire on an early reduced retirement allowance upon attaining the age of 65 years or at any time thereafter; provided that such member may so retire only upon electronic submission or written application to the Board of Trustees setting forth at what time, not less than one day nor more than 120 days subsequent to the execution and filing thereof, the member desires to be retired.

Any member who became a member on or after August 1, 2011, who is a law enforcement officer and (i) separates from service prior to attainment of age 50 years, after completing 15 or more years of creditable service in this capacity, and who leaves the member's total accumulated contributions in said System, may elect to retire on an early reduced retirement allowance upon attaining the age of 50 years or any time thereafter; or (ii) separates from service prior to attainment of age 55 years, after completing 10 or more years of creditable service in this capacity, and who leaves the member's total accumulated contributions in said System, may elect to retire on an unreduced retirement allowance upon attaining the age of 55 years or any time thereafter; provided that such member may so retire only upon electronic submission or written application to the Board of Trustees setting forth at what time, not less than one day nor more than 120 days subsequent to the execution and filing thereof, the member desires to be retired.

SECTION 3.(b) G.S. 135-5(a) reads as rewritten:

"(a) Service Retirement Benefits."

(1) Any member who became a member prior to August 1, 2011, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution of and filing thereof, he desires to be retired: Provided, that the said member at the time so specified for his retirement shall have attained the age of 60 years and have at least five years of membership service or shall have completed 30 years of creditable service.

(1a) Any member who became a member on or after August 1, 2011, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution of and filing thereof, the member desires to be retired: Provided, that the said member at the time so specified for the member's retirement shall have attained the age of 60 years and have at least 10 years of membership service or shall have completed 30 years of creditable service.

(2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.

299
(3) Any member who was in service October 8, 1981, who had attained 60 years of age, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired.

(4) Any member who is a law-enforcement officer, who became a member prior to August 1, 2011, and who attains age 50 and completes 15 or more years of creditable service in this capacity or who attains age 55 and completes five or more years of creditable service in this capacity, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired; Provided, also, any member who has met the conditions herein required but does not retire, and later becomes a teacher or an employee other than as a law-enforcement officer shall continue to have the right to commence retirement.

(4a) Any member who is a law-enforcement officer, who became a member on or after August 1, 2011, and who attains age 50 and completes 15 or more years of creditable service in this capacity or who attains age 55 and completes 10 or more years of creditable service in this capacity, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, the member desires to be retired; Provided, also, any member who has met the conditions herein required but does not retire, and later becomes a teacher or an employee other than as a law-enforcement officer shall continue to have the right to commence retirement.

(5) Any member who is eligible for and is being paid a benefit under the Disability Income Plan as provided in G.S. 135-105 or G.S. 135-106 shall be deemed a member in service and may not retire under the provisions of this section. Any member who has made electronic submission or written application for long-term or extended short-term benefits under the Disability Income Plan as provided in G.S. 135-105 or G.S. 135-106, and who has been rejected by the Plan's Medical Board for a long-term or extended short-term benefit shall have 90 days from the date of notification of the rejection to convert his application to an early or service retirement application, provided that the member meets the eligibility requirements, effective the first day of the month following the month in which short-term disability benefits ended or the first day of the month following the month in which any salary continuation as may be provided in G.S. 135-104 ended, whichever is later."

SECTION 3.(c) G.S. 135-5(a2) is repealed.

SECTION 3.(d) G.S. 135-5(b19) reads as rewritten:
"(b19) Service Retirement Allowance of Members Who Became a Member Prior to August 1, 2011, Retiring on or After July 1, 2002. – Upon retirement from service in accordance with subdivision (a)(1), (a)(4), or subsection (a) or (a1) of this section, on or after July 1, 2002, a member shall receive the following service retirement allowance:
...
"

SECTION 3.(e) G.S. 135-5(b20) is repealed.

SECTION 3.(f) G.S. 135-5(m) reads as rewritten:
"(m) Survivor's Alternate Benefit. – Upon the death of a member in service, who became a member prior to August 1, 2011, the beneficiary designated to receive a return of accumulated contributions shall have the right to elect to receive in lieu thereof the reduced
retirement allowance provided by Option 2 of subsection (g) above computed by assuming that the member had retired on the first day of the month following the date of his death, provided that all four of the following conditions apply:

"§ 135-57. Service retirement.

(a) Any member on or after January 1, 1974, who became a member prior to August 1, 2011, and who has attained his fiftieth birthday and five years of membership service may retire upon electronic submission or written application to the board of trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired.

(a1) Any member who became a member on or after August 1, 2011, and who has attained the member's fiftieth birthday and 10 years of membership service may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, the member desires to be retired.

(b) Any member who is a justice or judge of the General Court of Justice shall be automatically retired as of the first day of the calendar month coinciding with or next following the later of January 1, 1974, or his attainment of his seventy-second birthday; provided, however, that no judge who is a member on January 1, 1974, shall be forced to retire under the provisions of this subsection at an earlier date than the last day that he is permitted to remain in office under the provisions of G.S. 7A-4.20.

(c) Any member who terminates service on or after January 1, 1974, having accumulated five or more years of creditable service and having become a member prior to August 1, 2011, may retire under the provisions of subsection (a) above, provided that he shall not have withdrawn his accumulated contributions prior to the effective date of his retirement, and the requirement of subsection (a) that the member be in service shall not apply.

(c1) Any member having accumulated 10 or more years of creditable service and having become a member on or after August 1, 2011, may retire under the provisions of subsection (a1) above, provided that the member shall not have withdrawn the member's accumulated contributions prior to the effective date of the member's retirement, and the requirement of subsection (a1) that the member be in service shall not apply.

(d) Any member who was in service October 8, 1981, who had attained 50 years of age, may retire upon electronic submission or written application to the board of trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired."
G.S. 127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided, in any event, the benefit payable shall be no less than ten dollars ($10.00) a month. However, a disabled participant may elect to receive any salary continuation as provided in G.S. 135-104 in lieu of long-term disability benefits; provided such election shall not extend the first 36 consecutive calendar months of the long-term disability period. An election to receive any salary continuation for any part of any given day shall be in lieu of any long-term benefit payable for that day, provided further, any lump-sum payout for vacation leave shall be treated as if the beneficiary or participant had exhausted the leave and shall be in lieu of any long-term benefit otherwise payable. Provided that, in any event, a beneficiary's benefit shall be reduced during the first 36 months of the long-term disability period by an amount, as determined by the Board of Trustees, equal to a primary Social Security retirement benefit to which the beneficiary might be entitled.

After 36 months of long-term disability, no further benefits are payable under the terms of this section unless the member has been approved and is in receipt of primary Social Security disability benefits. In that case the benefits payable shall be equal to sixty-five percent (65%) of 1/12th of the annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period as may be adjusted for percentage increases as provided under G.S. 135-108, plus sixty-five percent (65%) of 1/12th of the annual longevity payment to which the participant or beneficiary would be eligible, to a maximum of three thousand nine hundred dollars ($3,900) per month reduced by the primary Social Security disability benefits to which the beneficiary may be entitled, effective as of the first of the month following the month of initial entitlement, and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. When primary Social Security disability benefits are increased by cost-of-living adjustments, the increased reduction shall be applied in the first month following the month in which the member becomes entitled to the increased Social Security benefit. The monthly benefit shall be further reduced by the amount of any monthly payments from the federal Department of Veterans Affairs, for payments from any other federal agency, or for any payments made under the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided, in any event, the benefit payable shall be no less than ten dollars ($10.00) a month.

Notwithstanding the foregoing, but subject to an additional integration with the five-year and 10-year retirement vesting provisions as set forth in this paragraph, the long-term disability benefit is payable so long as the beneficiary is disabled and is in receipt of a primary Social Security disability benefit until the earliest date at which the beneficiary who became a member prior to August 1, 2011, is eligible for an unreduced service retirement allowance from the Retirement System, at which time the beneficiary would receive a retirement allowance calculated on the basis of the beneficiary's average final compensation at the time of disability as adjusted to reflect compensation increases subsequent to the time of disability and the creditable service accumulated by the beneficiary, including creditable service while in receipt of benefits under the Plan. In the case of any long-term disability beneficiary who became a member on and after August 1, 2011, and ordinarily would not be eligible for a retirement benefit without 10 years of membership service, for purposes of this conversion from long-term disability to service retirement, and for that purpose only, noncontributory creditable service granted while in receipt of disability benefits under this Article shall be deemed to be membership service, through the completion of 10 years of combined membership and noncontributory service on short-term and long-term disability benefits in total. In the event the beneficiary has not been approved and is not in receipt of a primary Social Security disability benefit, the long-term disability benefit shall cease after the first 36 months of the long-term disability period. When such a long-term disability recipient begins receiving this unreduced service retirement allowance from the System, that recipient shall not be subject to the six-month waiting period set forth in G.S. 135-1(20). However, a beneficiary shall be entitled to a restoration of the long-term disability benefit in the event the Social Security
Administration grants a retroactive approval for primary Social Security disability benefits with a benefit effective date within the first 36 months of the long-term disability period. In such event, the long-term disability benefit shall be restored retroactively to the date of cessation.

SEC. 3. (j) G.S. 143-166.41 reads as rewritten:

"§ 143-166.41. Special separation allowance.

(a) Notwithstanding any other provision of law, every sworn law-enforcement officer as defined by G.S. 135-1(11c) or G.S. 143-166.30(a)(4) employed by a State department, agency, or institution prior to August 1, 2011, and who qualifies under this section shall receive, beginning in the month in which he retires on a basic service retirement under the provisions of G.S. 135-5(a), an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to him for each year of creditable service. The allowance shall be paid in equal installments on the payroll frequency used by the employer. To qualify for the allowance the officer shall: 

1. Have (i) completed 30 or more years of creditable service or, (ii) have attained 55 years of age and completed five or more years of creditable service; and
2. Not have attained 62 years of age; and
3. Have completed at least five years of continuous service as a law enforcement officer as herein defined immediately preceding a service retirement. Any break in the continuous service required by this subsection because of disability retirement or disability salary continuation benefits shall not adversely affect an officer's qualification to receive the allowance, provided the officer returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance.

(a1) Notwithstanding any other provision of law, every sworn law-enforcement officer as defined by G.S. 135-1(11c) or G.S. 143-166.30(a)(4) employed by a State department, agency, or institution on or after August 1, 2011, and who qualifies under this section shall receive, beginning in the month in which the member retires on a basic service retirement under the provisions of G.S. 135-5(a), an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to him for each year of creditable service. The allowance shall be paid in equal installments on the payroll frequency used by the employer. To qualify for the allowance, the officer shall:

1. Have (i) completed 30 or more years of creditable service or (ii) attained 55 years of age and completed 10 or more years of creditable service; and
2. Not have attained 62 years of age; and
3. Have completed at least 10 years of continuous service as a law enforcement officer as herein defined immediately preceding a service retirement. Any break in the continuous service required by this subsection because of disability retirement or disability salary continuation benefits shall not adversely affect an officer's qualification to receive the allowance, provided the officer returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance.

..."

SEC. 4. Sections 1 and 2 of this act become effective January 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of July, 2014.

Became law upon approval of the Governor at 9:17 a.m. on the 30th day of July, 2014.
Session Law 2014-89

H.B. 1033

AN ACT TO AUTHORIZE A COUNTY TO IMPOSE A SPECIAL ASSESSMENT FOR REPAIR OF A DAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-210.1 is amended by adding a new subsection to read:

"(a1) Purpose of Dam Repair. – The General Assembly finds that dam repair is a public purpose promoting flood control and public safety."

SECTION 2. G.S. 153A-210.1(b) reads as rewritten:

"(b) Sunset. – This Article expires July 1, 2015. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or bonds issued or authorized under the provisions of this Article prior to the effective date of the expiration."

SECTION 3. G.S. 153A-210.2 is amended by adding a new subsection to read:

"(a1) Dam Repair Project. – The board of commissioners of a county may make special assessments as provided in this Article against property that is contiguous to a lake, and benefits from access to the same lake, for the purpose of repairing the dam of that lake. The provisions of this subsection only apply to a privately owned dam formerly used for textile mill purposes, forming a lake between 225 and 325 acres in area."

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

In the General Assembly read three times and ratified this the 21st day of July, 2014. Became law upon approval of the Governor at 9:43 a.m. on the 30th day of July, 2014.

Session Law 2014-90

H.B. 201

AN ACT TO AMEND THE APPLICABILITY OF THE ENERGY CONSERVATION CODE TO CERTAIN EXISTING NONRESIDENTIAL BUILDINGS, TO CLARIFY STORMWATER PROGRAM IMPERVIOUS SURFACE CALCULATIONS FOR REDEVELOPMENT, TO CREATE AN EXEMPTION FROM THE NORTH CAROLINA ENVIRONMENTAL PROTECTION ACT FOR THE REOCCUPATION OF AN EXISTING BUILDING OR FACILITY, AND TO AMEND THE STATUTE GOVERNING THE DEPARTMENT OF COMMERCE RURAL ECONOMIC DEVELOPMENT DIVISION.

The General Assembly of North Carolina enacts:

PART I. APPLICABILITY OF THE ENERGY CONSERVATION CODE TO CERTAIN EXISTING NONRESIDENTIAL BUILDINGS

SECTION 1. G.S. 143-138 is amended by adding a new subsection to read:

"(b15) Exclusion from Energy Code Requirements for Existing Commercial Buildings. – The alteration of commercial buildings and structures that received a certificate of occupancy prior to January 1, 2012, may be subject to the rules pertaining to energy efficiency and energy conservation that were in effect on December 31, 2011. The addition to commercial buildings and structures that received a certificate of occupancy prior to January 1, 2012, may be subject to the rules pertaining to energy efficiency and energy conservation that were in effect on December 31, 2011, so long as the addition does not increase the building area of the existing commercial building or structure to more than one hundred fifty percent (150%) of the building area of the commercial building or structure as it was in existence on December 31, 2011. For the purpose of this subsection, the term "commercial buildings and structures" shall include all structures and buildings that are not classified as a Group R occupancy by the Building Code Council."
PART II. STORMWATER PROGRAM IMPERVIOUS SURFACE CALCULATIONS FOR REDEVELOPMENT

SECTION 2. G.S. 143-214.7 reads as rewritten:

"§ 143-214.7. Stormwater runoff rules and programs.
   (a) Policy, Purpose and Intent. – The Commission shall undertake a continuing planning process to develop and adopt a statewide plan with regard to establishing and enforcing stormwater rules for the purpose of protecting the surface waters of the State. It is the purpose and intent of this section that, in developing stormwater runoff rules and programs, the Commission may utilize stormwater rules established by the Commission to protect classified shellfish waters, water supply watersheds, and outstanding resource waters; and to control stormwater runoff disposal in coastal counties and other nonpoint sources. Further, it is the intent of this section that the Commission phase in the stormwater rules on a priority basis for all sources of pollution to the water. The plan shall be applied evenly throughout the State to address the State's water quality needs. The Commission shall continually monitor water quality in the State and shall revise stormwater runoff rules as necessary to protect water quality. As necessary, the stormwater rules shall be modified to comply with federal regulations.
   (a1) Definitions. – The following definitions apply in this section:
      (1) Development. – Any land-disturbing activity that increases the amount of built-upon area or that otherwise decreases the infiltration of precipitation into the subsoil. When additional development occurs at a site that has existing development, the built-upon area of the existing development shall not be included in the density calculations for additional stormwater control requirements, and stormwater control requirements cannot be applied retroactively to existing development, unless otherwise required by federal law.
      (2) Redevelopment. – Any land-disturbing activity that does not result in a net increase in built-upon area and that provides greater or equal stormwater control to that of the previous development.
   (b) The Commission shall implement stormwater runoff rules and programs for point and nonpoint sources on a phased-in statewide basis. The Commission shall consider standards and best management practices for the protection of the State's water resources in the following order of priority:
      (1) Classified shellfish waters.
      (2) Water supply watersheds.
      (3) Outstanding resource waters.
      (4) High quality waters.
      (5) All other waters of the State to the extent that the Commission finds control of stormwater is needed to meet the purposes of this Article.
   (b1) The Commission shall develop model practices for incorporation of stormwater capture and reuse into stormwater management programs and shall make information on those model practices available to State agencies and local governments.
   (b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a wooden slatted deck, the water area of a swimming pool, or gravel.
   (b3) Stormwater runoff rules and programs shall not require private property owners to install new or increased stormwater controls for (i) preexisting development or (ii) redevelopment activities that do not remove or decrease existing stormwater controls.
   ...."

SECTION 3. Section 2 of S.L. 2006-246, as amended by Section 51(b) of S.L. 2013-413, reads as rewritten:
"SECTION 2. Definitions. – The following definitions apply to this act and its implementation:

(1) The definitions set out in 40 Code of Federal Regulations § 122.2 (Definitions) and § 122.26(b) (Storm Water Discharges) (1 July 2003 Edition).

(2) The definitions set out in G.S. 143-212 and G.S. 143-213, G.S. 143-212, G.S. 143-213, and G.S. 143-214.7(a1).

(3) The definitions set out in 15A NCAC 2H .0103 (Definitions of Terms).

(4) The definitions set out in 15A NCAC 2H .1002 (Definitions), except for the definitions of "Built-upon area", "Development", and "Redevelopment", which are defined below (Definitions).

(5) "One-year, 24-hour storm" means a rainfall of an intensity expected to be equaled or exceeded, on average, once in 12 months and with a duration of 24 hours.

(6) "BMP" means Best Management Practice.

(7) Repealed by Session Laws 2013-413, s. 51.(b), effective August 23, 2013.

(8) "Development" means any land-disturbing activity that increases the amount of built-upon area or that otherwise decreases the infiltration of precipitation into the soil.

(9) "Division" means the Division of Water Quality in the Department.

(10) "Planning jurisdiction" means the territorial jurisdiction within which a municipality exercises the powers authorized by Article 19 of Chapter 160A of the General Statutes, or a county may exercise the powers authorized by Article 18 of Chapter 153A of the General Statutes.

(11) "Public entity" means the United States; the State; a city, village, township, county, school district, public college or university, or single-purpose governmental agency; or any other governing body that is created by federal or State law.

(12) "Redevelopment" means any land-disturbing activity that does not result in a net increase in built-upon area and that provides greater or equal stormwater control than the previous development.

(13) "Regulated entity" means any public entity that must obtain a Phase II National Pollutant Discharge Elimination System (NPDES) permit for stormwater management for its municipal separate storm sewer system (MS4).

(14) "Sensitive receiving waters" means any of the following:
   a. Waters that are classified as high quality, outstanding resource, shellfish, trout, or nutrient-sensitive waters in accordance with subsections (d) and (e) of 15A NCAC 2B .0101 (Procedures for Assignment of Water Quality Standards – General Procedures).
   b. Waters that are occupied by or designated as critical habitat for aquatic animal species that are listed as threatened or endangered by the United States Fish and Wildlife Service or the National Marine Fisheries Service under the provisions of the Endangered Species Act of 1973 (Pub. L. No. 93-205; 87 Stat. 884; 16 U.S.C. §§ 1531, et seq.), as amended.
   c. Waters for which the designated use, as described by the classification system set out in subsections (c), (d), and (e) of 15A NCAC 2B .0101 (Procedures for Assignment of Water Quality Standards – General Procedures), have been determined to be impaired in accordance with the requirements of subsection (d) of 33 U.S.C. § 1313.

306
(15) "Shellfish resource waters" means Class SA waters that contain an average concentration of 500 parts per million of natural chloride ion. Average concentration is determined by averaging the chloride concentrations of five water samples taken one-half mile downstream from the project site that are taken on separate days, within one hour of high tide, and not within 48 hours following a rain event. The chloride ion concentrations are to be determined by a State-certified laboratory.

(16) "Significant contributor of pollutants" means a municipal separate storm sewer system (MS4) or a discharge that contributes to the pollutant loading of a water body or that destabilizes the physical structure of a water body such that the contribution to pollutant loading or the destabilization may reasonably be expected to adversely affect the quality and uses of the water body. Uses of a water body shall be determined pursuant to 15A NCAC 2B .0211 through 15A NCAC 2B .0222 (Classifications and Water Quality Standards Applicable to Surface Waters and Wetlands of North Carolina) and 15A NCAC 2B .0300, et seq. (Assignment of Stream Classifications).

(17) "Total maximum daily load (TMDL) implementation plan" means a written, quantitative plan and analysis for attaining and maintaining water quality standards in all seasons for a specific water body and pollutant.

PART III. SEPA EXEMPTION FOR REOCCUPATION OF AN EXISTING BUILDING OR FACILITY

SECTION 4. G.S. 113A-12 reads as rewritten:

"§ 113A-12. Environmental document not required in certain cases.

No environmental document shall be required in connection with:

(7) The redevelopment or reoccupation of an existing building or facility, so long as any additions to the existing building or facility do not increase the total footprint to more than one hundred fifty percent (150%) of the footprint of the existing building or facility and so long as any new construction does not increase the total footprint to more than one hundred fifty percent (150%) of the footprint of the existing building or facility."

SECTION 5. G.S. 113A-8 reads as rewritten:

"§ 113A-8. Major development projects.

(a) The governing bodies of all cities, counties, and towns acting individually, or collectively, may by ordinance require any special-purpose unit of government or private developer of a major development project to submit detailed statements, as defined in G.S. 113A-4(2), of the impact of such projects for consideration by those governing bodies in matters within their jurisdiction. Any such ordinance may not be designed to apply to only a particular major development project, and shall be applied consistently.

(b) Any ordinance adopted pursuant to this section shall exempt those major development projects for which a detailed statement of the environmental impact of the project or a functionally equivalent permitting process is required by federal or State law, regulation, or rule.

(c) Any ordinance adopted pursuant to this section shall establish minimum criteria to be used in determining whether a statement of environmental impact is required. A detailed statement of environmental impact may not be required for a project that does not exceed the minimum criteria and any exceptions to the minimum criteria established by the ordinance."

(d) Any ordinance adopted pursuant to this section shall exempt from its requirements the certain cases for which an environmental document is not required as set forth in G.S. 113A-12."
PART IV. ALLOW ECONOMICALLY DISADVANTAGED AND RURAL AREAS TO ACCESS REDD BUILDING REUSE FUNDS

SECTION 6. G.S. 143B-472.127(a)(2) reads as rewritten:

"(2) To provide matching grants or loans to local government units located in an economically distressed county, either (i) a development tier one or tier two area or (ii) a rural census tract in a development tier three area that will productively reuse or demolish vacant buildings and properties or construct or expand rural health care facilities, with priority given to towns or communities with populations of less than 5,000. The development tier designation of a county shall be determined as provided in G.S. 143B-437.08. For purposes of this section, the term "economically distressed county" has the same meaning as in G.S. 143B-437.01. "rural census tract" means a census tract having a population density of less than 500 people per square mile according to the most recent decennial federal census."

PART V. COMMISSIONS TO AMEND RULES TO CONFORM WITH THIS ACT

SECTION 7. The Building Code Council, the Environmental Management Commission, the Coastal Management Commission, and the Department of Environment and Natural Resources shall amend their rules to conform with this act.

PART VI. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 8. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

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

In the General Assembly read three times and ratified this the 25th day of July, 2014.

Became law upon approval of the Governor at 6:05 p.m. on the 30th day of July, 2014.

Session Law 2014-91

AN ACT RELATING TO MUNICIPAL REGULATION OF VACATION RENTALS AND OTHER TRANSIENT OCCUPANCIES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:

§ 160A-394. Zoning regulations for residential vacation rental or other transient occupancy.

(a) Notwithstanding G.S. 160A-424(c), a city may, by ordinance, establish and enforce zoning regulations for residential dwellings occupied on a vacation rental or other transient occupancy basis. These zoning regulations may include any of the following:

(1) Required permitting.
(2) Prohibition of vacation rentals or other transient occupancy in certain residential zoning districts.
(3) Limits on number of cars and occupants.
(4) Signage.
(5) Preserving residential character.
(6) Completion and filing of financial reports and payment of any occupancy taxes.
(7) Time limits.
(8) Use of amortizations for nonconforming transient occupancy dwelling.
(9) Any other regulations reasonably necessary to mitigate potential neighborhood impacts.

(b) For the purposes of this section, the phrase "vacation rental or other transient occupancy" means an occupancy intended to be temporary or that is offered or available by short-term lease or otherwise for a time period or lease term of less than 90 days in a residential dwelling unit. An owner of a residential dwelling unit may allow short-term occupancy by another for up to three weeks per calendar year without it being considered a vacation rental or other transient occupancy.

SECTION 2. This act applies to the Town of Cornelius only.

SECTION 3. This act is effective when it becomes law and expires on December 31, 2021. Nothing in this act shall be construed to affect or repeal any ordinance that was adopted under a city's general police powers or zoning authority prior to the enactment of this act.

In the General Assembly read three times and ratified this the 31st day of July, 2014.

Became law on the date it was ratified.

Session Law 2014-92

H.B. 1218

AN ACT AMENDING THE CHARTER OF THE CITY OF MONROE TO REMOVE THE PROVISION AUTHORIZING THE CITY MANAGER TO HAVE DIRECT SUPERVISORY AUTHORITY OVER THE CITY ATTORNEY AND TO PROVIDE THAT VACANCIES ON THE CABARRUS COUNTY BOARD OF COMMISSIONERS ARE NOT FILLED IN ACCORDANCE WITH G.S. 153A-27.1.

The General Assembly of North Carolina enacts:

SECTION 1. Section 4.8 of the Charter of the City of Monroe, being S.L. 2000-35, reads as rewritten:

"Section 4.8. Council-Manager Relationship. The Council shall hold the City Manager responsible for the proper management of the affairs of the City and he or she shall keep the Council informed of the conditions and needs of the City and shall make such reports and recommendations as may be requested by the Council or as he or she may deem necessary. The City Manager shall have the authority to appoint and remove all officers, department heads, and employees in the administrative service of the City, except those provided in this Charter to be appointed and removed by the Council. The City Manager shall have direct supervisory authority over the City Attorney, City Clerk, Chief of Police, and Tax Collector in the performance of their respective duties and responsibilities. Neither the Mayor, the City Council, nor any member thereof shall direct the conduct or activities of any City employee, directly or indirectly, except through the City Manager."

SECTION 2.(a) G.S. 153A-27.1(h) reads as rewritten:

"(h) This section shall apply only in the following counties: Alamance, Alexander, Alleghany, Avery, Beaufort, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Carteret, Cherokee, Clay, Cleveland, Cumberland, Dare, Davidson, Davie, Forsyth, Graham, Guilford, Haywood, Henderson, Hyde, Jackson, Lee, Lincoln, Macon, Madison, McDowell, Mecklenburg, Moore, Pender, Polk, Randolph, Rockingham, Rutherford, Sampson, Stanly, Stokes, Transylvania, and Yancey."

SECTION 2.(b) This section becomes effective December 1, 2014, and applies to vacancies filled on or after that date.

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

In the General Assembly read three times and ratified this the 1st day of August, 2014.

Became law on the date it was ratified.
Session Law 2014-93

AN ACT TO PROVIDE THAT UNCLAIMED UNITED STATES SAVINGS BONDS SHALL ESCHEAT TO THE STATE, TO DIRECT THE TREASURER TO REDEEM THOSE UNITED STATES SAVINGS BONDS ESCHEATED TO THE STATE, TO CREATE AN ESCHÉAT SAVINGS BOND TRUST FUND WITHIN THE ESCHÉAT FUND FOR DEPOSIT OF THE PROCEEDS OF THOSE REDEMPTIONS, AND TO PROVIDE THAT INTEREST AND INVESTMENT EARNINGS FROM THE ESCHÉAT SAVINGS BOND TRUST FUND SHALL BE USED TO FUND SCHOLARSHIPS TO WORTHY AND NEEDY STUDENTS WHO ARE RESIDENTS OF NORTH CAROLINA AND ARE ENROLLED IN PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Chapter 116B of the General Statutes is amended by adding a new section to read:

§ 116B-54A. Unclaimed United States savings bonds.

(a) U.S. Savings Bonds. – Except as otherwise provided in this section, the provisions of this Article apply to United States savings bonds. A United States savings bond is unclaimed and presumed abandoned if the owner of the savings bond fails to redeem the savings bond within three years after the savings bond has fully matured. The Treasurer may bring a civil action under this section to take all property rights and legal title and ownership of the savings bond or proceeds from the savings bond, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary. For purposes of this section, the term "savings bond" also includes United States savings notes, also known as Freedom Shares.

(b) Civil Action. – Within 365 days after a United States savings bond is unclaimed and presumed abandoned under subsection (a) of this section, the Treasurer may commence a civil action in the Superior Court of Wake County for a determination that the savings bond escheats to the State of North Carolina. The Treasurer must make sufficient efforts to locate the owner of the savings bond before bringing an action under this section. The Treasurer may not bring an action under this section until a sufficient amount of United States savings bonds have accumulated owing to persons with a last known address of North Carolina to justify the expense of a proceeding under this section. The Treasurer may not bring an action under this section as to a specific savings bond if a claim has been filed for that savings bond in accordance with the provisions of this Article.

(c) Title to the Savings Bond. – The court must enter a judgment that the United States savings bonds have escheated to the State of North Carolina and that all property rights and legal title to and ownership of the savings bonds or proceeds from the bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, vest solely in the State of North Carolina if all of the following conditions are met:

(1) No person files a claim or appears at the hearing to substantiate a claim.

(2) The court determines that a person who has filed a claim or appears at the hearing to substantiate a claim is not entitled to the property claimed by the claimant.

(3) The court is satisfied by the evidence that the Treasurer has substantially complied with the laws of this State.

(d) Claim for Escheated Savings Bond. – A person claiming ownership for a United States savings bond that has escheated to the State of North Carolina, or for the proceeds from a savings bond that has been redeemed by the Treasurer, may file a claim in accordance with the provisions of this Article. Upon providing sufficient proof of the validity of a person's claim, the Treasurer may pay the claim.

(e) Redemption of Savings Bond. – The Treasurer must take steps necessary to redeem any United States savings bond that has escheated to the State of North Carolina under this
The proceeds from the redemption of the savings bond must be deposited in the Escheat Savings Bond Trust Fund, as provided in subsection (f) of this section.

(f) Escheat Savings Bond Trust Fund. – The Escheat Savings Bond Trust Fund is established as a separately accounted fund within the Escheat Fund. The net proceeds from redemption of United States savings bonds must be credited to this Fund. The Escheat Savings Bond Trust Fund shall be treated as an endowment, and subject to the Treasurer withholding an amount necessary to accomplish the Treasurer's duties as set out in this Chapter, its corpus may only be spent for purposes of investment and to pay funds to potential claimants. The interest and investment earnings on the Escheat Savings Bond Trust Fund shall be used exclusively to provide scholarships to worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State.”

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

In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law upon approval of the Governor at 11:55 a.m. on the 1st day of August, 2014.

AN ACT RELATING TO ZONING PROVISIONS FOR TEMPORARY HEALTH CARE STRUCTURES.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 18 of Chapter 153A of the General Statutes is amended by adding a new section to read:


A county exercising powers under this Article shall comply with G.S. 160A-383.5.”

SECTION 2. Part 3 of Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:


(a) The following definitions apply in this section:

(1) Activities of daily living. – Bathing, dressing, personal hygiene, ambulation or locomotion, transferring, toileting, and eating.

(2) Caregiver. – An individual 18 years of age or older who (i) provides care for a mentally or physically impaired person and (ii) is a first or second degree relative of the mentally or physically impaired person for whom the individual is caring.

(3) First or second degree relative. – A spouse, lineal ascendant, lineal descendant, sibling, uncle, aunt, nephew, or niece and includes half, step, and in-law relationships.

(4) Mentally or physically impaired person. – A person who is a resident of this State and who requires assistance with two or more activities of daily living as certified in writing by a physician licensed to practice in this State.

(5) Temporary family health care structure. – A transportable residential structure, providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person, that (i) is primarily assembled at a location other than its site of installation, (ii) is limited to one occupant who shall be the mentally or physically impaired person, (iii) has no more than 300 gross square feet, and (iv) complies with applicable provisions of the State Building Code and G.S. 143-139.1(b). Placing the temporary family health care structure on a permanent foundation shall not be required or permitted.
(b) A city shall consider a temporary family health care structure used by a caregiver in providing care for a mentally or physically impaired person on property owned or occupied by the caregiver as the caregiver’s residence as a permitted accessory use in any single-family residential zoning district on lots zoned for single-family detached dwellings.

(c) A city shall consider a temporary family health care structure used by an individual who is the named legal guardian of the mentally or physically impaired person a permitted accessory use in any single-family residential zoning district on lots zoned for single-family detached dwellings in accordance with this section if the temporary family health care structure is placed on the property of the residence of the individual and is used to provide care for the mentally or physically impaired person.

(d) Only one temporary family health care structure shall be allowed on a lot or parcel of land. The temporary family health care structures under subsections (b) and (c) of this section shall not require a special use permit or be subjected to any other local zoning requirements beyond those imposed upon other authorized accessory use structures, except as otherwise provided in this section. Such temporary family health care structures shall comply with all setback requirements that apply to the primary structure and with any maximum floor area ratio limitations that may apply to the primary structure.

(e) Any person proposing to install a temporary family health care structure shall first obtain a permit from the city. The city may charge a fee of up to one hundred dollars ($100.00) for the initial permit and an annual renewal fee of up to fifty dollars ($50.00). The city may not withhold a permit if the applicant provides sufficient proof of compliance with this section. The city may require that the applicant provide evidence of compliance with this section on an annual basis as long as the temporary family health care structure remains on the property. The evidence may involve the inspection by the city of the temporary family health care structure at reasonable times convenient to the caregiver, not limited to any annual compliance confirmation, and annual renewal of the doctor’s certification.

(f) Notwithstanding subsection (i) of this section, any temporary family health care structure installed under this section may be required to connect to any water, sewer, and electric utilities serving the property and shall comply with all applicable State law, local ordinances, and other requirements, including Part 5 of this Article, as if the temporary family health care structure were permanent real property.

(g) No signage advertising or otherwise promoting the existence of the temporary family health care structure shall be permitted either on the exterior of the temporary family health care structure or elsewhere on the property.

(h) Any temporary family health care structure installed pursuant to this section shall be removed within 60 days in which the mentally or physically impaired person is no longer receiving or is no longer in need of the assistance provided for in this section. If the temporary family health care structure is needed for another mentally or physically impaired person, the temporary family health care structure may continue to be used, or may be reinstated on the property within 60 days of its removal, as applicable.

(i) The city may revoke the permit granted pursuant to subsection (e) of this section if the permit holder violates any provision of this section or G.S. 160A-202. The city may seek injunctive relief or other appropriate actions or proceedings to ensure compliance with this section or G.S. 160A-202.

(j) Temporary family health care structures shall be treated as tangible personal property for purposes of taxation.

SECTION 3. G.S. 130A-250 is amended by adding a new subdivision to read:

"(14) Temporary family health care structures under G.S. 153A-341.3 or G.S. 160A-383.5."

SECTION 4. G.S. 131D-2.1(10) reads as rewritten:

"(10) Multiunit assisted housing with services. – An assisted living residence in which hands-on personal care services and nursing services which are arranged by housing management are provided by a licensed home care or
hospice agency through an individualized written care plan. The housing management has a financial interest or financial affiliation or formal written agreement which makes personal care services accessible and available through at least one licensed home care or hospice agency. The resident has a choice of any provider, and the housing management may not combine charges for housing and personal care services. All residents, or their compensatory agents, must be capable, through informed consent, of entering into a contract and must not be in need of 24-hour supervision. Assistance with self-administration of medications may be provided by appropriately trained staff when delegated by a licensed nurse according to the home care agency's established plan of care. Multiunit assisted housing with services programs are required to register annually with the Division of Health Service Regulation. Multiunit assisted housing with services programs are required to provide a disclosure statement to the Division of Health Service Regulation. The disclosure statement is required to be a part of the annual rental contract that includes a description of the following requirements:

a. Emergency response system;
b. Charges for services offered;
c. Limitations of tenancy;
d. Limitations of services;
e. Resident responsibilities;
f. Financial/legal relationship between housing management and home care or hospice agencies;
g. A listing of all home care or hospice agencies and other community services in the area;
h. An appeals process; and
i. Procedures for required initial and annual resident screening and referrals for services.

Continuing care retirement communities, subject to regulation by the Department of Insurance under Chapter 58 of the General Statutes, and temporary family health care structures, as defined in G.S. 160A-383.5, are exempt from the regulatory requirements for multiunit assisted housing with services programs."

SECTION 5. G.S. 160A-442(2) reads as rewritten:

"(2) "Dwelling" means any building, structure, manufactured home or mobile home, or part thereof, used and occupied for human habitation or intended to be so used, and includes any outhouses and appurtenances belonging thereto or usually enjoyed therewith, except that it does not include any manufactured home or mobile home, which is used solely for a seasonal vacation purpose. Temporary family health care structures, as defined in G.S. 160A-383.5, shall be considered dwellings for purposes of this Part, provided that any ordinance provision requiring minimum square footage shall not apply to such structures."

SECTION 6. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 7. This act becomes effective October 1, 2014, and applies to temporary family health care structures existing on or after that date. No county or city may impose a fee as authorized by Section 1 and Section 2 of this act on any temporary family health care structure existing on that date.

In the General Assembly read three times and ratified this the 25th day of July, 2014.
Became law upon approval of the Governor at 11:55 a.m. on the 1st day of August, 2014.

Session Law 2014-95

AN ACT TO DISAPPROVE THE MITIGATION PROGRAM REQUIREMENTS FOR PROTECTION AND MAINTENANCE OF RIPARIAN BUFFERS RULE ADOPTED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION, DIRECT THE ENVIRONMENTAL MANAGEMENT COMMISSION TO ADOPT A NEW MITIGATION PROGRAM REQUIREMENTS FOR PROTECTION AND MAINTENANCE OF RIPARIAN BUFFERS RULE, AND AMEND WASTEWATER DISPOSAL SYSTEM REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Pursuant to G.S. 150B-21.3(b1), 15A NCAC 02B .0295 (Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers), as adopted by the Environmental Management Commission on May 9, 2013, and approved by the Rules Review Commission on July 18, 2013, is disapproved.

SECTION 2. No later than October 1, 2014, the Environmental Management Commission shall adopt a Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers Rule pursuant to G.S. 150B-21.1. The rule adopted pursuant to this section shall be substantively identical to the recommended rule text contained in the April 10, 2014, Consolidated Buffer Mitigation Rule Stakeholder Report.

SECTION 3. G.S. 143-215.1 is amended by adding a new subsection to read:

"(a7) For high rate infiltration wastewater disposal systems that utilize non-native soils or materials in a basin sidewall to enhance infiltration, the non-native soils or materials in the sidewall shall not be considered part of the disposal area provided that all of the following standards are met:

(1) In addition to the requirements established by the Commission pursuant to subsection (a4) of G.S. 143-215.1, the treatment system shall include a mechanism to provide filtration of effluent to 0.5 microns or less and all essential treatment units shall be provided in duplicate.

(2) Particle size analysis in accordance with ASTM guidelines for all native and non-native materials shall be performed. Seventy-five percent (75%) of all non-native soil materials specified shall have a particle size of less than 4.8 millimeters.

(3) Non-native materials shall comprise no more than fifty percent (50%) of the basin sidewall area.

(4) Systems meeting the standards set out in subdivisions (1), (2), and (3) of this subsection shall be considered nondischarge systems, and the outfall of any associated groundwater lowering device shall be considered groundwater provided the outfall does not violate water quality standards."

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

In the General Assembly read three times and ratified this the 31st day of July, 2014.

Became law upon approval of the Governor at 11:56 a.m. on the 1st day of August, 2014.

Session Law 2014-96

AN ACT TO REAUTHORIZE EXPIRED SPECIAL REGISTRATION PLATES, TO AUTHORIZE ADDITIONAL SPECIAL REGISTRATION PLATES TO BE ON A BACKGROUND OTHER THAN THE "FIRST IN FLIGHT" BACKGROUND, AND TO ESTABLISH A PROCESS BY WHICH PERSONS OR ORGANIZATIONS MUST OBTAIN A MINIMUM NUMBER OF PAID APPLICATIONS PRIOR TO OBTAINING
LEGISLATIVE APPROVAL FOR THE DEVELOPMENT OF A SPECIAL REGISTRATION PLATE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Any special registration plate authorized under G.S. 20-79.4 that expired as a matter of law on July 1, 2013, pursuant to G.S. 20-79.8, is reenacted. The corresponding provisions for fees under G.S. 20-79.7(a1) and (b) and any other corresponding requirements for the plates under G.S. 20-81.12 are also reenacted. A special registration plate reenacted under this section is subject to the requirements of G.S. 20-63(b1) if the plate is authorized to be on a background other than a "First in Flight" background.

SECTION 1.(b) This section is effective when it becomes law. A special registration plate reenacted by this section shall expire, as a matter of law, on October 1, 2014, if the required number of applications for the special registration plate has not been received by the Division of Motor Vehicles by that date. The notification procedure and the responsibilities of the Revisor of Statutes for a special registration plate that expires pursuant to this subsection shall be in accordance with G.S. 20-79.8 except that the notification date shall be no later than October 15, 2015. The Division shall not accept applications for nor advertise any special registration plate that has expired pursuant to this subsection.

SECTION 2. G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

(1) Friends of the Great Smoky Mountains National Park.
(2) Rocky Mountain Elk Foundation.
(3) Blue Ridge Parkway Foundation.
(4) Friends of the Appalachian Trail.
(5) NC Coastal Federation.
(6) In God We Trust.
(7) Stock Car Racing Theme.
(8) Buddy Pelletier Surfing Foundation.
(9) Guilford Battleground Company.
(10) National Wild Turkey Federation.
(12) First in Forestry.
(13) North Carolina Wildlife Habitat Foundation.
(14) NC Trout Unlimited.
(15) Ducks Unlimited.
(16) Lung Cancer Research.
(17) NC State Parks.
(18) Support Our Troops.
(19) US Equine Rescue League.
(20) Fox Hunting.
(21) Back Country Horsemen of North Carolina.
(22) Hospice Care.
(23) Home Care and Hospice.
(24) NC Tennis Foundation.
(25) AIDS Awareness.
(26) Donate Life.
(27) Farmland Preservation.
(28) Travel and Tourism.
(29) Battle of Kings Mountain.
(30) NC Civil War.
(31) North Carolina Zoological Society.
(32) United States Service Academy.
(33) Carolina Raptor Center.
(34) Carolinas Credit Union Foundation.
(35) North Carolina State Flag.
(36) NC Mining.
(37) Coastal Land Trust.
(38) ARTS NC.
(39) Choose Life.
(41) NC Horse Council.
(42) Core Sound Waterfowl Museum and Heritage Center.
(43) Mountains-to-Sea Trail, Inc.
(44) Native Brook Trout.
(45) Red Drum.
(46) S.T.A.R.
(47) Alpha Phi Alpha."

SECTION 3.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-79.3A. Requirements to establish a special registration plate.
(a) Minimum Number of Paid Applications. – An applicant under this section is a person, organization, or other legal entity seeking authorization to establish a special registration plate for a motor vehicle or a motorcycle. An applicant must obtain the minimum number of paid applications from potential purchasers before submitting a Special Registration Plate Development Application to the Division. A "paid application" means an application completed by a potential purchaser and submitted to the applicant requesting purchase of the special registration plate being proposed by the applicant plus payment of the proposed additional fee amount. The minimum number of paid applications is as follows:

(1) 300 for a special registration plate on a standard background described in G.S. 20-63(b).
(2) 500 for a special registration plate on a background authorized under G.S. 20-63(b1).

(b) Application. – An applicant must submit all of the items listed in this subsection to the Division by February 15 in order for a bill authorizing the special registration plate to be considered for approval during the legislative session being held that year. The Division shall consider an application received after February 15 for approval in the legislative session that begins in the year following the submission date. The application items must include:

(1) A completed Special Registration Plate Development Application.
(2) A fee equal to number of paid applications received by the applicant, which shall be no less than the minimum number of paid applications required under subsection (a) of this section, multiplied by the proposed additional fee amount stated on the Special Registration Plate Development Application submitted by the applicant.

(c) Report to General Assembly. – On or before March 15 of each year, the Division shall submit to the Chairs of the House and Senate Transportation Committees, the Chairs of the House and Senate Finance Committees, and the Research Division of the General Assembly a report that identifies each applicant that has applied for a special registration plate to be authorized in the legislative session being held that year and indicates whether the applicant met the requirements of this section. If an applicant meets the requirements of this section, then a bill may be considered during the legislative session being held that year to authorize a special registration plate for the applicant that submitted the application."
(d) Legislative Approval. – If a special registration plate requested under this section is approved by law, the applicant must submit all of the following items to the Division no later 60 days after the act approving the plate becomes law. If the applicant fails to timely submit the items required under this subsection, the authorization for the special registration plate shall expire in accordance with G.S. 20-79.8(a1). The items to be submitted are:

1. The final artwork for the plate. The Division must review the artwork to ensure it complies with the standardized format established by G.S. 20-79.4(a3).
2. A list of purchasers who submitted to the applicant a paid application for the special registration plate and any additional fees submitted by potential purchasers to the applicant after submission of the Special Registration Plate Development Application.

(e) Legislative Disapproval. – If the special registration plate is not authorized in the legislative session in which the authorization was sought, the Division shall refund to the applicant the fee submitted under subdivision (2) of subsection (b) of this section.

(f) Issuance. – Within 180 days after receipt of the requester’s design and the minimum number of paid applications, the Division shall issue the special registration plate.

SECTION 3.(b) This section becomes effective October 1, 2014, and applies to requests for the establishment of new special registration plates on or after that date or to requests for the reenactment of special registration plates for which the authorization expired on or after that date.

SECTION 3.(c) Notwithstanding the deadlines established in G.S. 20-79.3A(b) and (c), as enacted by this act, the Division shall accept through April 1, 2015, Special Registration Plate Development Applications and shall report the list of qualified applicants to the General Assembly in accordance with G.S. 20-79.3A(c) by May 1, 2015, for a bill to be considered during the 2015 Regular Session of the 2015 General Assembly authorizing a special registration plate requested by an applicant.

SECTION 4.(a) The Division of Motor Vehicles shall develop an application form for use by an applicant to be completed by potential purchasers of a proposed special registration plate. The form must include an explanation of the application process, the fees that must be submitted to the applicant with the application, and the refund process. Specifically, the form must state that the applicant, and not the Division of Motor Vehicles, is responsible for collecting the fees and for refunding the fees to potential purchasers if the request for a special registration plate is not approved by the General Assembly. The form must also include space for the applicant to provide identifying information of the person or organization seeking the special registration plate and point of contact information.

SECTION 4.(b) This section is effective when it becomes law. The Division of Motor Vehicles must, by October 1, 2014, develop the form required by this section and make it available on the Division’s Web site along with an explanation of the special registration plate application process established under this act.

SECTION 5.(a) The Division of Motor Vehicles shall develop a Special Registration Plate Development Application Form for use by an applicant seeking to establish or to reauthorize a special registration plate. The form shall require the following information:

1. The applicant’s identifying information, including point of contact information.
2. A description of the proposed plate, including a draft copy of the proposed plate design in substantially final form that conforms to the specifications set by the Division.
3. The proposed fee for the plate, which must be a minimum of ten dollars ($10.00) that is remitted to the Special Registration Plate Account. If an applicant is proposing a fee in excess of the amount remitted to the Special Registration Plate Account, the applicant must state the additional fee amount and describe the proposed use of the additional fee proceeds.
The name of at least one current member of the General Assembly who would sponsor legislation to authorize the special registration plate.

A statement that must be signed by the applicant indicating that the applicant has obtained the minimum number of paid applications and will submit the list of purchasers and the final artwork to the Division within 60 days of legislation authorizing the requested special registration plate becoming law.

SECTION 5.(b) This section is effective when it becomes law. The Division of Motor Vehicles must, by February 1, 2015, develop the form required by this section and make it available on the Division's Web site. The Division must, by February 1, 2015, make the necessary programming changes to be able to accept Special Registration Plate Development Applications in accordance with this act.

SECTION 6. G.S. 20-79.8 reads as rewritten:

"§ 20-79.8. Expiration of special registration plate authorization.
(a) Expiration—Expiration of Plates Authorized Prior to October 1, 2014. – A special registration plate authorized after July 1, 2011, and before October 1, 2014, pursuant to G.S. 20-79.4 shall expire, as a matter of law, on July 1 of the second calendar year following the year in which the special plate was authorized if the number of required applications for the authorized special plate has not been received by the Division. The Division shall not accept applications for nor advertise any special registration plate that has expired pursuant to this section.

(a1) Expiration of Plates Authorized On or After October 1, 2014. – A special registration plate authorized on or after October 1, 2014, pursuant to G.S. 20-79.4, shall expire as a matter of law upon the applicant's failure to submit to the Division all of the items required under G.S. 20-79.3A(d) within 60 days of the act approving the special registration plate becoming law. The Division shall not accept applications for nor advertise any special registration plate that has expired pursuant to this section.

(b) Notification. – The Division shall notify the Revisor of Statutes in writing, not later than July 15 August 1 of each year, which special registration plate authorizations have expired as a matter of law pursuant to subsection (a) of this section. The Division shall publish a copy of the written notification sent to the Revisor of Statutes pursuant to this subsection on a Web site maintained by the Division or the Department of Transportation.

(c) Revisor of Statutes Responsibilities. – Upon notification of expiration of the authorization for any special registration plate by the Division pursuant to this section, the Revisor of Statutes shall verify that the authorization for each special registration plate listed has expired and shall note such expiration in the applicable statutes. If an authorization for a special registration plate listed in G.S. 20-79.4 expires, the Revisor of Statutes shall revise the subdivision referring to the special registration plate to leave the name of the special registration plate authorized and the date the special registration plate's authorization expired. If an authorization for a special registration plate listed in G.S. 20-79.4 expires, the Revisor of Statutes shall also make corresponding changes to reflect the expiration of the special registration plate's authorization, if applicable, in G.S. 20-63(b), 20-79.7, and 20-81.12."

SECTION 7. The Revenue Laws Study Committee is directed as follows as it relates to registration plates:

(1) To identify whether the process for requests to establish or reauthorize special registration plates under this act requires any modifications and to examine the costs incurred by the Division of Motor Vehicles to administer special registration plates.

(2) To study whether certain governmental entities should have different eligibility or renewal requirements for permanent registration plates; to study whether nongovernmental entities should be eligible for permanent plates and, if so, what the criteria should be; and to examine the costs incurred by the Division of Motor Vehicles to administer permanent registration plates.
The Committee shall report its findings, together with any recommended legislation, to the 2015 Regular Session of the 2015 General Assembly upon its convening.

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25th day of July, 2014. Became law upon approval of the Governor at 11:56 a.m. on the 1st day of August, 2014.

Session Law 2014-97
H.B. 1193

AN ACT TO MAKE TECHNICAL CHANGES TO THE STATUTES AFFECTING THE STATE RETIREMENT SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-86-2(9) reads as rewritten:
"(9) "Inactive member" means a member of the fund who is not on a leave of absence under G.S. 58-86-95 and who is not making timely monthly payments under G.S. 58-86-40 for two consecutive years."

SECTION 2. G.S. 135-5(r) reads as rewritten:
"(r) Notwithstanding anything herein to the contrary, for persons who commenced receiving benefits from the System prior to January 1, 1970, effective July 1, 1973, any member who retired after attaining the age of 60 with 15 or more years of creditable service shall receive a monthly benefit of no less than seventy-five dollars ($75.00) prior to the application of any optional benefit."

SECTION 3.(a) G.S. 135-5(m2) reads as rewritten:
"(m2) Special Retirement Allowance. – At any time coincident with or following retirement, a member may make a one-time election to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions and the earnings thereon, from the Supplemental Retirement Income Plan of North Carolina or the North Carolina Public Employee Deferred Compensation Plan to this Retirement System and receive, in addition to the member's basic service, early or disability retirement allowance, a special retirement allowance which shall be based upon the member's transferred balance.

A member who became a member of the Supplemental Retirement Income Plan prior to retirement and who remains a member of the Supplemental Retirement Income Plan may make a one-time election to transfer eligible balances, not including any Roth after-tax contributions and the earnings thereon, from any of the following plans to the Supplemental Retirement Income Plan, subject to the applicable requirements of the Supplemental Retirement Income Plan, and then through the Supplemental Retirement Income Plan to this Retirement System:

(1) A plan participating in the North Carolina Public School Teachers' and Professional Educators' Investment Plan.
(2) A plan described in section 403(b) of the Internal Revenue Code.
(3) A plan described in section 457(b) of the Internal Revenue Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.
(4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income.
(5) A tax-qualified plan described in section 401(a) or 403(a) of the Internal Revenue Code.

(i) a plan participating in the North Carolina Public School Teachers' and Professional Educators' Investment Plan; (ii) a plan described in section 403(b) of the Internal Revenue Code; (iii) a plan described in section 457(b) of the Internal Revenue Code that is maintained...
by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (iv) an individual retirement account or annuity described in section 408(a) or section 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income; or (v) a tax-qualified plan described in section 401(a) or section 403(a) of the Internal Revenue Code.

Notwithstanding anything to the contrary, a member may not transfer such amounts as will cause the member's retirement allowance under the System to exceed the amount allowable under G.S. 135-18.7(b). The Board of Trustees may establish a minimum amount that must be transferred if a transfer is elected. The member may elect a special retirement allowance with no postretirement increases or a special retirement allowance with annual postretirement increases equal to the annual increase in the U.S. Consumer Price Index. Postretirement increases on any other allowance will not apply to the special retirement allowance. The Board of Trustees shall provide educational materials to the members who apply for the transfer authorized by this section. Those materials shall describe the special retirement allowance and shall explain (i) the relationship between the transferred balance and the monthly benefit and (ii) how the member's heirs may be impacted by the election to make this transfer and any costs and fees involved.

For the purpose of determining the special retirement allowance, the Board of Trustees shall adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality and such other tables as may be necessary based upon actual experience. A single set of mortality and such other tables will be used for all members, with factors differing only based on the age of the member and the election of postretirement increases. The Board of Trustees shall modify the mortality and such other tables every five years, as shall be deemed necessary, based upon the five-year experience study as required by G.S. 135-6(n). Provided, however, a member who transfers the member's eligible accumulated contributions from an eligible retirement plan pursuant to this subsection to this Retirement System shall be taxed for North Carolina State Income Tax purposes on the special retirement allowance the same as if that special retirement allowance had been paid directly by the eligible plan or the plan through which the transfer was made, whichever is most favorable to the member. The Teachers' and State Employees' Retirement System shall be responsible to determine the taxable amount, if any, and report accordingly.

The Supplemental Retirement Board of Trustees established under G.S. 135-96 may assess a one-time flat administrative fee not to exceed the actual cost of the administrative expenses relating to these transfers. An eligible plan shall not assess a fee specifically relating to a transfer of accumulated contributions authorized under this subsection. This provision shall not prohibit other fees that may be assessable under the plan. Each plan, contract, account, or annuity shall fully disclose to any member participating in a transfer under this subsection any surrender charges or other fees, and such disclosure shall be made contemporaneous with the initiation of the transfer by the member.

The special retirement allowance shall continue for the life of the member and the beneficiary designated to receive a monthly survivorship benefit under Option 2, 3 or 6 as provided in G.S. 135-5(g), if any. The Board of Trustees, however, shall establish two payment options that guarantee payments as follows:

(1) A member may elect to receive the special retirement allowance for life but with payments guaranteed for a number of months to be specified by the Board of Trustees. Under this plan, if the member dies before the expiration of the specified number of months, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected, the member's designated beneficiary will receive the benefit only for the remainder of the specified number of months. If the member's designated beneficiary dies before receiving payments for the specified number of months, any remaining payments will be paid to the member's estate.
(2) A member may elect to receive the special retirement allowance for life but is guaranteed that the sum of the special allowance payments will equal the total of the transferred amount. Under this payment option, if the member dies before receiving the total transferred amount, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected, the member's designated beneficiary or the member's estate shall be paid any remaining balance of the transferred amount.

The Board of Trustees shall report annually to the Joint Legislative Commission on Governmental Operations on the number of persons who made an election in the previous calendar year, with any recommendations it might make on amendment or repeal based on any identified problems.

The General Assembly reserves the right to repeal or amend this subsection, but such repeal or amendment shall not affect any person who has already made the one-time election provided in this subsection."

SECTION 3.(b) G.S. 128-27(m2) reads as rewritten:
"(m2) Special Retirement Allowance. – At any time coincident with or following retirement, a member may make a one-time election to transfer any portion of the member's eligible accumulated contributions, not including any Roth after-tax contributions and the earnings thereon, from the Supplemental Retirement Income Plan of North Carolina or the North Carolina Public Employee Deferred Compensation Plan to this Retirement System and receive, in addition to the member's basic service, early or disability retirement allowance, a special retirement allowance which shall be based upon the member's transferred balance.

A member who became a member of the Supplemental Retirement Income Plan prior to retirement and who remains a member of the Supplemental Retirement Income Plan may make a one-time election to transfer eligible balances, not including any Roth after-tax contributions and the earnings thereon, from any of the following plans to the Supplemental Retirement Income Plan, subject to the applicable requirements of the Supplemental Retirement Income Plan, and then through the Supplemental Retirement Income Plan to this Retirement System (i) a plan participating in the North Carolina Public School Teachers' and Professional Educators' Investment Plan; (ii) a plan described in section 403(b) of the Internal Revenue Code; (iii) a plan described in section 457(b) of the Internal Revenue Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (iv) an individual retirement account or annuity described in section 408(a) or section 408(b) of the Internal Revenue Code that is eligible to be rolled over and would otherwise be includible in gross income; or (v) a tax-qualified plan described in section 401(a) or section 403(a) of the Internal Revenue Code.

Notwithstanding anything to the contrary, a member may not transfer such amounts as will cause the member's retirement allowance under the System to exceed the amount allowable under G.S. 128-38.2(b). The Board of Trustees may establish a minimum amount that must be transferred if a transfer is elected. The member may elect a special retirement allowance with no postretirement increases or a special retirement allowance with annual postretirement increases equal to the annual increase in the U.S. Consumer Price Index. Postretirement increases on any other allowance will not apply to the special retirement allowance. The Board of Trustees shall provide educational materials to the members who apply for the transfer authorized by this section. Those materials shall describe the special retirement allowance and shall explain (i) the relationship between the transferred balance and the monthly benefit; benefit and (ii) how the member's heirs may be impacted by the election to make this transfer and any costs and fees involved.

For the purpose of determining the special retirement allowance, the Board of Trustees shall adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality and such other tables as may be necessary based upon actual experience. A single set of mortality and such other tables will be used for all members, with factors differing only based
on the age of the member and the election of postretirement increases. The Board of Trustees shall modify the mortality and such other tables every five years, as shall be deemed necessary, based upon the five-year experience study as required by G.S. 128-28(o). Provided, however, a member who transfers the member's eligible accumulated contributions from the Supplemental Retirement Income Plan of North Carolina or the North Carolina Public Employee Deferred Compensation Plan—eligible plan or the plan through which the transfer was made, whichever is most favorable to the member. The Local Governmental Employees' Retirement System shall be responsible to determine the taxable amount, if any, and report accordingly.

The special retirement allowance shall continue for the life of the member and the beneficiary designated to receive a monthly survivorship benefit under Option 2, 3 or 6 as provided in G.S. 128-27(g), if any. The Board of Trustees, however, shall establish two payment options that guarantee payments as follows:

1. A member may elect to receive the special retirement allowance for life but with payments guaranteed for a number of months to be specified by the Board of Trustees. Under this plan, if the member dies before the expiration of the specified number of months, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected, the member's designated beneficiary will receive the benefit only for the remainder of the specified number of months. If the member's designated beneficiary dies before receiving payments for the specified number of months, any remaining payments will be paid to the member's estate.

2. A member may elect to receive the special retirement allowance for life but is guaranteed that the sum of the special allowance payments will equal the total of the transferred amount. Under this payment option, if the member dies before receiving the total transferred amount, the special retirement allowance will continue to be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3 or 6 is selected. If Option 2, 3 or 6 is not selected, the member's designated beneficiary or the member's estate shall be paid any remaining balance of the transferred amount.

The Supplemental Retirement Board of Trustees established under G.S. 135-96 may assess a one-time flat administrative fee not to exceed the actual cost of the administrative expenses relating to these transfers. An eligible plan shall not assess a fee specifically relating to a transfer of accumulated contributions authorized under this subsection. This provision shall not prohibit other fees that may be assessable under the plan. Each plan, contract, account, or annuity shall fully disclose to any member participating in a transfer under this subsection any surrender charges or other fees, and that disclosure shall be made contemporaneous with the initiation of the transfer by the member.

The Board of Trustees shall report annually to the Joint Legislative Commission on Governmental Operations on the number of persons who made an election in the previous calendar year, with any recommendations it might make on amendment or repeal based on any identified problems.

The General Assembly reserves the right to repeal or amend this subsection, but such repeal or amendment shall not affect any person who has already made the one-time election provided in this subsection.

SECTION 4.(a) G.S. 135-1 is amended by adding a new subdivision to read:

"(a) "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally adjusted,

SECTION 4.(b) G.S. 128-21 is amended by adding a new subdivision to read:

"(8a) "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally adjusted, standard reference base, as published by the Bureau of Labor Statistics of the U.S. Department of Labor."

SECTION 4.(c) G.S. 135-53 is amended by adding a new subdivision to read:

"(5a) "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally adjusted, standard reference base, as published by the Bureau of Labor Statistics of the U.S. Department of Labor."

SECTION 4.(d) G.S. 135-3(8)c. reads as rewritten:

"c. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part-time, temporary, interim, or on a fee for service basis, whether contractual or otherwise, and if such beneficiary earns an amount during the 12 month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars ($20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year, except when the reemployment earnings exceed the amount above in the month of December, in which case the retirement allowance shall not be suspended. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (1/10 of 1%), provided that this percentage change is positive."

SECTION 4.(e) G.S. 128-24(5)c. reads as rewritten:

"c. Should a beneficiary who retired on an early or service retirement allowance be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part-time, temporary, interim, or on fee-for-service basis, whether contractual or otherwise, and if such beneficiary earns an amount during the 12-month period immediately following the effective date of retirement or in any calendar year which exceeds fifty percent (50%) of the reported compensation, excluding terminal payments, during the 12 months of service preceding the effective date of retirement, or twenty thousand dollars ($20,000), whichever is greater, as hereinafter indexed, then the retirement allowance shall be suspended as of the first day of the month following the month in which the reemployment earnings exceed the amount above, for the balance of the calendar year, except when the reemployment earnings exceed the amount above in the month of December, in which case the retirement allowance shall not be suspended. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (1/10 of 1%), provided that this percentage change is positive."
S.L. 2014-97
Session Laws-2014

324

exceed the amount above in the month of December, in which case the retirement allowance shall not be suspended. The retirement allowance of the beneficiary shall be reinstated as of January 1 of each year following suspension. The amount that may be earned before suspension shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent (1/10 of 1%), provided that this percentage change is positive.

SECTION 4(f) G.S. 135-5(e)(1) reads as rewritten:

"(1) The Board of Trustees shall determine whether a disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference, as hereinafter indexed, between his disability retirement allowance and the gross compensation earned as an employee during the 12 consecutive months of service in the final 48 months prior to retirement producing the highest gross compensation excluding any compensation received on account of termination. If the disability beneficiary is earning or is able to earn more than the difference, the portion of his disability retirement allowance not provided by his contributions shall be reduced to an amount which, together with the portion of the disability retirement allowance provided by his contributions and the amount earnable by him shall equal the amount of his gross compensation prior to retirement. This difference shall be increased on January 1 each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of one percent (1/10th of 1%), provided that this percentage change is positive. Should the earning capacity of the disability beneficiary later change, the portion of his disability retirement allowance not provided by his contributions may be further modified. In lieu of the reductions on account of a disability beneficiary earning more than the aforesaid difference, he may elect to convert his disability retirement allowance to a service retirement allowance calculated on the basis of his average final compensation and creditable service at the time of disability and his age at the time of conversion to service retirement. This election is irrevocable. Provided, the provisions of this subdivision shall not apply to beneficiaries of the Law-Enforcement Officers' Retirement System transferred to this Retirement System who commenced retirement on and before July 1, 1981."

SECTION 4(g) G.S. 128-27(e)(1) reads as rewritten:

"(1) The Board of Trustees shall determine whether a disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference, as hereinafter indexed, between his disability retirement allowance and the gross compensation earned as an employee during the 12 consecutive months in the final 48 months of service prior to retirement producing the highest gross compensation excluding any compensation received on account of termination. If the disability beneficiary is earning or is able to earn more than the difference, the portion of his disability retirement allowance not provided by his contributions shall be reduced to an amount which, together with the portion of the disability retirement allowance provided by his contributions and the amount earnable by him
shall equal the amount of his gross compensation prior to retirement. This difference shall be increased on January 1 each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of a percent \((1/10 \text{ of } 1\%)\). Should the percentage change be positive. Should the earning capacity of the disability beneficiary later change, the portion of his disability retirement allowance not provided by his contributions may be further modified. In lieu of the reductions on account of a disability beneficiary earning more than the aforesaid difference, he may elect to convert his disability retirement allowance to a service retirement allowance calculated on the basis of his average final compensation and creditable service at the time of disability retirement and his age at the time of conversion to service retirement. This election is irrevocable.

The provisions of this subdivision shall not apply to beneficiaries of the Law Enforcement Officers’ Retirement System transferred to this Retirement System who commenced retirement on and before July 1, 1981."

SECTION 4.(h) G.S. 135-60(d) reads as rewritten:
"(d) The Board of Trustees shall determine whether a disability beneficiary is engaged in or is able to engage in a gainful occupation paying more than the difference, as hereinafter indexed, between his disability retirement allowance and the gross compensation earned as an employee during the 12 consecutive months in the final 48 months of service prior to retirement producing the highest gross compensation excluding any compensation received on account of termination. If the disability beneficiary is earning or is able to earn more than the difference, the portion of his disability retirement allowance not provided by his contributions shall be reduced to an amount which, together with the portion of the disability retirement allowance provided by his contributions and the amount earnable by him shall equal the amount of his gross compensation prior to retirement. This difference shall be increased on January 1 of each year by the ratio of the Consumer Price Index to the Index one year earlier, percentage change between the December Consumer Price Index in the year prior to retirement and the December Consumer Price Index in the year most recently ended, calculated to the nearest tenth of one percent \((1/10 \text{th } 1\%)\), provided that this percentage change is positive. Should the earning capacity of the disability beneficiary later change, the portion of his disability retirement allowance not provided by his contributions may be further modified. In lieu of the reductions on account of a disability beneficiary earning more than the aforesaid difference, he may elect to convert his disability retirement allowance to a service retirement allowance calculated on the basis of his average final compensation and creditable service at the time of disability retirement and his age at the time of conversion to service retirement. This election is irrevocable."

SECTION 5.(a) G.S. 135-48.1(12) reads as rewritten:
"(12) Firefighter. – A member of the group "eligible firemen" as defined in G.S. 58-86-2."

SECTION 5.(b) G.S. 128-27(c) reads as rewritten:
"(c) Disability Retirement Benefits. – Upon the application of a member or of his employer, any member who has had five or more years of creditable service may be retired by the Board of Trustees, on the first day of any calendar month, not less than one day nor more than 120 days next following the date of filing such application, on a disability retirement allowance: Provided, that the medical board, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty, that such incapacity was incurred at the time of active employment and has been continuous thereafter, that such incapacity is likely to be permanent, and that such member should be retired; Provided further the medical board shall determine if the member is able to
engage in gainful employment and, if so, the member may still be retired and the disability retirement allowance as a result thereof shall be reduced as in subsection (e) below. Provided further, that the Medical Board shall not certify any member as disabled who:

(1) Applies for disability retirement based upon a mental or physical incapacity which existed when the member first established membership in the system; or

(2) Is in receipt of any payments on account of the same disability which existed when the member first established membership in the system.

The Board of Trustees shall require each employee upon enrolling in the retirement system to provide information on the membership application concerning any mental or physical incapacities existing at the time the member enrolls.

Notwithstanding the requirement of five or more years of creditable service to the contrary, a member who is a law enforcement officer, an eligible firefighter as defined in G.S. 58-86-2, or an eligible rescue squad worker as defined in G.S. 58-86-20, and becomes incapacitated for duty as the natural and proximate result of injuries incurred while in the actual performance of his or her duties, and meets all other requirements for disability retirement benefits, may be retired by the Board of Trustees on a disability retirement allowance.

Notwithstanding the foregoing to the contrary, any beneficiary who commenced retirement with an early or service retirement benefit has the right, within three years of his retirement, to convert to an allowance with disability retirement benefits without modification of any election of optional allowance previously made; provided, the beneficiary would have met all applicable requirements for disability retirement benefits while still in service as a member. The allowance on account of disability retirement benefits to the beneficiary shall be retroactive to the effective date of early or service retirement.

Notwithstanding the foregoing, effective April 1, 1991, the surviving designated beneficiary of a deceased member who met all other requirements for disability retirement benefits, except whose death occurred before the first day of the calendar month in which the member's disability retirement allowance was to be due and payable, may elect to receive the reduced retirement allowance provided by a one hundred percent (100%) joint and survivor payment option in lieu of a return of accumulated contributions, provided the following conditions apply:

(1) At the time of the member's death, one and only one beneficiary is eligible to receive a return of accumulated contributions, and

(2) The member had not instructed the Board of Trustees in writing that he did not wish the provision of this subsection to apply."

SECTION 6. G.S. 135-53(16) reads as rewritten:

"(16) "Retirement" under this Chapter shall mean the commencement of monthly retirement benefits, along with the termination of employment and the complete separation from active service with no intent or agreement, expressed or implied, to return to service. A retirement allowance under the provisions of this Chapter may only be granted upon retirement of a member. In order for a member's retirement to become effective in any month, the member must perform no work, including part-time, temporary, substitute, or contractor work, in any position covered by this Article at any time during the same month immediately following the effective first day of retirement."

SECTION 7. G.S. 120-4.2(c) reads as rewritten:

"(c) Solely for purposes of administering the benefits authorized by G.S. 120-3 to 120-4.2, the authority and duties created by G.S. 120-4.1 as it existed prior to this repealing act shall continue in effect, except that the General Assembly may opt to make annual transfers instead of quarterly transfers of funds to the Department of State Treasurer."

SECTION 8. G.S. 135-103(b)(2) reads as rewritten:

326
"(b) The participation of any person in the Disability Income Plan shall cease upon:

(2) The participant's retirement under the provisions of the Teachers' and State Employees' Retirement System or the Optional Retirement Program, or...

SECTION 9. G.S. 143-166.60(e) reads as rewritten:

"(e) The insurance benefit of the Plan on account of the death of a participant shall be payable to the surviving spouse of the participant or otherwise to the participant's estate; provided, should a participant instruct the Board of Trustees in writing that he the participant does not wish these benefits to be paid to his or her spouse or estate, then the benefits shall be paid to the person or persons as the participant may name for this purpose. The life insurance benefits shall be payable only on account of participants in the Plan for six or more months or, if an actively employed officer, at any time after employment if death results from an accident. The accident and sickness disability insurance benefits shall be payable to a participant at any time after becoming a participant in the Plan."

SECTION 10. Section 4 of this act becomes effective January 1, 2015. The remainder of this act becomes effective July 1, 2014.

In the General Assembly read three times and ratified this the 29th day of July, 2014. Became law upon approval of the Governor at 11:57 a.m. on the 1st day of August, 2014.

Session Law 2014-98

AN ACT TO AUTHORIZE THE TOWN OF SPINDALE AND THE CAPE FEAR PUBLIC UTILITY AUTHORITY TO ATTACH PERSONAL PROPERTY, GARNISH WAGES, AND PLACE LIENS ON CERTAIN REAL PROPERTY TO COLLECT UNPAID FEES FOR SEWER AVAILABILITY.

The General Assembly of North Carolina enacts:

SECTION 1. If a town enters into an interlocal contract or agreement pursuant to G.S. 160A-461 for the county to place on the tax bill and to collect a sewer availability fee charged by the town, the county may collect the fee in any manner by which delinquent real property taxes can be collected. Fees become delinquent and accrue interest in the same manner as delinquent real property taxes. The delinquent fee is a lien on the real property owned by the person and benefitted by the sewer availability and shall have the same priority as local property tax liens. Fees and associated liens shall be released or refunded by the town only pursuant to the release and refund provisions that apply to property taxes under G.S. 105-381.

SECTION 2. Section 1 applies only to the Town of Spindale.

SECTION 3. A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes may adopt an ordinance providing that a fee charged by the authority for sewer availability services and remaining unpaid for a period of 90 days may be collected in any manner by which delinquent real property taxes can be collected. If the ordinance states that delinquent fees may be collected in the same manner as delinquent real property taxes, the delinquent fees are a lien on the real property owned by the person and benefitted by the sewer availability. The ordinance adopted by the authority shall provide for an appeals process.

SECTION 4. Section 3 of this act is not intended to in any way alter or modify the priority of a lien established for city and county taxes under Chapter 105 of the General Statutes, and any debt due the Cape Fear Public Utility Authority shall be expressly subordinate to any county or city tax.

SECTION 5. Sections 3 and 4 apply only to the Cape Fear Public Utility Authority.

SECTION 6. This act is effective when it becomes law.
The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Chapter 93A of the General Statutes is amended by adding a new section to read:

(a) All provisions contained in time share declarations adopted and recorded at the appropriate register of deeds office prior to July 1, 1984, are severable.
(b) The rule against perpetuities may not be applied to defeat any provision of time share declarations or bylaws adopted and recorded at the appropriate register of deeds office prior to July 1, 1984.
(c) Except as otherwise provided in the time share declaration, the board of directors of a time share project may, by an affirmative vote of two-thirds of the board, amend a provision within the time share declaration, provided that the provision to be changed meets all of the following criteria:
   (1) The provision was adopted as part of the original time share declaration recorded prior to July 1, 1984.
   (2) The provision either converts or provides a mechanism to convert ownership of time share units to tenancy in common.
   (d) Title or interest in a time share project or unit is not rendered unmarketable or otherwise affected by reason of an insubstantial failure of the time share declaration to comply with this section. Whether a substantial failure to comply with this section impairs marketability shall be determined by the laws of this State relating to marketability.
   (e) This section shall not otherwise impair the ability of the individual time share owner's right under the time share declaration, bylaws, or the laws of this State to vote to terminate the time share project or to amend the declaration to provide for the termination of the time share project and interests."

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

In the General Assembly read three times and ratified this the 25th day of July, 2014.

Became law upon approval of the Governor at 4:30 p.m. on the 5th day of August, 2014.
INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the State Budget Act, or this act, the savings shall revert to the appropriate fund at the end of each fiscal year as provided in G.S. 143C-1-2(b).

PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND

CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are adjusted for the fiscal year ending June 30, 2015, according to the schedule that follows. Amounts set out in parentheses are reductions from General Fund appropriations for the 2014-2015 fiscal year.


EDUCATION

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges System Office</td>
<td>$24,423,804</td>
</tr>
<tr>
<td>Department of Public Instruction</td>
<td>58,874,986</td>
</tr>
<tr>
<td>University of North Carolina – Board of Governors</td>
<td></td>
</tr>
<tr>
<td>Appalachian State University</td>
<td></td>
</tr>
<tr>
<td>East Carolina University</td>
<td></td>
</tr>
<tr>
<td>Academic Affairs</td>
<td></td>
</tr>
<tr>
<td>Health Affairs</td>
<td>(620,650)</td>
</tr>
<tr>
<td>Elizabeth City State University</td>
<td></td>
</tr>
<tr>
<td>Fayetteville State University</td>
<td></td>
</tr>
<tr>
<td>North Carolina Agricultural and Technical State University</td>
<td></td>
</tr>
<tr>
<td>North Carolina Central University</td>
<td></td>
</tr>
<tr>
<td>North Carolina State University</td>
<td></td>
</tr>
<tr>
<td>Academic Affairs</td>
<td>1,839,185</td>
</tr>
<tr>
<td>Agricultural Extension</td>
<td></td>
</tr>
<tr>
<td>Agricultural Research</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Asheville</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Chapel Hill</td>
<td></td>
</tr>
<tr>
<td>Academic Affairs</td>
<td></td>
</tr>
<tr>
<td>Health Affairs</td>
<td></td>
</tr>
<tr>
<td>Area Health Education Centers</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Charlotte</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Greensboro</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Pembroke</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina School of the Arts</td>
<td></td>
</tr>
<tr>
<td>University of North Carolina at Wilmington</td>
<td></td>
</tr>
<tr>
<td>Western Carolina University</td>
<td></td>
</tr>
<tr>
<td>Winston-Salem State University</td>
<td>(220,272)</td>
</tr>
<tr>
<td>General Administration</td>
<td></td>
</tr>
<tr>
<td>University Institutional Programs</td>
<td>27,592,965</td>
</tr>
<tr>
<td>Related Educational Programs</td>
<td>50,000</td>
</tr>
</tbody>
</table>
North Carolina School of Science and Mathematics
Aid to Private Institutions 840,000
Total University of North Carolina – Board of Governors 29,481,228

HEALTH AND HUMAN SERVICES

Department of Health and Human Services
Central Management and Support  (3,396,528)
Division of Aging and Adult Services  (869,549)
Division of Blind Services/Deaf/HH  0
Division of Child Development and Early Education  (30,678,255)
Health Service Regulation  (288,000)
Division of Medical Assistance  80,429,032
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services  (24,922,242)
NC Health Choice  (15,813,961)
Division of Public Health  (5,605,543)
Division of Social Services  12,206,855
Division of Vocation Rehabilitation  (575,336)
Total Health and Human Services  10,486,473

NATURAL AND ECONOMIC RESOURCES

Department of Agriculture and Consumer Services  1,658,204
Department of Commerce
Commerce  29,054,809
Commerce State-Aid  1,829,473
Wildlife Resources Commission  (3,313,319)
Department of Environment and Natural Resources  1,534,820
Department of Labor  (145,889)

JUSTICE AND PUBLIC SAFETY

Department of Public Safety  51,184,345
Judicial Department  7,466,820
Judicial Department – Indigent Defense  335,967
Department of Justice  (32,965,102)

GENERAL GOVERNMENT

Department of Administration  (1,764,816)
Office of Administrative Hearings  37,818
Department of State Auditor  154,799
Office of State Controller (202,152)

Department of Cultural Resources
  Cultural Resources (688,852)
  Roanoke Island Commission (9,000)

State Board of Elections (160,815)

General Assembly (462,927)

Office of the Governor
  Office of the Governor (45,245)
  Office of State Budget and Management (52,626)
  OSBM – Reserve for Special Appropriations (155,000)

Housing Finance Agency (9,830,322)

Department of Insurance (291,302)

Office of Lieutenant Governor (3,782)

Department of Revenue (1,517,149)

Department of Secretary of State (25,523)

Department of State Treasurer
  State Treasurer (2,659,931)
  State Treasurer – Retirement for Fire and Rescue Squad Workers and National Guard (1,694,768)

RESERVES, ADJUSTMENTS, AND DEBT SERVICE

State Health Plan Contribution (22,000,000)

Reserve for Future Benefit Needs (56,400,000)

Information Technology Fund (7,184,488)

Information Technology Reserve Fund (11,342,418)
  One North Carolina Fund (7,144,263)

Reserve for Pending Legislation/Litigation (1,500,000)

NCGA Litigation Reserve (300,000)

Job Development Investment Grants (JDIG) (15,571,684)

Disability Income Plan (3,200,000)

Debt Service (3,746,442)

TOTAL CURRENT OPERATIONS – GENERAL FUND $78,171,937
GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability statement set out in Section 2.2(a) of S.L. 2013-360 applies to the 2013-2014 fiscal year only. The General Fund availability used in adjusting the 2014-2015 budget is shown below:

FY 2014-2015

Unappropriated Balance Remaining from FY 2013-2014  $ 323,693,704
Anticipated Undercollections from FY 2013-2014  (452,600,000)
Anticipated Reversions from FY 2013-2014  396,275,923

Less Earmarkings of Year End Fund Balance
  Savings Reserve
  Repairs and Renovations

Beginning Unreserved Fund Balance  267,369,627

Revenues Based on Existing Tax Structure  19,972,100,000

Non-tax Revenues
  Investment Income  11,300,000
  Judicial Fees  244,500,000
  Disproportionate Share  109,000,000
  Master Settlement Agreement  137,500,000
  Other Non-Tax Revenues  195,500,000
  Insurance  77,000,000
  Highway Fund Transfer  215,900,000
Subtotal Non-tax Revenues  990,700,000

Total General Fund Availability  21,230,169,627

Adjustments to Availability: 2014 Session

Transfer to Medicaid Contingency Reserve  (186,372,673)
Transfer from Cash Balances from Department of
  Agriculture and Consumer Services Special Funds  1,449,680
Transfer from IDF Utility Account  5,000,000
Transfer of Interest from Department of Environment and
  Natural Resources (DENR) Special Funds  793,095
Diversion of Funds from DENR Inspection and Maintenance
  Control Special Fund  3,300,000
Diversion of Funds from DENR Water and Air Account
  Special Fund  1,000,000
Transfer from Federal Insurance Contribution Act (FICA)
  Fund Cash Balance  5,255,000
Transfer from Government Data Analytics Center (GDAC)
  Cash Balance  1,500,000
Transfer from Blount Street Properties Fund Cash Balance  5,456,787
Transfer from E-Commerce Fund Cash Balance  2,130,000
Adjustment of Transfer from Insurance Regulatory Fund
  (291,302)
Adjustment of Transfer from Treasurer's Office  2,659,931
Increase from ABC Permit Fees  9,600,000
Four-year Phaseout of Provision of Medicaid Hold Harmless
  Law Guaranteeing Counties $500,000 Benefit  5,990,000
Redirection of Funds from Gross Premiums Tax on Property
Coverage Contracts to General Fund (S.L. 2014-64) 1,600,000
Sales Tax on Manufactured and Modular Homes (4,700,000)
Piped Natural Gas Sales Tax Phase-in (S.L. 2014-39) (2,430,000)

Subtotal Adjustments to Availability: 2014 Session (148,059,482)

Revised General Fund Availability $ 21,082,110,145
Less: General Fund Appropriations (21,082,110,145)

Unappropriated Balance Remaining 0

SECTION 2.2.(b) Section 2.2(c) of S.L. 2013-360 reads as rewritten:
"SECTION 2.2.(c) Notwithstanding the provisions of G.S. 143C-4-3, the State Controller shall transfer a total of one hundred fifty million dollars ($150,000,000) from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2013, and a total of twelve million seven hundred fifty-one thousand one hundred thirty-seven dollars ($12,751,137) on June 30, 2013; the State Controller shall not transfer funds from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2014. This subsection becomes effective June 30, 2013. Funds transferred under this section to the Repairs and Renovations Reserve are appropriated for the 2013-2014 and 2014-2015 fiscal years and shall be used in accordance with G.S. 143C-4-3."

SECTION 2.2.(c) Section 2.2(d) of S.L. 2013-360 reads as rewritten:
"SECTION 2.2.(d) Notwithstanding G.S. 143C-4-2, the State Controller shall transfer a total of two hundred thirty-two million five hundred thirty-seven thousand nine hundred forty-two dollars ($232,537,942) from the unreserved fund balance to the Savings Reserve Account on June 30, 2013, and the sum of thirty-seven million one hundred twenty-two thousand three hundred forty-six dollars ($37,122,346) on June 30, 2013; the State Controller shall not transfer funds from the unreserved fund balance to the Savings Reserve Account on June 30, 2014. Neither of these transfers is for the 2014-2015 fiscal year on June 30, 2014. The transfer for the 2013-2014 fiscal year is not an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. This subsection becomes effective June 30, 2013."

SECTION 2.2.(e) Interest from the following funds shall be redirected to the General Fund:

<table>
<thead>
<tr>
<th>Code</th>
<th>Fund</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24303</td>
<td>2990</td>
<td>Marine Conservation Fund</td>
</tr>
<tr>
<td>24305</td>
<td>2002</td>
<td>Clean Water Management Trust Fund</td>
</tr>
<tr>
<td>24306</td>
<td>2127</td>
<td>Dry Cleaning Solvent Cleanup Fund</td>
</tr>
<tr>
<td>24309</td>
<td>2235</td>
<td>Parks and Recreation Trust Fund</td>
</tr>
<tr>
<td>24318</td>
<td>2054</td>
<td>Bernard Allen Drinking Water Fund</td>
</tr>
<tr>
<td>64301</td>
<td>6342</td>
<td>Water Pollution Control System Account</td>
</tr>
<tr>
<td>64305</td>
<td>6370</td>
<td>Commercial Leaking Petroleum Storage Tanks Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6371</td>
<td>Noncommercial Leaking Petroleum Storage Tanks Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6372</td>
<td>Inactive Hazardous Sites Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6373</td>
<td>Emergency Response Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6375</td>
<td>Superfund Cost Share Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6376</td>
<td>Brownfield Superfund Fund</td>
</tr>
<tr>
<td>64305</td>
<td>6379</td>
<td>Inactive Hazardous Sites Fund-S1492</td>
</tr>
</tbody>
</table>

SECTION 2.2.(e) Notwithstanding G.S. 20-183.7(c), fees collected for electronic inspection authorizations during the 2014-2015 fiscal year that would have been credited to the I & M Air Pollution Control Account established under G.S. 143-215.3A(b1) shall be credited to the State's General Fund.
SECTION 2.2.(f) Notwithstanding G.S. 105-449.125, one million dollars ($1,000,000) of the revenue collected by the Secretary of Revenue from the motor fuel excise tax levied under Part 7 of Article 36C of Chapter 105 of the General Statutes that would otherwise be credited to the Water and Air Quality Account shall be credited to the State's General Fund.

SECTION 2.2.(g) Notwithstanding any other provision of law to the contrary, effective July 1, 2014, the following amounts shall be transferred to the State Controller to be deposited in the appropriate budget code as determined by the State Controller. These funds shall be used to support the General Fund appropriations as specified in this act for the 2014-2015 fiscal year.

<table>
<thead>
<tr>
<th>Budget Code</th>
<th>Fund Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>23700</td>
<td>2185</td>
<td>Research Stations</td>
<td>$11,208</td>
</tr>
<tr>
<td>23700</td>
<td>2147</td>
<td>Plasticulture Tech Training</td>
<td>2,697</td>
</tr>
<tr>
<td>23704</td>
<td>2730</td>
<td>Swine Waste</td>
<td>206,552</td>
</tr>
<tr>
<td>24609</td>
<td>2568</td>
<td>IDF – Utility Account</td>
<td>5,000,000</td>
</tr>
<tr>
<td>24667</td>
<td></td>
<td>Government Data Analytics Center (GDAC)</td>
<td>1,500,000</td>
</tr>
<tr>
<td>24100</td>
<td>2514</td>
<td>E-Commerce Reserve</td>
<td>2,130,000</td>
</tr>
</tbody>
</table>

SECTION 2.2.(h) Notwithstanding the use requirements provided in Section 2 of S.L. 2003-404, the State Controller shall transfer the sum of five million four hundred fifty-six thousand seven hundred eighty-seven dollars ($5,456,787) from the special trust fund created by S.L. 2003-404 to the General Fund to be used for the purposes expressed and allocated by this act, and the State Controller shall close the fund.

SECTION 2.2.(i) On July 1, 2014, six hundred thousand dollars ($600,000) of the unallotted and unexpended balance of the Bedding Law Account shall be transferred to the General Fund. On March 1, 2015, an additional five hundred ninety-six thousand seven hundred eighty-five dollars ($596,785) of the unallotted and unexpended balance of the Bedding Law Account shall be transferred to the General Fund.

SECTION 2.2.(j) Effective July 1, 2014, G.S. 106-435 and G.S. 106-451.27 are repealed, and the unallotted and unexpended funds in the Cotton Warehouse Fund on that date shall be transferred to the General Fund.

SECTION 2.2.(k) Funds reserved in the Medicaid Contingency Reserve established in Section 12H.38 of this act do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(l) Subsections (b) and (c) of this section become effective June 30, 2014.

PART III. CURRENT OPERATIONS/HIGHWAY FUND

CURRENT OPERATIONS/HIGHWAY FUND

SECTION 3.1. Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are adjusted for the fiscal year ending June 30, 2015, according to the following schedule. Amounts set out in parentheses are reductions from Highway Fund Appropriations for the 2014-2015 fiscal year.


Department of Transportation Administration $1,949,344
Division of Highways
  Administration 0
  Construction 0
  Maintenance 53,407,586
  Planning and Research 0
  OSHA Program (7,307)
Ferry Operations (1,542,317)
State Aid to Municipalities 9,453,990
Intermodal Divisions
  Public Transportation 0
  Aviation (800,000)
  Rail (960,325)
  Bicycle and Pedestrian (30,043)
Governor's Highway Safety (5,699)
Division of Motor Vehicles (988,255)
Other State Agencies, Reserves, Transfers 7,354,812
Capital Improvements 0
Total Highway Fund Appropriations $ 1,984,142,286

HIGHWAY FUND AVAILABILITY STATEMENT

SECTION 3.2. Section 3.2 of S.L. 2013-360 is repealed. The Highway Fund availability used in adjusting the 2014-2015 fiscal year budget is shown below:


Unreserved Fund Balance $ 12,000,000
Estimated Revenue 1,973,750,000
Adjustment to Revenue Availability:
  Motor Fuel Tax (Shallow Draft Navigation Channel Dredging Fund) (1,677,134)
  Motor Fuel Tax Refund Repeal (Taxi Cabs) 69,420
Revised Total Highway Fund Availability $ 1,984,142,286

Unappropriated Balance $ 0

PART IV. HIGHWAY TRUST FUND APPROPRIATIONS

CURRENT OPERATIONS/HIGHWAY TRUST FUND

SECTION 4.1. Appropriations from the State Highway Trust Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are adjusted for the fiscal year ending June 30, 2015, according to the following schedule. Amounts set out in parentheses are reductions from Highway Trust Fund Appropriations for the 2014-2015 fiscal year.


Program Administration ($11,000,000)
Aid to Municipalities 0
Intrastate 0
Secondary Roads 0
Urban Loops 0
Mobility Fund 0
Turnpike Authority 0
Transfer to General Fund 0
Transfer to Highway Fund 0
Debt Service 0
Strategic Prioritization Funding Plan for Transportation Investments 67,993,140

Total Highway Trust Fund Appropriations $1,162,393,140

HIGHWAY TRUST FUND AVAILABILITY STATEMENT

SECTION 4.2. Section 4.2 of S.L. 2013-360 is repealed. The Highway Trust Fund availability used in developing the 2014-2015 fiscal year budget is shown below:


Unreserved Fund Balance $0
Estimated Revenue 1,162,370,000
Adjustment to Revenue Availability:
  Motor Fuel Tax Refund Repeal (Taxi Cabs) 23,140

Total Highway Trust Fund Availability $1,162,393,140

Unappropriated Balance $0

PART V. OTHER APPROPRIATIONS

INDIAN GAMING EDUCATION REVENUE FUND

SECTION 5.1. Section 5.4 of S.L. 2013-360 reads as rewritten:

"SECTION 5.4.(a) There is appropriated from the Indian Gaming Education Revenue Fund to the Department of Public Instruction, School Technology Fund, the sum of three million dollars ($3,000,000), five million dollars ($5,000,000) for the 2013-2014 fiscal year and the sum of three million five hundred thousand dollars ($3,500,000), six million dollars ($6,000,000) for the 2014-2015 fiscal year.

"SECTION 5.4.(b) G.S. 143C-9-7 does not apply to the use of these funds for the 2013-2015 fiscal biennium."

EDUCATION LOTTERY FUNDS

SECTION 5.2.(a) Section 6.11(e) of S.L. 2013-360 reads as rewritten:

"SECTION 6.11.(e) The appropriations made from the Education Lottery Fund for the 2013-2015 fiscal biennium are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom Teachers $220,643,188 $220,643,188</td>
<td></td>
</tr>
<tr>
<td>Teacher Assistants $254,586,185</td>
<td></td>
</tr>
<tr>
<td>Prekindergarten Program 75,535,709 75,535,709</td>
<td></td>
</tr>
<tr>
<td>Public School Building Capital Fund 100,000,000 100,000,000</td>
<td></td>
</tr>
<tr>
<td>Scholarships for Needy Students 30,450,000 30,450,000</td>
<td></td>
</tr>
<tr>
<td>UNC Need-Based Financial Aid 10,744,733 10,744,733</td>
<td></td>
</tr>
<tr>
<td>UNC Need-Based Financial Aid Forward Funding Reserve 32,530,359 40,130,728</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
SECTION 5.2.(b) Section 6.11(f) of S.L. 2013-360 reads as rewritten:
"SECTION 6.11.(f) Notwithstanding G.S. 18C-164, the Office of State Budget and Management shall not transfer funds to the Education Lottery Reserve Fund for the 2013-2014 fiscal year or for the 2014-2015 fiscal year."

SECTION 5.2.(c) Section 6.11(g) of S.L. 2013-360 reads as rewritten:
"SECTION 6.11.(g) Funds appropriated for Digital Learning pursuant to subsection (e) of this section shall be used to support grants to local education agencies (LEAs) for (i) delivering educator professional development focused on using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students and (ii) acquiring quality digital content to enhance instruction.

Up to one million dollars ($1,000,000) for the 2013-2015 fiscal biennium may be used by the Department of Public Instruction to (i) develop a plan to transition from funding for textbooks, both traditional and digital, to funding for digital materials, including textbooks and instructional resources and (ii) provide educational resources that remain current, are aligned with curriculum, and are effective for all learners by 2017. The plan shall also include an inventory of the infrastructure needed to support robust digital learning in public schools.

The Department of Public Instruction shall make an interim report on the implementation of this subsection to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by January 15, 2015, and a final report by August 15, 2015."

SECTION 5.2.(d) Funds appropriated for Digital Learning shall not revert at the end of the fiscal year but shall remain available until expended.

SECTION 5.2.(e) G.S. 18C-164(c) reads as rewritten:
"(c) The General Assembly shall appropriate the remaining net revenue of the Education Lottery Fund annually in the Current Operations Appropriations Act for education-related purposes, based upon estimates of lottery net revenue to the Education Lottery Fund provided by the Office of State Budget and Management and the Fiscal Research Division of the Legislative Services Commission. A security interest shall not be granted in funds appropriated pursuant to this subsection."

SECTION 5.2.(f) G.S. 18C-172 is repealed.

SECTION 5.2.(g) G.S. 18C-115 reads as rewritten:
"§ 18C-115. Reports.
The Commission shall send quarterly and annual reports on the operations of the Commission to the Governor, State Treasurer, the Lottery Oversight Committee, and to the General Assembly. The reports shall include complete statements of lottery revenues, prize disbursements, expenses, net revenues, and all other financial transactions involving lottery funds, including the occurrence of any audit."

SECTION 5.2.(h) Chapter 120 of the General Statutes is amended by adding a new Article to read:
"Article 34.
"Joint Legislative Oversight Committee on the North Carolina State Lottery.
"§ 120-295. Creation and membership of the Joint Legislative Oversight Committee on the North Carolina State Lottery.
(a) The Joint Legislative Oversight Committee on the North Carolina State Lottery is established. The Committee consists of 14 members as follows:
(1) Seven members of the Senate appointed by the President Pro Tempore of the Senate, at least one of whom is a member of the minority party; and
Seven members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom is a member of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

The Joint Legislative Oversight Committee on the North Carolina State Lottery shall examine, on a continuing basis, the operations of the North Carolina State Lottery. The Committee shall make ongoing recommendations to the General Assembly on ways to improve the operations and success of the lottery. The Committee shall do all of the following in conducting its examination of the North Carolina State Lottery:

(1) Examine the administration, budgeting, and policies of the lottery.
(2) Assess the lottery's efficiency and effectiveness.
(3) Review other state lottery policies and procedures to identify improvements and options for maximizing the transfer of lottery funds to the Education Lottery Fund.
(4) Study any other matters that the Committee considers necessary to fulfill its mandate.

The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on the North Carolina State Lottery. The Committee shall meet upon the joint call of the cochairs.

A quorum of the Committee is five members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

Whenever the North Carolina State Lottery is required by law to report to the General Assembly or to any of its permanent committees or subcommittees on matters affecting the lottery, it shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on the North Carolina State Lottery.

SECTION 5.2.(i) Subsection (d) of this section becomes effective June 30, 2014. Subsection (e) of this section is effective the date this act becomes law and applies to debt authorized on or after that date.

CIVIL PENALTY AND FORFEITURE FUND

Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium ending June 30, 2015, as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School Technology Fund $18,000,000</td>
<td>$18,000,000</td>
</tr>
</tbody>
</table>
State Public School Fund $163,392,921 $120,362,790 $131,935,020
Total Appropriation $181,392,921 $138,362,790 $149,935,020

SECTION 5.3.(b) Section 5.3(c) of S.L. 2013-360 is repealed.

PART VI. GENERAL PROVISIONS

APPROPRIATE ENCUMBERED GRANT FUNDS THAT ARE RETURNED TO THE STATE

SECTION 6.1. Section 5.1 of S.L. 2013-360 is amended by adding a new subsection to read:

"SECTION 5.1.(f) Notwithstanding subsections (a) and (b) of this section, there is appropriated from the General Fund for the 2014-2015 fiscal year an amount equal to the amount of encumbered funds required to be spent in order to honor encumbrances of grant funds in accordance with G.S. 143C-6-23(2)."

ESTABLISHING OR INCREASING FEES UNDER THIS ACT

SECTION 6.2.(a) Notwithstanding G.S. 12-3.1, an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in this act.

SECTION 6.2.(b) Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter 150B of the General Statutes.

EXPENDITURES OF FUNDS IN RESERVES LIMITED

SECTION 6.3. All funds appropriated by this act into reserves may be expended only for the purposes for which the reserves were established.

MAKE THE BASE BUDGET THE STARTING POINT FOR STATE AGENCY BUDGETING

SECTION 6.4.(a) G.S. 143C-1-1(d)(7a) is repealed.

SECTION 6.4.(b) G.S. 143C-1-1(d) is amended by adding a new subdivision to read:

"(d) Definitions. – The following definitions apply in this Chapter:

(1c) Base Budget. – That part of the recommended State budget that provides the baseline for the next biennium. The base budget for each State agency shall be the authorized budget for that agency with adjustments only for the following:

a. Annualization of programs and positions,
b. Reductions to adjust for items funded with nonrecurring during the prior fiscal biennium,
c. Increases to adjust for nonrecurring reductions during the prior fiscal biennium,
d. Adjustments for federal payroll tax changes,
e. Rate increases in accordance with the terms of existing leases of real property,
f. Adjustments to receipt projections, made in accordance with G.S. 143C-3-5(b)(2)c,
g. Reconciliation of intragovernmental and intergovernmental transfers."

SECTION 6.4.(c) G.S. 143C-3-5 reads as rewritten:

"§ 143C-3-5. Budget recommendations and budget message.

..."
(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

(1) A Recommended State Budget setting forth goals for improving the State with recommended expenditure requirements, funding sources, and performance information for each State government program and for each proposed capital improvement. The Recommended State Budget may be presented in a format chosen by the Director, except that the Recommended State Budget shall clearly distinguish program continuation base budget requirements, program reductions, program eliminations, program expansions, and new programs, and shall explain all proposed capital improvements in the context of the Six-Year Capital Improvements Plan and as required by G.S. 143C-8-6.

(1a) The Governor's Recommended State Budget shall include a continuation base budget, which shall be presented in the budget support document pursuant to subdivision (2) of this subsection.

(2) A Budget Support Document showing, for each budget code and purpose or program in State government, accounting detail corresponding to the Recommended State Budget.

a. The Budget Support Document shall employ the North Carolina Accounting System Uniform Chart of Accounts adopted by the State Controller to show both uses and sources of funds and shall display in separate parallel columns all of the following: (i) actual expenditures and receipts for the most recent fiscal year for which actual information is available, (ii) the certified budget for the preceding fiscal year, (iii) the currently authorized budget for the preceding fiscal year, (iv) program continuation base budget requirements for each fiscal year of the biennium, (v) proposed expenditures and receipts for each fiscal year of the biennium, and (vi) proposed increases and decreases.

(5) A list of budget adjustments made during the prior fiscal year pursuant to G.S. 143C-6-4 that are included in the proposed continuation base budget for the upcoming fiscal year.

SECTION 6.4.(d) G.S. 58-2-215(c) reads as rewritten:

"(c) Moneys appropriated by the General Assembly shall be deposited in the Fund and shall become a part of the continuation base budget of the Department of Insurance. Such continuation base budget amount shall equal the actual expenditures drawn from the Fund during the prior fiscal year plus the official inflation rate designated by the Director of the Budget in the preparation of the State Budget for each ensuing fiscal year; provided that if interest income on the Fund exceeds the amount yielded by the application of the official inflation rate, such continuation base budget amount shall be the actual expenditures drawn from the Fund. In the event the amount in the Fund exceeds two hundred fifty thousand dollars ($250,000) at the end of any fiscal year, such excess shall revert to the General Fund."

SECTION 6.4.(e) G.S. 116-30.3B(b) reads as rewritten:

"(b) It is the intent of the General Assembly that appropriations to the Board of Governors on behalf of a constituent institution not be reduced as a result of the institution's realization of energy savings. Instead, the General Assembly intends that the amount of appropriations be determined as if no energy savings had been realized. The Director of the Budget shall not decrease the recommended continuation base budget requirements for utilities for constituent institutions by the amount of energy savings realized from implementing energy conservation measures, including savings achieved through a guaranteed energy savings contract."
SECTION 6.4.(f) G.S. 116-30.7 reads as rewritten:
By October 15 of each even-numbered year, the General Administration of The University of North Carolina shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management a projection of the total student enrollment in The University of North Carolina that is anticipated for the next biennium. The enrollment projection shall be divided into the following categories and shall include the projected growth for each year of the biennium in each category at each of the constituent institutions: undergraduate students, graduate students (students earning master's and doctoral degrees), first professional students, and any other categories deemed appropriate by General Administration. The projection shall also distinguish between on-campus and distance education students. The projections shall be considered by the Director of the Budget when determining the amount the Director proposes to fund as the continuation requirement for the enrollment increase in the university system pursuant to G.S. 143C-3-5(b)-appropriate to The University of North Carolina in the Recommended State Budget submitted pursuant to G.S. 143C-3-5(b)."

SECTION 6.4.(g) G.S. 121-6(c) reads as rewritten:
"(c) It shall be the duty and the responsibility for the Department of Cultural Resources to edit and publish a second or new series of the most significant records of colonial North Carolina. From records which have been compiled in the North Carolina State Archives concerning the colonial period of North Carolina, a selection of the most significant documents shall be made therefrom by a skilled and competent editor. The editor shall edit, according to acceptable scholarly standards, the selected materials which shall be published in documentary volumes not to exceed approximately 700 pages each in length until full and representative published colonial records of North Carolina shall have been achieved. The number of copies of each volume to be so printed shall be determined by the Department of Cultural Resources, and such determination shall be based on the number of copies the Department can reasonably expect to sell in a period of 10 years from the date of publication. In any year during which the Department of Cultural Resources has completed a volume and has it ready for publication, the Department may include in its continuation base budget for that year sufficient funds to pay the estimated costs of publishing the volume. In the event that the volume is not published during that year, the appropriation made, or any unencumbered balance, shall revert to the general fund."

SECTION 6.4.(h) This section becomes effective July 1, 2014, and applies beginning with the recommended State budget of the 2015-2017 fiscal biennium.

STATUTORY CHANGES RELATING TO THE HANDLING OF GRANTS TO NON-STATE ENTITIES

SECTION 6.5.(a) G.S. 143C-6-23 reads as rewritten:
"§ 143C-6-23. State grant funds: administration; oversight and reporting requirements.
(a) Definitions. – The following definitions apply in this section:
(1) "Grant" and "grant funds" means Grant or grant funds. – State funds disbursed as a grant by a State agency; however, the terms do not include any payment made by the Medicaid program, the State Health Plan for Teachers and State Employees, or other similar medical programs.
(2) "Grantee" means a Grantee. – A non-State entity that receives State funds as a grant from a State agency but does not include any non-State entity subject to the audit and other reporting requirements of the local Government Commission.
(3) "Subgrantee" means a Subgrantee. – A non-State entity that receives State funds as a grant from a grantee or from another subgrantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission."
(4) Encumbrance. – A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided, or other legally binding agreement. A financial obligation is not an encumbrance for purposes of this section unless it (i) is in writing and has been signed by a person or entity who has authority to legally bind the grantee or subgrantee to spend the funds or (ii) was created by the provision of goods or services to the grantee or subgrantee by a third party under circumstances that create a legally binding obligation to pay for the goods or services.

(d) Office of State Budget Rules Must Require Uniform Administration of State Grants. – The Office of State Budget and Management shall adopt rules to ensure the uniform administration of State grants by all grantor State agencies and grantees or subgrantees. The Office of State Budget and Management shall consult with the Office of the State Auditor and the Attorney General in establishing the rules required by this subsection. The rules shall establish policies and procedures for disbursements of State grants and for State agency oversight, monitoring, and evaluation of grantees and subgrantees. The policies and procedures shall:

(5) Provide for adequate oversight and monitoring to prevent the misuse of grant funds. These policies shall require each grantee and subgrantee to ensure that, for accounting purposes, State funds and interest earned on those funds remain separate and apart from other funds in the possession or control of the grantee or subgrantee.

(12) Provide procedures for the recovery and return to the grantor State agency of unexpended grant funds from a grantee or subgrantee in accordance with subsection (f) of this section or (ii) in the event that the grantee or subgrantee is unable to fulfill the purposes of the grant for a reason not set forth in that subsection.

(d1) Required Grant Terms. – The terms of each grant shall include all of the following, which shall be deemed a part of the grant:

(1) The limitation contained in G.S. 143C-6-8 concerning the availability of appropriated funds.

(2) The relevant provisions of any legislation authorizing or governing the administration of the grant.

(3) The terms of this section.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

(1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

(2) The funds remain unexpended at the time that the grantee or subgrantee dissolves, ceases operations, or otherwise indicates that it does not intend to spend the funds.

(3) The Office of State Budget and Management seeks to recover the funds pursuant to subsection (f) of this act.

(f2) Use of Returned Grant Funds. – Encumbered funds returned to the State pursuant to subsection (f) of this section by a grantee or subgrantee shall upon appropriation by the
General Assembly be spent in accordance with the terms of the encumbrance. All other funds returned to the State by a grantee or subgrantee pursuant to subsection (f1) of this section shall be credited to the fund from which they were appropriated and shall remain unexpended and unencumbered until appropriated by the General Assembly. Nothing in this section shall be construed to authorize an expenditure pursuant to an unlawful encumbrance or in a manner that would violate the terms of the appropriation of the grant funds at issue.

... (j) Use of Interest Earned on Grant Funds. – Except as otherwise required by federal law or the terms of a federal grant, interest earned on grant funds after receipt of the funds by a grantee or subgrantee shall be credited to the grantee or subgrantee and shall be used for the same purposes for which the grant or subgrant was made.

(k) Reporting by Grantees and Subgrantees That Cease Operations. – A grantee or subgrantee that intends to dissolve or cease operations shall report that decision in writing to the Office of State Budget and Management and to the Fiscal Research Division at least 30 days prior to taking that action.”

SECTION 6.5.(b) This section becomes effective July 1, 2014, and applies to grants appropriated on or after that date.

STATUTORY CHANGES RELATED TO THE DISPOSITION OF SETTLEMENT FUNDS

SECTION 6.6.(a) Article 1 of Chapter 114 of the General Statutes is amended by adding a new section to read:

"§ 114-2.4A. Disposition of funds received by the State or a State agency from a settlement or other final order or judgment of the court."

(a) Definition. – For purposes of this section, the term "settlement" means an agreement entered into by the State or a State agency, with or without a court's participation, that ends (i) a dispute, lawsuit, or part of the dispute or lawsuit or (ii) the involvement of the State or State agency in the dispute, lawsuit, or part of the dispute or lawsuit. This term includes settlement agreements, stipulation agreements, consent judgments, and consent decrees.

(b) Prohibition. – The following restrictions shall apply:

(1) Funds received by the State or a State agency from a settlement or other final order or judgment of the court shall not be transferred or expended pursuant to G.S. 143C-6-4 and shall remain unexpended until the funds are appropriated by the General Assembly. Nothing in this subdivision shall be construed to prohibit the expenditure of funds to any of the following:

a. A party, other than the State or a State agency, to the dispute or lawsuit.

b. A consumer entitled to a refund or the recovery of damages.

c. An attorney awarded attorneys' fees for representing (i) a party under sub-subdivision a. of this subdivision or (ii) a consumer under sub-subdivision b. of this subdivision.

(2) The Attorney General, any subordinate who has been delegated the authority to negotiate or approve a settlement, and any private counsel retained to represent a State agency shall have no authority to include or agree to terms or conditions in any settlement that authorizes the expenditure, transfer, or award of funds to any person or entity other than any of the following:

a. A party, other than the State or a State agency, to the dispute or lawsuit.

b. A consumer entitled to a refund or the recovery of damages.

c. An attorney awarded attorneys' fees for representing (i) a party under sub-subdivision a. of this subdivision or (ii) a consumer under sub-subdivision b. of this subdivision.

343
(c) Exception. – Subsections (b) and (e) of this section shall not apply to funds received by the Department of Health and Human Services to the extent those funds represent the recovery of previously expended Medicaid funds.

(d) Recommendation. – The Attorney General may provide a nonbinding written recommendation to the chairs of the Senate and House Appropriations Committees for their consideration as to what purpose the funds subject to the prohibition in subsection (b) of this section should be appropriated for.

(e) Overrealized Receipts. – Any provision of law authorizing the expenditure of overrealized receipts shall not apply to the funds referred to in subdivision (1) of subsection (b) of this section unless the language of the law specifically references this section or specifically references funds received by the State or a State agency from a settlement or other final order or judgment of the court.

(f) Required Disposition. – If the terms of a federal grant, another provision of State or federal law, or the State Constitution require a specific disposition of funds received from a settlement or other final order or judgment of the court, nothing in this section shall be construed to supersede, or authorize a deviation from, that specific disposition. Furthermore, nothing in this subsection shall be construed to abrogate the requirement that funds drawn from the State treasury be in consequence of appropriations made by law.

(g) Required Submission. – In addition to any other report or filing that may be required by law, and unless the settlement is sealed pursuant to a written order of the court in accordance with G.S. 132-1.3 or federal law, the Attorney General's Office shall submit a copy to the Legislative Library of any settlement or other final order or judgment of the court in which the State or a State agency receives funds in excess of seventy-five thousand dollars ($75,000). The submission required by this subsection shall be made within 60 days of the date (i) the settlement is entered into or (ii) the final order or judgment of the court is entered. Any information deemed confidential by State or federal law shall be redacted from the copy of the settlement or other final order or judgment of the court prior to submitting it to the Legislative Library.”

SECTION 6.6.(b) This section becomes effective December 1, 2014, and applies to settlements entered into on or after that date and other final orders or judgments of the court entered on or after that date.

PILOT PROGRAM TO IMPROVE BUDGETING OF THE GENERAL FUND

SECTION 6.7.(a) Finding. – The General Assembly finds that State budgeting is more transparent when the enacted budget for any given fiscal year appropriates all State funds intended for expenditure during that fiscal year, including funds encumbered in prior fiscal years, funds carried forward from prior fiscal years pursuant to statutory authority, and unearned revenue earned in a prior fiscal year.

SECTION 6.7.(b) Review of Current Practices. – The Office of State Budget and the Office of the State Controller, in consultation with the Fiscal Research Division, shall examine all of the following:

(1) How funds in the General Fund are currently accounted for, including practices relating to (i) the reversion of appropriated funds to the General Fund, (ii) the appropriation of funds to pay obligations incurred in prior fiscal years, (iii) the movement of funds into and out of special funds, and (iv) related matters.

(2) How the practices examined pursuant to subdivision (1) of this section compare with those of other states.

(3) Whether any statutory or administrative changes would improve the transparency and accounting accuracy of the General Fund.

(4) Whether the practices examined pursuant to subdivision (1) of this section comply with applicable standards of the Governmental Accounting Standards Board.
SECTION 6.7.(c) Pilot Program. – The Office of State Budget and Management and the Office of the State Controller, in consultation with the Fiscal Research Division, may establish and operate a pilot program to test measures for improving the extent to which funds that are to be spent in a given fiscal year are properly budgeted in that fiscal year. The pilot program may be subject to the following:

(1) The pilot program may include the following programs and funds:
   a. Some or all of the grant programs and special funds within the Department of Environment and Natural Resources.
   b. Some or all of the unexpended appropriations carried forward by The University of North Carolina pursuant to G.S. 116-30.3.
   c. Any other programs and funds that are deemed to be suitable for inclusion in the pilot program.

(2) Funds and programs that are included in the pilot program may be subject to the following requirements:
   a. An alternative liquidation period for encumbered funds that do not revert at the end of the 2014-2015 fiscal year under G.S. 143C-1-2(b).
   b. A requirement (i) that The University of North Carolina prepare an estimate of the amount of funds it anticipates will be carried forward into the 2015-2016 fiscal year pursuant to G.S. 116-30.3 and (ii) that this estimate be submitted to the Office of State Budget and Management and to the Fiscal Research Division no later than March 1, 2015.

SECTION 6.7.(d) Report. – No later than October 1, 2015, the Office of State Budget and Management and the Office of the State Controller, in consultation with the Fiscal Research Division, shall report the results of the review and pilot program required by this section to the chairs of the Senate Appropriations/Base Budget Committee, to the chairs of the House Appropriations Committee, and to the Director of the Budget. The report may include a recommendation to extend the pilot program for an additional fiscal year, if this is deemed desirable.

SECTION 6.7.(e) Recommendations for an Alternative Pilot Program. – If the Office of State Budget and Management and the Office of the State Controller, in consultation with the General Assembly's Fiscal Research Division, determine that the pilot program required by this section cannot be implemented, they shall report the reasons for reaching this conclusion, along with any other findings and recommendations for future action, to the chairs of the Senate Appropriations/Base Budget Committee, to the chairs of the House Appropriations Committee, and to the Director of the Budget. If a report is submitted pursuant to this subsection, then the pilot program required by subsection (c) of this section shall not be implemented, but the review required by subsection (b) of this section shall nonetheless be performed.

SECTION 6.7.(f) Expiration of Pilot Program. – The pilot program required by this section shall expire upon the submission of the report required by subsection (d) of this section or the submission pursuant to subsection (e) of this section stating that the pilot program cannot be implemented.

SECTION 6.7.(g) Effective Date. – This section is effective when it becomes law and applies to funds appropriated for the 2014-2015 fiscal year and subsequent fiscal years.

ORDER OF APPROPRIATIONS BILLS

SECTION 6.8. G.S. 143C-5-2 reads as rewritten:

"§ 143C-5-2. Order of appropriations bills.
   (a) Each house of the General Assembly shall first pass its version of the Current Operations Appropriations Act on third reading and order it sent to the other chamber before
placing any other appropriations bill on the calendar for second reading. This section does not apply to the following bills:

1. An appropriations bill to respond to an emergency as defined by G.S. 166A-19.3.
2. An appropriations bill making adjustments to the current year budget.
3. An appropriations bill authorizing continued operations at current funding levels.
4. In even-numbered years, an appropriations bill that contains a statement that the General Assembly does not intend to enact a Current Operations Appropriations Act that year."

(b) The provisions of subsection (a) of this section shall apply to each fiscal year of the biennium.

REPORTING ON AGENCY REORGANIZATIONS AND MOVEMENTS OF POSITIONS

SECTION 6.10. Article 6 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"§ 143C-6-12. Quarterly report on State agency reorganizations and movements of positions.
The Office of State Budget and Management shall report quarterly to the Joint Legislative Commission on Governmental Operations and the appropriate Joint Legislative Oversight Committee on reorganizations of State agencies and movements of State agency positions. Each report submitted pursuant to this section shall include all of the following information for the previous quarter:

1. A list of all reorganizations within State agencies or between State agencies.
2. A list of all positions moved within a State agency or between State agencies.
3. A statement of the purpose of each reorganization and position movement undertaken and of the legal authority under which each reorganization and position movement was made."

CONTINGENCY AND EMERGENCY FUND

SECTION 6.12. Section 6.1 of S.L. 2013-360, as amended by Section 1.4 of S.L. 2013-363, reads as rewritten:

"SECTION 6.1. For the 2013-2015 fiscal biennium and notwithstanding the provisions of G.S. 143C-4-4(b), funds appropriated to the Contingency and Emergency Fund may be used only for expenditures required (i) by a court or Industrial Commission order, (ii) to respond to events as authorized under G.S. 166A-19.40(a) of the North Carolina Emergency Management Act, (iii) by the State Treasurer to pay death benefits as authorized under Article 12A of Chapter 143 of the General Statutes, (iv) by the Office of the Governor for crime rewards in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for supplemental awards of compensation, or (vi) by the Department of Justice for legal fees or for litigation expenses incurred by State agencies in defense of the State during the 2014-2015 fiscal year, in an amount not to exceed seven hundred fifty thousand dollars ($750,000), as approved by the Office of State Budget and Management.

These funds shall not be used for other statutorily authorized purposes or for any other contingencies and emergencies."

DEPARTMENT OF ADMINISTRATION/EUGENICS PROGRAM AMENDMENTS

SECTION 6.13. (a) G.S. 143B-426.51 reads as rewritten:

"§ 143B-426.51. Compensation payments.
(a) A claimant determined to be a qualified recipient under this Part shall receive lump sum compensation in the amount determined by this subsection from funds appropriated
to the Department of State Treasurer for these purposes. Except as provided by the succeeding sentence, the amount of compensation for each qualified recipient is the sum of ten million dollars ($10,000,000) divided by the total number of qualified recipients, and all such payments shall be made on June 30, 2015. The State Treasurer shall reduce the ten million dollars ($10,000,000) by holding out a pro-rata amount per claimant for any cases in which there has not been a final determination of the claim on June 30, 2015. Payments made to persons determined to be qualified claimants after that date shall be made upon such determination, and if after final adjudication of all claims there remains a balance from the funds held out, they shall be paid pro-rata to all qualified claimants. A qualified recipient shall receive compensation in the form of two payments. By October 31, 2014, claimants determined by the Commission to be qualified recipients shall receive an initial payment as provided by this section. Claimants determined to be qualified recipients after that date shall receive an initial payment within 60 days of the Commission's determination. A second and final payment shall be made after the exhaustion of all appeals arising from the denial of eligibility for compensation under this Part.

The initial payment to each qualified recipient will be calculated by adding together the number of qualified recipients as of October 1, 2014, and the number of claims outstanding that are pending, then dividing that total number into the sum of ten million dollars ($10,000,000). The initial payment checks shall be remitted by October 31, 2014.

The final payment calculation will be made by taking the balance of compensation funds remaining after the exhaustion of appeals and dividing that sum equally between the number of qualified recipients determined finally to be eligible to receive compensation. The final payment checks shall be remitted within 90 days of the exhaustion of the last appeal. Any qualified claimant who was successful on appeal and who did not receive an initial payment shall be paid an amount equal to the initial payment amount, plus the amount from the final payment calculation.

The Office and the State Controller shall collaborate to facilitate the administration of this section so as to effectuate the compensation of qualified recipients as soon as practicable.

(b) If any claimant shall die during the pendency of a claim, or after being determined to be a qualified recipient, any payment shall be made to the estate of the decedent.

(c) A qualified recipient may assign compensation received pursuant to subsection (a) of this section to a trust established for the benefit of the qualified recipient.

(d) It is the public policy of this State that funds awarded for the compensation of sterilization victims under this Part may be used only for the purpose of benefiting victims and shall not be used to pay attorneys' fees arising from representation at the Office, before the Commission, or on appeal. The General Assembly finds that qualified recipients have suffered a unique harm that calls for a unique remedy and that there are sufficient sources of assistance and pro bono legal representation available to protect their interests. Therefore, any agreement for the acceptance of attorneys' fees is null and void unless counsel has sought and received an opinion from the North Carolina State Bar that the fee arrangement is reasonable under the Rules of Professional Conduct.

(e) All missing claim information must be postmarked to, or received by, the Office by September 23, 2014, in order to be considered.

(f) By September 30, 2014, the Office shall submit all remaining claim forms to the Commission for appropriate disposition in accordance with this Part.

SECTION 6.13.(b) G.S. 143B-426.52(a) reads as rewritten:

"(a) An individual shall be entitled to compensation as provided for in this Part if a claim is submitted on behalf of that individual in accordance with this Part, or is mailed and postmarked on or before June 30, 2014, and that individual is subsequently determined by a preponderance of the evidence to be a qualified recipient, except that any competent adult who gave consent is not a qualified recipient unless that individual can show by a preponderance of the evidence that the consent was not informed."

SECTION 6.13.(c) G.S. 143B-426.53(g) reads as rewritten:
"(g) If at any stage of the proceedings the claimant is determined to be a qualified recipient, the Commission shall give notice to the claimant and to the Office of the State Treasurer, and the State Treasurer Justice for Sterilization Victims and to the Office of State Controller. The Office of State Controller shall make payment of compensation to the qualified recipient or

SECTION 6.13.(d) Of the funds appropriated from the General Fund to the Office of Justice for Sterilization Victims, Department of Administration, the sum of one hundred thirty thousand dollars ($130,000) shall be used for the 2014-2015 fiscal year to pay the costs of administering the compensation program for sterilization victims.

SECTION 6.13.(e) Section 6.18(g) of S.L. 2013-360 reads as rewritten:

"SECTION 6.18.(g) Subsection (b) of this section becomes effective for taxable years beginning on or after January 1, 2015. Subsections (e) and (g) of this section are effective when this act becomes law. The remainder of this section becomes effective July 1, 2013. Except for the provisions of subsections (b) and (c) of this section, and the final adjudication of any claims under subsection (a) of this section that are pending on June 30, 2015, this section expires June 30, 2015, and the Office of Justice for Sterilization Victims is abolished."

SECTION 6.13.(f) G.S. 108A-70.5 is amended by adding a new subsection to read:

"(f) With regard to any recipient who has received compensation pursuant to Part 30 of Article 9 of Chapter 143B of the General Statutes, the Department shall reduce the amount of any recovery it seeks from the deceased recipient’s estate under this section by the amount of the resource disregard provided for in G.S. 143B-426.56(b)(1)."

USE OF CASH BALANCES TO MEET TEMPORARY CASH NEEDS

SECTION 6.14. G.S. 147-86.11(e) is amended by adding a new subdivision to read:

"(7) The State Controller may use cash reserved to the Savings Reserve Account and cash from other funds, including special funds, that is not needed temporarily to meet the cash flow needs of the General Fund, but only to the extent that this authority can be used without jeopardizing the ability of reserves or funds, including special funds, to meet their ongoing obligations. Any cash transferred from reserves or funds, including special funds, shall be fully restored by the end of the fiscal year in which the funds were transferred, and interest shall be paid on all cash transferred to the General Fund pursuant to this subdivision from interest-bearing accounts."

PART VII. INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY FUND

SECTION 7.1.(a) Section 7.1 of S.L. 2013-360 reads as rewritten:

"SECTION 7.1. The availability used to support appropriations made in this act from the Information Technology Fund established in G.S. 147-33.72H is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013-2014</th>
<th>FY 2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Appropriation for IT Fund</td>
<td>$6,053,142</td>
<td>$6,055,342</td>
</tr>
<tr>
<td>General Fund Appropriation for Government Data Analytics Center</td>
<td>$3,000,000</td>
<td>$4,417,515</td>
</tr>
<tr>
<td>Criminal Justice Law Enforcement Automated Data System (CJLEADS)</td>
<td></td>
<td>$1,129,488</td>
</tr>
<tr>
<td>Interest</td>
<td>$2,200</td>
<td>$2,200</td>
</tr>
<tr>
<td>IT Fund Balance, June 30</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Funds Available</strong></td>
<td><strong>$9,055,342</strong></td>
<td><strong>$10,475,057</strong></td>
</tr>
<tr>
<td><strong>IT Fund Balance, June 30</strong></td>
<td><strong>$17,659,545</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appropriations are made from the Information Technology Fund for the 2013-2015 fiscal biennium as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal Justice Information Network</td>
<td>$189,563</td>
<td>$189,563</td>
</tr>
<tr>
<td>Center for Geographic Information and Analysis</td>
<td>$495,338</td>
<td>$495,338</td>
</tr>
<tr>
<td>Enterprise Security Risk Management</td>
<td>$864,148</td>
<td>$864,148</td>
</tr>
<tr>
<td>Enterprise Project Management Office</td>
<td>$1,473,285</td>
<td>$1,473,285</td>
</tr>
<tr>
<td>Architecture and Engineering</td>
<td>$851,986</td>
<td>$851,986</td>
</tr>
<tr>
<td>State Web Site Portal</td>
<td>$224,741</td>
<td>$224,741</td>
</tr>
<tr>
<td>Enterprise Licenses</td>
<td>$33,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Longitudinal Data Board</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Subtotal Information Technology Operations</strong></td>
<td><strong>$4,132,061</strong></td>
<td><strong>$4,137,061</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Data Analytics Center</td>
<td>$3,000,000</td>
<td>$3,417,515</td>
</tr>
<tr>
<td>CJLEADS</td>
<td>$1,129,488</td>
<td>$9417,515</td>
</tr>
<tr>
<td>IT Consolidation</td>
<td>$1,021,081</td>
<td>$1,021,081</td>
</tr>
<tr>
<td>Electronic Forms/Digital Signatures</td>
<td>$900,000</td>
<td>$450,000</td>
</tr>
<tr>
<td>Enterprise Resource Planning</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Subtotal Information Technology Projects</strong></td>
<td><strong>$4,921,081</strong></td>
<td><strong>$6,338,596</strong></td>
</tr>
</tbody>
</table>

**Total** $9,053,142 $10,470,657

Unless a change is approved by the State Chief Information Officer after consultation with the Office of State Budget and Management, funds appropriated to the Information Technology Fund shall be spent only as specified in this section. Changes shall not result in any degradation to the information technology operations or projects listed in this section for which the funds were originally appropriated.

Any changes to the specified uses shall be reported immediately in writing to the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Chair and Cochair of the House Appropriations Subcommittee on Information Technology, and the Fiscal Research Division.

SECTION 7.1(b) Funds appropriated to the Information Technology Fund for enterprise resource planning (ERP) shall be used by the State Chief Information Officer, in conjunction with the North Carolina Government Efficiency and Reform Initiative (NC GEAR) and the State Controller, to develop a strategic implementation plan for a statewide ERP. By December 15, 2014, the State Chief Information Officer shall submit the plan to the Joint Legislative Oversight Committee on Information Technology. At a minimum, the plan shall address all of the following:

1. Project management.
2. Project scope.
3. Specific project requirements.
4. Time line.
5. Cost by State fiscal year.
6. Potential funding sources.
7. Quality control.
8. Change management.
9. Risks associated with the project.
10. Stakeholder management.

INFORMATION TECHNOLOGY INTERNAL SERVICE FUND/RATE SETTING

SECTION 7.2. Section 7.2 of S.L. 2013-360 reads as rewritten:

"…"
"SECTION 7.2.(b) IT Internal Service Fund. – For each year of the 2013-2015 fiscal biennium, the 2014-2015 fiscal year, receipts for the IT Internal Service Fund shall not exceed one hundred ninety million dollars ($190,000,000), one hundred ninety-five million dollars ($195,000,000), excluding a 60-day balance for contingencies. Rates approved by the Office of State Budget and Management (OSBM) to support the IT Internal Service Fund shall be based on this fund limit. This shall include rates established for the services provided by the Government Data Analytics Center, including, but not limited to, rates for business intelligence support and master data management services. In the event the Fund exceeds the required limit, rates shall be adjusted within 30 days. In the event that an increase in receipts for the IT Internal Service Fund is required, the Office of Information Technology services may only implement the increase after consultation with the Joint Legislative Commission on Governmental Operations.

"SECTION 7.2.(c) Rate Setting. – By October 31, 2013, October 31, 2014, the State Chief Information Officer shall establish consistent, fully transparent, easily understandable rates that reflect industry standards for each service for which any agency is charged. A detailed written report explaining the rate structure shall be submitted to the Joint Legislative Commission on Governmental Operations, the Chairs of the Joint Legislative Oversight Committee on Information Technology, the House Appropriations Subcommittee on Information Technology, and the Fiscal Research Division. An interim written report shall be submitted by July 30, 2013, September 1, 2014. Overhead charges to agencies shall be consistently applied and shall reflect industry standards for the particular service. Rate increases shall require the approval of OSBM and consultation with the Joint Legislative Commission on Governmental Operations. Rate reductions may be implemented following notification of OSBM.

"SECTION 7.2.(c1) By October 31, 2014, the State Chief Information Officer shall establish rates for use of the Criminal Justice Law Enforcement Automated Data System (CJLEADS) by federal and private entities and users outside the State. These rates shall be reported to the Joint Legislative Oversight Committee on Information Technology.

"SECTION 7.2.(c2) For the 2014-2015 fiscal year, the sum of one hundred sixty-five million dollars ($165,000,000) of the funds in the IT Internal Service Fund are nonrecurring funds. Future appropriations to the IT Internal Service Fund will be dependent on the development of a fully transparent, consistent, and easy-to-understand rate structure. The proposed rate structure must be presented annually, with justifications, to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. The Committee shall make funding recommendations to the chairs of the Senate and House of Representatives Committees on Appropriations.

.....

INFORMATION TECHNOLOGY RESERVE FUND

SECTION 7.3.(a) Section 7.3 of S.L. 2013-360 reads as rewritten:

"SECTION 7.3.(a) Funds in the Reserve for Information Technology for the 2013-2014 fiscal year consist of the sum of twenty-eight million dollars ($28,000,000) appropriated from the General Fund. Funds in the Reserve for Information Technology for the 2014-2015 fiscal year consist of the sum of thirty-one million five hundred eighty-two thousand four hundred eighty-five dollars ($31,582,485) twenty million two hundred forty thousand sixty-seven dollars ($20,240,067) appropriated from the General Fund.

SECTION 7.3.(b) The Information Technology Reserve Fund shall be established in the Office of the State Chief Information Officer (CIO). It shall be interest-bearing and nonreverting. The State CIO shall follow established procedures for project approval. Appropriations are made from the Information Technology Reserve Fund for the 2013-2015 fiscal biennium as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare/Focus</td>
<td>$ 250,000</td>
<td>$ 0</td>
</tr>
<tr>
<td>Plan</td>
<td>1,570,806</td>
<td>2,239,512</td>
</tr>
</tbody>
</table>

"SECTION 7.3.(c) By September 15, 2013, the State Chief Information Officer shall provide an update to the Joint Legislative Oversight Committee on Information Technology, the House Appropriations Subcommittee on Information Technology, and the Fiscal Research Division. The update shall include the dates for completion of a strategic plan, an enterprise architecture, a new business case methodology, and implementation of a new project management process. Not later than the dates specified in the time line, each of these documents shall be submitted to the Joint Legislative Oversight Committee on Information Technology, the House Appropriations Subcommittee on Information Technology, and the Fiscal Research Division.

"SECTION 7.3.(d) Unless a change is approved by the State Chief Information Officer after consultation with the Office of State Budget and Management, funds appropriated to the IT Reserve Fund shall be spent only as specified in this section."

"SECTION 7.3.(b) Beginning October 1, 2014, the State Chief Information Officer shall submit to the Joint Legislative Oversight Committee on Information Technology and Fiscal Research Division a report on all expenditures involving funds appropriated to the Information Technology Reserve Fund.

INFORMATION TECHNOLOGY OPERATIONS

"SECTION 7.4.(a) Section 7.4 of S.L. 2013-360 is amended by adding a new subsection to read:

"SECTION 7.4.(a1) Unless an exception is granted in writing by the State Chief Information Officer, any new equipment purchased by State agencies to replace equipment currently housed in State agency data centers and any equipment purchased to provide new data center capabilities for State agencies shall be installed in Office of Information Technology Services data centers. Prior to purchasing any new equipment, State agencies shall coordinate with the Office of the State Chief Information Officer and the Office of Information Technology Services to ensure ITS has the capability to support planned equipment purchases."

"SECTION 7.4.(b) Section 7.4(c) of S.L. 2013-360 reads as rewritten:

"SECTION 7.4.(c) Restructuring Plan. – The State CIO shall conduct a comprehensive review of the State's overall information technology operations, including the efficacy of existing exemptions and exceptions from unified State IT governance. Based upon this analysis, the State CIO shall update the plan to restructure the State's IT operations for the most effective and efficient utilization of resources and capabilities. The plan shall include identifying, documenting, and providing a framework for developing and implementing the education and training required for all State information technology personnel, including information technology contracting professionals. Each State agency, department, and institution, and The University of North Carolina, shall (i) cooperate fully with the Office of the State CIO during the review and assessment phase of restructuring plan development and (ii) provide to the State CIO all information needed to carry out the purposes of this subsection. By May 1, 2014, December 1, 2014, the State CIO shall present the plan to the Joint Legislative Oversight Committee on Information Technology, along with any
recommended legislative proposals for implementation to be considered for introduction during the 2014 Regular Session of the 2013 General Assembly to the 2015 General Assembly.”

**TAX INFORMATION MANAGEMENT SYSTEM CHANGES**

**SECTION 7.5.(a)** The public-private partnerships previously initiated to develop and implement the Tax Information Management Systems (TIMS) are no longer authorized. Effective July 1, 2014, all funding for the TIMS project must be appropriated by the General Assembly to the Department of Revenue for each initiative comprising the project, including all funding generated by the benefits stream.

**SECTION 7.5.(b)** Section 7.17 of S.L. 2013-360, as amended by Section 2.1 of S.L. 2013-363, reads as rewritten:

"**SECTION 7.17.(a)** Additional Public-Private Partnership. – The Secretary of Revenue may enter into an additional public-private arrangement in order to expand the implementation of the Tax Information Management System (TIMS). All such arrangements will terminate June 30, 2018. The public-private arrangement may include terms necessary to implement additional revenue-increasing or cost-savings components if all of the following conditions are met:

1. The funding of the project under the arrangement comes from revenue generated by or cost savings resulting from the project.
2. The funding of the project is dependent on increased revenue or cost savings streams that are different from the existing benefits stream for the implementation of TIMS.
3. The project involves additional identified initiatives that will be integrated into the TIMS solution.

"**SECTION 7.17.(b)** Contracts. – Work under an additional public-private arrangement that is authorized by this section may be contracted by requests for proposals, modifications to the existing contracts, purchases using existing contracts, or other related contract vehicles.

"**SECTION 7.17.(c)** Management/Performance Measurement. – The Secretary of Revenue shall follow the existing model for public-private arrangement oversight and shall establish a measurement process to determine the increased revenue or cost-savings attributed to the additional public-private arrangement contracts authorized by this section. To accomplish this, the Secretary shall consult subject matter experts in the Department of Revenue, in other governmental units, and in the private sector, as necessary. At a minimum, the measurement process shall include all of the following:

1. Calculation of a revenue baseline against which the increased revenue attributable to the project is measured and a cost-basis baseline against which the cost-savings resulting from the project are measured.
2. Periodic evaluation to determine whether the baselines need to be modified based on significant measurable changes in the economic environment.
3. Monthly calculation of increased revenue and cost-savings attributable to contracts executed under this section.

"**SECTION 7.17.(d)** Funding. – Of funds generated from increased revenues or cost-savings, as compared to the baselines established by subdivision (1) of subsection (c) of this section, in the General Fund, the Highway Fund, and that State portion of the Unauthorized Substance Tax collections of the Special Revenue Fund, the sum of up to a total of sixteen million dollars ($16,000,000) may be authorized by the Office of State Budget and Management to make purchases related to the implementation of the additional public-private arrangement authorized by this section, including payments for services from non-State entities.

"**SECTION 7.17.(e)** Internal Costs. – For the 2013-2015 fiscal biennium the Department of Revenue may retain an additional sum of eight million eight hundred seventy-four thousand three hundred nineteen dollars ($8,874,319) from benefits generated for the General Fund since the beginning of the public-private partnership described under Section 6A.5(a) of S.L.
2011-145. The Department may use up to eleven million eight hundred seventy-four thousand three hundred nineteen dollars ($11,874,319) as payment of internal costs for the fiscal biennium, and such funds are hereby appropriated for this purpose.

"SECTION 7.17.(f) Expert Counsel Required. – Notwithstanding G.S. 114-2.3, the Department of Revenue shall engage the services of private counsel with the pertinent information technology and computer law expertise to negotiate and review contracts associated with an additional public-private arrangement authorized entered into under this section.

"SECTION 7.17.(g) Oversight Committee. – The Oversight Committee established under Section 6A.5(c) of S.L. 2011-145 shall have the same responsibilities and duties with respect to an additional public-private arrangement authorized by this section as it does with respect to public-private arrangements to implement TIMS and the additional Planning and Design Project (PDP) components.

"SECTION 7.17.(h) Reporting. – Beginning August 1, 2013, and quarterly thereafter, the Department of Revenue shall submit detailed written reports to the Chairs of the House of Representatives Appropriations Committee, to the Chairs of the Senate Committee on Appropriations/Base Budget, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly. The report shall include an explanation of all of the following:

(1) Details of each public-private contract.
(2) The benefits from each contract.
(3) A comprehensive forecast of the benefits of using public-private agreements to implement TIMS, the additional PDP components, and additional components authorized by this section, including cost savings and the acceleration of the project timeline.
(4) Any issues associated with the operation of the public-private partnership.

"SECTION 7.17.(i) Information Technology Project Oversight. – In addition to the oversight provided by the Oversight Committee established in Section 6A.5(c) of S.L. 2011-145, the additional public-private arrangement Contracts pertaining to TIMS as authorized by this section shall be subject to existing State information technology project oversight laws and statutes, and the project management shall comply with all statutory requirements and other criteria established by the State Chief Information Officer and the Office of State Budget and Management for information technology projects. The State Chief Information Officer and the Office of State Budget and Management shall immediately report any failure to do so to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House of Representatives and Senate Committees on Appropriations, and the Fiscal Research Division.

"SECTION 7.5.(c) Section 6A.5 of S.L. 2011-145, as amended by Section 6A.3(j) of S.L. 2012-142 and Section 7.17(j) of S.L. 2013-360, reads as rewritten:

"SECTION 6A.5(c) There is established within the Department of Revenue the Oversight Committee for reviewing and approving the benefits measurement methodology and calculation process. The Oversight Committee shall review and approve in writing all contracts, including change orders, amendments to contracts, and addendums to contracts, before they are executed under this section. This shall include (i) details of each public-private contract, (ii) the benefits from each contract, and (iii) a comprehensive forecast of the benefits of using public-private agreements to implement TIMS and the additional PDP components, including the measurement process established for the Secretary of Revenue. The Oversight Committee shall approve all of the fund transfers for this project. Within five days of entering into a contract, the Department shall provide copies of each contract and all associated information to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House
of Representatives and Senate Committees on Appropriations, and the Fiscal Research Division.

The members of the Committee shall include the following:

1. The Director of the Office of State Budget and Management;
2. The Secretary of the Department of Revenue;
3. The State Chief Information Officer;
4. Two persons appointed by the Governor;
5. One member of the general public having expertise in information technology appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives; and
6. One member of the general public having expertise in economic and revenue forecasting appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate.

The State Budget Director shall serve as chair of the Committee. The Committee shall set its meeting schedule and adopt its rules of operation by majority vote. A majority of the members constitutes a quorum. Vacancies shall be filled by the appointing authority. Administrative support staff shall be provided by the Department of Revenue. Members of the Committee shall receive reimbursements for subsistence and travel expenses as provided by Chapter 138 of the General Statutes. The Committee shall terminate on June 30, 2018.

The Department shall provide copies of the minutes of each meeting and all associated information to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the House of Representatives Appropriations Committee, the Chairs of the Senate Committee on Appropriations/Base Budget, and the Fiscal Research Division.

"SECTION 6A.5.(c1) The TIMS Oversight Committee created by Section 6A.5(c) of this act shall do all of the following:

1. Approve and monitor management performance measures.
2. Approve project initiatives.
3. Approve project changes.
4. Provide project oversight.
5. Review funding requirements and project expenditures.
6. Provide TIMS project recommendations to the Department of Revenue and the General Assembly.
7. Ensure Department of Revenue compliance with all applicable laws.

"SECTION 6A.5.(c2) Beginning August 1, 2014, and quarterly thereafter, the Department of Revenue shall submit detailed quarterly reports to the Joint Legislative Oversight Committee on Information Technology, the Chairs of the Senate Appropriations Committee on General Government and Information Technology, the Chairs of the House Appropriations Subcommittee on General Government, the Chair of the House Appropriations Subcommittee on Information Technology, and the Fiscal Research Division. At a minimum, the reports shall include all of the following:

1. Project status, to include any issues identified by the Enterprise Project Management Office.
2. Comparison of project status to the time line, with an explanation of any differences.
3. Any changes in project cost.
4. Actual expenditures to date.
5. Any variances from projected expenditures and the reasons for the variance.
6. Any potential funding shortfalls and their impact.
7. Any issues identified by the Department of Revenue, with a corrective action plan and a time line for resolving the issues.
8. Impact of any issues identified on the project schedule.
9. Impact of any issues identified on project cost.
10. Any changes to the project scope.
GOVERNMENT DATA ANALYTICS CENTER/BUSINESS INTELLIGENCE

SECTION 7.6.(a) G.S. 143B-426.38A reads as rewritten:

"§ 143B-426.38A. Government Data Analytics Center; State data-sharing requirements.

(11) Any change requests submitted to project vendors and the cost of the changes."

SECTION 7.6.(b) Of the funds appropriated to the Information Technology Fund, the sum of one million four hundred seventeen thousand five hundred fifteen dollars ($1,417,515) shall be used in each fiscal year of the 2013-2015 biennium for OSC internal costs.

INFORMATION TECHNOLOGY CONTRACTS

SECTION 7.7. Section 7.7 of S.L. 2013-360 is amended by adding a new subsection to read:

"SECTION 7.7.(g) Enhance State IT Contract Expertise. – The State Chief Information Officer (State CIO), the Office of State Human Resources, the Department of Computer Science at North Carolina State University, the Schools of Government and Law at the University of North Carolina at Chapel Hill, and in the discretion of the State CIO, schools and..."
departs at other public and private institutions of higher learning in the State, shall work jointly to create a career path for State government information technology contracting professionals that includes defined qualifications, career progression, training opportunities, and appropriate compensation. By December 1, 2014, the State CIO shall submit a detailed, fully implementable plan to create the career path for State government information technology contracting professionals to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division."

VEHICLE MANAGEMENT

SECTION 7.11.(a) Section 7.16(e) of S.L. 2013-360 reads as rewritten:

"SECTION 7.16.(e) Until July 1, 2015—December 31, 2015, no State or local governmental entity or officer may procure or operate an unmanned aircraft system or disclose personal information about any person acquired through the operation of an unmanned aircraft system unless the State CIO approves an exception specifically granting disclosure, use, or purchase. Any exceptions to the prohibition in this subsection shall be reported immediately to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. The following definitions apply in this section:

(1) "Unmanned aircraft" means an aircraft that is operated without the possibility of human intervention from within or on the aircraft.

(2) "Unmanned aircraft system" means an unmanned aircraft and associated elements, including communication links and components that control the unmanned aircraft that are required for the pilot in command to operate safely and efficiently in the national airspace system."

SECTION 7.11.(b) If Section 7.16(e) of S.L. 2013-360 is repealed during the 2014 Session of the 2013 General Assembly, then Section 7.16 of S.L. 2013-360 is amended by adding the following new subsection:

"SECTION 7.16.(g) Until December 31, 2015, no State or local governmental entity or officer may procure or operate an unmanned aircraft system or disclose personal information about any person acquired through the operation of an unmanned aircraft system unless the State CIO approves an exception specifically granting disclosure, use, or purchase. Any exceptions to the prohibition in this subsection shall be reported immediately to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. The following definitions apply in this section:

(1) "Unmanned aircraft" means an aircraft that is operated without the possibility of human intervention from within or on the aircraft.

(2) "Unmanned aircraft system" means an unmanned aircraft and associated elements, including communication links and components that control the unmanned aircraft that are required for the pilot in command to operate safely and efficiently in the national airspace system."

USE OF MOBILE COMMUNICATIONS DEVICES

SECTION 7.12.(a) G.S. 147-33.91(a) reads as rewritten:

"(a) With respect to State agencies, the State Chief Information Officer shall exercise general coordinating authority for all telecommunications and mobile electronic communications matters relating to the internal management and operations of those agencies. In discharging that responsibility, the State Chief Information Officer, in cooperation with affected State agency heads, may:

... (14) Monitor the use of mobile electronic communications devices within State agencies and maintain information on the following:

a. The total number of devices issued by each agency.

b. The total cost of mobile devices issued by each agency.

c. The number and cost of new devices issued.
d. The contracts used to obtain the devices."

SECTION 7.12.(b) Section 7.18 of S.L. 2013-360 is repealed.
SECTION 7.12.(c) G.S. 120-236 is repealed.

STATE PORTAL

SECTION 7.13. Section 7.22 of S.L. 2013-360, as amended by S.L. 2013-363, reads as rewritten:

"SECTION 7.22. The State Chief Information Officer (SCIO) shall develop a plan to implement an electronic portal that makes obtaining information, conducting online transactions, and communicating with State agencies more convenient for members of the public. The portal shall be developed using resources determined by the SCIO. The SCIO shall report to the Joint Legislative Oversight Committee on Information Technology on the details of the plan prior to implementation. The plan shall contain all of the following:

(1) A detailed description for development and implementation of the portal, to include a list of anticipated applications to be implemented during the State fiscal years of 2013-2017.

(2) A description of how the portal will be implemented, including the use of outside vendors, detailed information on vendor participation, and potential costs.

(3) Detailed information on the anticipated total cost of ownership of the portal and any applications proposed for implementation during the State fiscal years of 2013-2017, including the amount of any payments to be made to any vendors supporting the project for each application and the portal as a whole.

(4) A funding model that limits the costs to the State.

(4a) Costs to State agencies for the portal as a whole and for each service.

(4b) Costs to access services for citizens of the State.

(5) If outsourced, a detailed, fully executable plan to return portal operations to the State, with associated costs and a detailed analysis that demonstrates that it is more cost effective to use a vendor than to develop an application internally.

(6) A provision requiring that any fees to support the operation of the portal must be authorized by the State Chief Information Officer and reported to the Joint Legislative Oversight Committee on Information Technology."

DEPARTMENT OF TRANSPORTATION INFORMATION TECHNOLOGY MODERNIZATION

SECTION 7.14.(a) Of the funds appropriated to the Department of Transportation (DOT), the sum of twenty-two million nine hundred eleven thousand eight hundred twenty-two dollars ($22,911,822) for the 2014-2015 fiscal year is allocated for the following information technology projects and associated activities:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement of the State Automated Driver License System</td>
<td>$14,946,903</td>
</tr>
<tr>
<td>(SADLS) – Project Phases 1, 2, and 3</td>
<td></td>
</tr>
<tr>
<td>Division of Motor Vehicles Mobile Unit Replacement</td>
<td>$796,000</td>
</tr>
<tr>
<td>Division of Motor Vehicles Kiosk Pilot Program</td>
<td>$600,000</td>
</tr>
<tr>
<td>Division of Motor Vehicles Card Payment Operations &amp; Maintenance</td>
<td>$1,512,919</td>
</tr>
<tr>
<td>Division of Motor Vehicles – Service-Oriented Architecture</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Division of Motor Vehicles Channel Strategy</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Division of Motor Vehicles – Web Application Development</td>
<td>$256,000</td>
</tr>
<tr>
<td>(Hearing Fee Implementation)</td>
<td></td>
</tr>
</tbody>
</table>

SECTION 7.14.(b) Available funds shall be prioritized to expedite completion of the State Automated Driver License System modernization and replacement project. All DOT
business intelligence activities, to include any planning and development, shall be implemented working through the Government Data Analytics Center. Service-oriented architecture efforts shall be coordinated in writing with the Office of the State Chief Information Officer. All DOT information technology product or service integration efforts shall be coordinated in writing with the State Information Technology Innovation Center.

SECTION 7.14(e) By September 1, 2014, the DOT Chief Information Officer shall identify a responsible individual for each project listed above and provide those names to the Joint Legislative Oversight Committee on Information Technology and the Joint Legislative Transportation Oversight Committee.

SECTION 7.14(d) Beginning October 1, 2014, the DOT Chief Information Officer shall submit a quarterly, written report on the status of each information technology project listed in this section to the Joint Legislative Oversight Committee on Information Technology and the Joint Legislative Transportation Oversight Committee. At a minimum, the report shall include all of the following:

1. Project status, to include any issues identified by the Enterprise Project Management Office.
2. Comparison of project status to the time line, with an explanation of any differences.
3. Any changes in project cost.
4. Actual expenditures to date.
5. Any variances from projected expenditures and the reasons for the variance.
6. Any potential funding shortfalls and the potential impact of the funding shortfalls.
7. Any issues identified by the DOT, with a corrective action plan and a time line for resolving the issues.
8. Impact of any issues identified on the project schedule.
9. Impact of any issues identified on project cost.
10. Any changes to the project.
11. Any change requests submitted to project vendors and the cost of those changes.

GEOGRAPHIC INFORMATION SYSTEM DATA/CONSOLIDATION/FEASIBILITY OF SELLING DATA

SECTION 7.16(a) The State Chief Information Officer (State CIO) shall:

1. Document Geographic Information System capabilities existing in State agencies, including, but not limited to, the Office of the State CIO, the Department of Public Safety, the Department of Transportation, and the Department of Agriculture and Consumer Services, in consultation with the Center for Geographic Information and Analysis. This requirement shall be completed by December 1, 2014, with a copy of the written analysis to be submitted to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before that date.

2. Develop recommendations for consolidating GIS functions within State government. These recommendations shall be presented to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division not later than December 1, 2014.

SECTION 7.16(b) The State CIO shall determine if there are potential markets for State GIS data. To accomplish this requirement, the State CIO shall identify any issues associated with the sale of State GIS data and, if feasible, develop a plan for selling that data. By December 1, 2014, the State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and to the Fiscal Research Division on any plan developed for the sale of GIS data, or if the State CIO finds that the sale of GIS data is not feasible, the basis of that determination.
INFORMATION TECHNOLOGY SERVICES/EMPLOYEES EXEMPTED FROM CERTAIN PROVISIONS OF STATE HUMAN RESOURCES ACT

SECTION 7.17.(a) G.S. 126-5(c11) reads as rewritten:
"(c11) The following are exempt from: (i) the classification and compensation rules established by the State Human Resources Commission pursuant to G.S. 126-4(1) through (4); (ii) G.S. 126-4(5) only as it applies to hours and days of work, vacation, and sick leave; (iii) G.S. 126-4(6) only as it applies to promotion and transfer; (iv) G.S. 126-4(10) only as it applies to the prohibition of the establishment of incentive pay programs; and (v) Article 2 of Chapter 126 of the General Statutes, except for G.S. 126-7.1:

(3) Employees of the Office of the State Chief Information Officer, the Office of Information Technology Services (ITS), and employees in all agencies, departments, and institutions with similar classifications as ITS employees, who voluntarily relinquish annual longevity payments, relinquish any claim to longevity pay, voluntarily relinquish any claim to career status or eligibility for career status as approved by the State Chief Information Officer and the Director of the Office of State Human Resources (OSHRC)."

SECTION 7.17.(b) This section is effective when it becomes law.

BUDGET AND REPORTING INFORMATION TECHNOLOGY EXPENDITURES

SECTION 7.18. The Office of the State Chief Information Officer shall complete implementation of a Budget and Reporting Information Technology Expenditures (BRITE) tool. By December 15, 2014, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the implementation of the BRITE tool. The report shall include the following:

(1) Initial and current implementation dates, with the reasons for any extensions.
(2) A time line of initial and current completion dates for each phase of the project.
(3) Every contract associated with the implementation, with the reason for each.
(4) An explanation of any changes to any initial contract, with the associated cost of each change.
(5) Initial and current budgets for the project.
(6) Initial and current total cost for the project, to include all associated contracts, as well as internal costs.
(7) Sources of funding for the implementation by fund code.
(8) Number of projected and actual hours to complete the effort, by phase, with the reasons for any overage.
(9) A list of system capabilities.
(10) Any capabilities required for budget development and management that are not currently available in BRITE, with an explanation of why the capability is not available, how the capability will be achieved, cost associated with adding the capability, and whether or not the capability was included in the initial contract with the BRITE vendor.
(11) Issues associated with implementation, with the cause and identified solution for each issue, as well as any additional costs resulting from the identified solution.
(12) Performance of each vendor during the project, with a list of actions taken in the event any vendor did not perform based on the terms specified in their contract.
(13) Potential for expansion of the BRITE tool to other agencies, with an explanation of why agencies would require the tool, what the associated costs would be, and any alternatives to the BRITE tool that are currently available within State agencies.
By December 15, 2014, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of the implementation within the Office of Information Technology Services and the potential for expansion of the BRITE tool to other State agencies.

PART VIII. PUBLIC SCHOOLS

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 8.1. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand seven hundred sixty-eight dollars and eleven cents ($3,768.11) per child for the 2014-2015 fiscal year. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2014-2015 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION 8.2. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred thirty-nine dollars and sixty-five cents ($1,239.65) per child for the 2014-2015 fiscal year. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2014-2015 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

EXTEND THE DATE FOR SCHOOL EMPLOYEES TO QUALIFY FOR CERTAIN EDUCATION-BASED SALARY SUPPLEMENTS/JLEOC STUDY

SECTION 8.3.(a) Section 8.22 of S.L. 2013-360 reads as rewritten:

"SECTION 8.22. Notwithstanding Section 35.11 of this act, no only the following teachers or and instructional support personnel, except for certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure, personnel shall be paid on the "M" salary schedule or receive a salary supplement for academic preparation at the six-year degree level or at the doctoral degree level for the 2014-2015 school year, unless they were paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year and subsequent school years:

(1) Certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure.
(2) Teachers and instructional support personnel who were paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year.
(3) Teachers and instructional support personnel who (i) complete a degree at the master's, six-year, or doctoral degree level for which they completed at least one course prior to August 1, 2013, and (ii) would have qualified for the salary supplement pursuant to State Board of Education policy TCP-A-006, as it was in effect on June 30, 2013."

SECTION 8.3.(b) The Joint Legislative Education Oversight Committee shall study (i) the payment of salary supplements for teachers and instructional support personnel who complete a degree at the master's, six-year, or doctoral degree level and (ii) the use of State funds to provide for, in addition to base salary and other applicable local supplements,
differentiated pay for classroom teachers based on a teacher's demonstrated effectiveness and additional responsibilities in advanced roles.

SECTION 8.3.(c) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (b) of this section, including recommendations for any proposed legislative changes, to the General Assembly prior to the convening of the 2015 General Assembly.

Funds for Small County School Administrative Units

SECTION 8.4. Section 8.4 of S.L. 2013-360, as amended by Section 3.11 of S.L. 2013-363, reads as rewritten:

"Small School System Supplemental Funding..."

SECTION 8.4.(d) Allotment Formula Schedule for the 2014-2015 Fiscal Year. – Except as otherwise provided in subsections (e) and (g) of this section, for the 2014-2015 fiscal year, each eligible county school administrative unit shall receive a dollar allotment equal to the product of the following:

1. A per student funding factor, equal to the product of the following:
   a. One, minus the local school administrative unit's average daily membership divided by the maximum small school system average daily membership.
   b. The maximum small school system dollars per student.

2. The average daily membership of the eligible county school administrative unit.

<table>
<thead>
<tr>
<th>Allotted ADM</th>
<th>Small County Allotment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-600</td>
<td>$1,710,000</td>
</tr>
<tr>
<td>601-1,300</td>
<td>$1,820,000</td>
</tr>
<tr>
<td>1,301-1,700</td>
<td>$1,548,700</td>
</tr>
<tr>
<td>1,701-2,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>2,001-2,300</td>
<td>$1,560,000</td>
</tr>
<tr>
<td>2,301-2,600</td>
<td>$1,470,000</td>
</tr>
<tr>
<td>2,601-2,800</td>
<td>$1,498,000</td>
</tr>
<tr>
<td>2,801-3,200</td>
<td>$1,548,000</td>
</tr>
</tbody>
</table>

SECTION 8.4.(e) Phase-Out Provisions for the 2014-2015 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the formula schedule in subsection (d) of this section in the 2014-2015 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2013-2014 in any fiscal year.

"SECTION 8.4.(f) Maximum Allotments for the 2014-2015 Fiscal Year. – For the 2014-2015 fiscal year, the maximum small school system dollars per student shall be two thousand ninety-four dollars ($2,094).

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 8.6. Section 8.6 of S.L. 2013-360 reads as rewritten:

"SECTION 8.6.(a) Notwithstanding G.S. 143C-6-4, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department of Public Instruction, if necessary, to implement the budget reductions set out in this act for the 2013-2015 fiscal biennium. Consultation shall occur prior to requesting budgetary and
personnel changes through the budget revision process. The Department of State Board shall provide a current organization chart for the Department of Public Instruction in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

"SECTION 8.6.(b) In implementing budget reductions for the 2014-2015 fiscal year, the State Board of Education shall make no reduction to funding or positions for (i) the North Carolina Center for Advancement of Teaching and (ii) the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, except that the State Board may, in its discretion, reduce positions that have been vacant for more than 16 months. The State Board shall also make no reduction in funding to any of the following entities:

(1) Communities in Schools of North Carolina, Inc.
(2) Teach for America, Inc.
(3) Beginnings For Parents of Children Who Are Deaf or Hard of Hearing, Inc."

CLARIFY CARRYFORWARD FOR READING CAMPS
SECTION 8.7.(a) Section 8.16 of S.L. 2013-360 reads as rewritten:

"SECTION 8.16. Funds appropriated for the 2013-2015 fiscal biennium and subsequent fiscal years for summer reading camps as defined in G.S. 115C-83.3(9) shall not revert at the end of each fiscal year but shall remain available until expended for expenditure until October 31 of the subsequent fiscal year."

SECTION 8.7.(b) This section becomes effective June 30, 2014.

CARRYFORWARD FOR PANIC ALARM GRANTS
SECTION 8.8.(a) Section 8.37 of S.L. 2013-360 is amended by adding a new subsection to read:

"SECTION 8.37.(b1) Funds appropriated for the award of panic alarm system grants pursuant to subsection (b) of this section shall not revert at the end of the fiscal year but shall remain available for expenditure until the end of the subsequent fiscal year."

SECTION 8.8.(b) This section becomes effective June 30, 2014.

STATE BOARD OF EDUCATION NOTIFICATION TO THE GENERAL ASSEMBLY OF FEDERAL GRANT APPLICATIONS
SECTION 8.9. G.S. 115C-12 is amended by adding a new subdivision to read:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

... (42) To notify the General Assembly of federal grant applications. – The State Board of Education shall provide written notification to the General Assembly in accordance with G.S. 120-29.5 and to the Fiscal Research Division of its intent to apply for any federal grant prior to submitting the grant application. The notice shall include details about the grant and a brief summary of any anticipated policy implications of accepting the grant."

PROPERTY INSURANCE SYSTEM FOR CHARTER SCHOOLS
SECTION 8.10. G.S. 115C-533 reads as rewritten:

"§ 115C-533. Duty of State Board to operate insurance system.

The State Board of Education shall have the duty to manage and operate a system of insurance for public school property. The State Board may offer a system of property insurance to any charter schools approved pursuant to G.S. 115C-238.29D."
NC EDUCATION ENDOWMENT FUND

SECTION 8.11.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:


(a) There is established the North Carolina Education Endowment Fund. The Fund shall be a special fund consisting of (i) moneys credited to it under G.S. 20-81.12 from the sale of "I Support Teachers" special registration plates; (ii) proceeds of any gifts, grants, or contributions to the State that are specifically designated for inclusion in the Fund; (iii) appropriations made to it by the General Assembly; and (iv) interest accrued to it thereon. Moneys in the Fund shall be available for expenditure only upon an act of appropriation by the General Assembly.

(b) The General Assembly shall only appropriate moneys in the North Carolina Education Endowment Fund for teacher compensation that is related directly to improving student academic outcomes in the public schools of the State."

SECTION 8.11.(b) G.S. 20-79.4(b) is amended by adding a new subdivision to read:

"(b) Types. – The Division shall issue the following types of special registration plates:

Ø I Support Teachers. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall have a gray chalkboard background with "I SUPPORT TEACHERS" written in white chalk across the top of the plate, and an image of a red apple shall be in the lower left corner with the letters "ABC" appearing in white chalk over the apple."

SECTION 8.11.(c) G.S. 20-81.12(b12) reads as rewritten:

"(b12) I Support Public Schools Teachers Plates. – The Division must receive 300 or more applications for the I Support Public Schools Teachers plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of I Support Public Schools Teachers plates to the Fund for the Reduction of Class Size in Public Schools created pursuant to G.S. 115C-472.10. North Carolina Education Endowment Fund established pursuant to G.S. 115C-472.16."

SECTION 8.11.(d) G.S. 20-79.7 reads as rewritten:

"§ 20-79.7. Fees for special registration plates and distribution of the fees.

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

<table>
<thead>
<tr>
<th>Special Plate</th>
<th>Additional Fee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harley Owners' Group</td>
<td>$20.00</td>
</tr>
<tr>
<td>I Support Teachers</td>
<td>$20.00</td>
</tr>
<tr>
<td>Jaycees</td>
<td>$20.00</td>
</tr>
<tr>
<td>Special Forces Association</td>
<td>$20.00</td>
</tr>
<tr>
<td>Support Public Schools</td>
<td>$20.00</td>
</tr>
<tr>
<td>US Equine Rescue League</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund
(CWMTF), which is established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

<table>
<thead>
<tr>
<th>Special Plate</th>
<th>SRPA</th>
<th>CCAPA</th>
<th>NHTF</th>
<th>PRTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-State Collegiate Insignia</td>
<td>$10</td>
<td>$15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I Support Teachers</td>
<td>$10</td>
<td>$10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Jaycees</td>
<td>$10</td>
<td>$10</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

... Support Our Troops $10 $20 0 0
Support Public Schools $10 $10 0 0
Support Soccer $10 $15 0 0
...

SECTION 8.11.(e) G.S. 20-63(b1) reads as rewritten:
"(b1) The following special registration plates do not have to be a "First in Flight" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.
...
(43) Mountains-to-Sea Trail, Inc.
(44) I Support Teachers.

SECTION 8.11.(f) The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 8.11.(g) Article 32C of Chapter 115C of the General Statutes is repealed.

SECTION 8.11.(h) Article 9 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:
"§ 105-269.7. Contribution of income tax refund or payment to the North Carolina Education Endowment Fund.

Any taxpayer entitled to a refund of income taxes under Article 4 of this Chapter, or any taxpayer who desires to make a contribution, may elect to contribute all or part of the refund or may make a contribution to the North Carolina Education Endowment Fund established pursuant to G.S. 115C-472.16 to be used in accordance with that statute. The Secretary shall provide appropriate language and space on the income tax form in which to make the election or contribution. The taxpayer's election or contribution becomes irrevocable upon filing the taxpayer's income tax return for the taxable year. The Secretary shall transmit the amounts designated pursuant to this section to the State Treasurer for credit to the North Carolina Education Endowment Fund."

SECTION 8.11.(i) Funds appropriated from the General Fund to the North Carolina Education Endowment Fund, as established by this section, for the 2014-2015 fiscal year shall be used for the purpose of providing local boards of education with additional State funds to provide local programs for differentiated pay for highly effective classroom teachers. It is the intent of the General Assembly to use these funds for appropriations to local boards of education based on proposals for differentiated pay submitted by local boards of education in accordance with Section 8.41 of this act. Funds shall only be expended from the North Carolina Education Endowment Fund for differentiated pay upon an act of appropriation by the General Assembly.

SECTION 8.11.(j) Subsection (h) of this section is effective for taxable years beginning on or after January 1, 2014.

CLARIFY MILITARY SERVICE CREDIT FOR NEWLY HIRED EDUCATORS

SECTION 8.12. G.S. 115C-302.3(a) reads as rewritten:

364
"(a) The State Board of Education shall establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who (i) served in the Armed Forces of the United States and who States; (ii) have retired or who have received an Honorable Discharge--Discharge; and (iii) have not been previously employed by a public school located in North Carolina. The rules shall include the following provisions:

(1) One full year of experience credit shall be awarded for each year of full-time relevant nonteaching work experience completed (i) while on active military duty in the Armed Forces of the United States and (ii) after earning a bachelor's degree.

(2) One full year of experience credit shall be awarded for each two years of full-time relevant nonteaching work experience completed (i) while on active duty in the Armed Forces of the United States and (ii) before earning a bachelor's degree.

(3) One full year of experience credit shall be awarded for every two years of full-time instructional or leadership duties while on active military duty in the Armed Forces of the United States, regardless of academic degree held while in instruction or leadership roles."

SCHOOL TRANSPORTATION FLEET MANUAL REVIEW

SECTION 8.13.(a) The Department of Public Instruction shall study and review school bus transportation maintenance issues by convening a committee of school bus transportation maintenance experts, at least half of whom shall be employees of local boards of education from around the State directly involved in the daily maintenance of school buses. The study shall specifically review the provisions of the State's School Transportation Fleet Manual. The Department shall do at least the following when conducting the review:

(1) Specify those provisions of the current manual that are required by federal law, regulation, or guideline.

(2) Determine if the procedures in the Manual, including the out-of-service criteria, can be streamlined and simplified to meet the minimum requirements of federal law, including Highway Safety Program Guideline No. 17 on Pupil Transportation Safety, and eliminate any unnecessary or unduly burdensome requirements.

(3) Determine if the current 30-day school bus inspection schedule in G.S. 115C-248 is still appropriate or should be extended.

SECTION 8.13.(b) The Department of Public Instruction shall report on the study and the results of the review, along with any recommendations for statutory changes, to the Joint Legislative Education Oversight Committee by December 15, 2014.

DRIVER EDUCATION FUNDING

SECTION 8.15.(a) Effective July 1, 2015, G.S. 20-88.1(c) is repealed.

SECTION 8.15.(b) It is the intent of the General Assembly that, beginning with the 2015-2016 fiscal year, the driver education program administered by the Department of Public Instruction in accordance with G.S. 115C-215 shall no longer be paid out of the Highway Fund based on an annual appropriation by the General Assembly. Local boards of education shall use funds available to them, including a fee for instruction charged to students pursuant to G.S. 115C-216(g), to offer noncredit driver education courses in high schools.

SECTION 8.15.(c) G.S. 115C-216(g) reads as rewritten:

"(g) Fee for Instruction. – The local boards of education shall fund driver education courses from funds available to them and may charge each student participating in a driver education course a fee of up to fifty-sixty-five dollars ($55.00) to offset the costs of providing the training and instruction."
Funds for Advanced Placement/International Baccalaureate Courses

Section 8.17. Section 8.27 of S.L. 2013-360 reads as rewritten:

"BROADEN SUCCESSFUL PARTICIPATION IN ADVANCED COURSES

..."

Section 8.27.(d) Of the funds appropriated to the Department of Public Instruction to implement the requirements of this section, ten million eight hundred thirty-one thousand one hundred eighty-four dollars ($10,831,184) for the 2014-2015 fiscal year shall be used to fund fees for testing in advanced courses and one million five hundred thousand dollars ($1,500,000) for each fiscal year shall be used by the North Carolina Advanced Placement Partnership to carry out its responsibilities as set forth in this section. Funding appropriated for professional development may be used by the State Board of Education to contract with an independent evaluator to assess the implementation and impact of advanced course programs in North Carolina. For the purposes of this section, the term "advanced courses" means an Advanced Placement or International Baccalaureate Diploma Programme course.

If the funds appropriated for the 2014-2015 fiscal year and subsequent fiscal years are insufficient, the Department of Public Instruction may use other funds within the State Public School Fund for these purposes.

Section 8.27.(e) Beginning with the 2014-2015 school year, the State Board of Education shall use funds allocated in subsection (d) of this section to do all of the following:

1. Provide funds to local school administrative units and charter schools to pay testing fees for advanced courses for all students.

JLEOC Study of NCVPS Revenue

Section 8.18.(a) The Joint Legislative Education Oversight Committee shall study the potential generation of revenue by the North Carolina Virtual Public School Program (NCVPS) by selling virtual course seats in under-subscribed courses to out-of-state students, selling training courses to in-State and out-of-state educators, and selling packages of educational materials to out-of-state education entities. The Committee shall consider issues related to authorizing NCVPS to expand as a for-profit online education provider, including intellectual property barriers, the use of public-private partnerships for expansion of marketing outside of the State, potential fiscal benefits to the State, concerns related to allowing NCVPS to enter the private commercial marketplace as an online education provider, and any other issues the Committee deems relevant.

Section 8.18.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section, including recommendations for any proposed legislative changes, to the General Assembly prior to the convening of the 2015 General Assembly.

Competitive Grants to Improve After-School Services

Section 8.19.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2014-2015 fiscal year, the State Board of Education shall use five million dollars ($5,000,000) for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. It is the intent of the General Assembly to appropriate five million dollars ($5,000,000) for this purpose in each year of the 2015-2017 fiscal biennium. Of the funds appropriated for the program, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the program.
SECTION 8.19.(b) The purpose of the After-School Quality Improvement Grant Program is to pilot after-school learning programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.
(2) Inclusion of rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end-of-grant cycle.
(3) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
(4) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
(5) Emphasis on minimizing student class size when providing instruction.
(6) Expansion of student access to learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.

SECTION 8.19.(c) Local school administrative units and nonprofits working in collaboration with local school administrative units may participate in the program, as set forth in this section, and are eligible to receive two-year grants of up to five hundred thousand dollars ($500,000) a year, based on the proposed number of students served, with an option for a third year of funding. At least seventy percent (70%) of students served by the program must qualify for free or reduced-price meals.

Grants shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds may include in-kind contributions.

SECTION 8.19.(d) Grant recipients shall report to the Department of Public Instruction after the first year of funding on the progress of the grant, including alignment with State academic standards, data collection for reporting student progress, and other measures, before receiving funding for the next fiscal year. Grant recipients shall report after the second year of funding on key performance data, including statewide test results, attendance rates, and promotion rates. Grant allocations for the third year shall be based on student performance data.

SECTION 8.19.(e) The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2015, and September 15, 2016, with a final report on the program by September 15, 2017. The final report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients.

SCHEMATIC DESIGNS/EMERGENCY ACCESS TO SCHOOLS

SECTION 8.20.(a) Section 8.39 of S.L. 2013-360 is repealed.

SECTION 8.20.(b) Article 8C of Chapter 115C of the General Statutes is amended by adding new sections to read:

"§ 115C-105.53. Schematic diagrams and emergency access to school buildings for local law enforcement agencies.

(a) Each local school administrative unit shall provide the following to local law enforcement agencies: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency access to key storage devices such as KNOX® boxes for all school buildings. Local school administrative units shall provide updates of the schematic diagrams to local law enforcement agencies when substantial modifications such as new facilities or modifications to doors and windows are made to school buildings. Local school administrative units shall also be responsible for providing local law enforcement agencies with updated access to school
building key storage devices such as KNOX® boxes when changes are made to these boxes or devices.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, shall develop standards and guidelines for the preparation and content of schematic diagrams and necessary updates. Local school administrative units may use these standards and guidelines to assist in the preparation of their schematic diagrams.

(c) Schematic diagrams are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

"§ 115C-105.54. Schematic diagrams and emergency response information provided to Division of Emergency Management.

(a) Each local school administrative unit shall provide the following to the Division of Emergency Management (Division) at the Department of Public Safety: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the School Risk Management Plan (SRMP) and the School Emergency Response Plan (SERP). Local school administrative units shall also provide updated schematic diagrams and emergency response information to the Division when such updates are made. The Division shall ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP and SERP to first responders, emergency personnel, and school personnel and approved by the Department of Public Instruction.

(b) The schematic diagrams and emergency response information are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.20.(c) The schematic diagrams referenced in subsection (b) of this section shall be provided to local law enforcement agencies and the Division of Emergency Management at the Department of Public Safety by June 1, 2015.

NBPTS SUPPLEMENT FOR INSTRUCTIONAL COACHES IN TITLE I SCHOOLS

SECTION 8.21. G.S. 115C-296.2(b) reads as rewritten:

"(b) Definitions. – As used in this subsection:

(1) A "North Carolina public school" is a school operated by a local board of education, the Department of Health and Human Services, the Division of Adult Correction of the Department of Public Safety, the Division of Juvenile Justice of the Department of Public Safety or The University of North Carolina; a school affiliated with The University of North Carolina; or a charter school approved by the State Board of Education.

(2) A "teacher" is a person who:

a. Either:
   1. Is certified to teach in North Carolina; or
   2. Holds a certificate or license issued by the State Board of Education that meets the professional license requirement for NBPTS certification.

b. Is a State-paid employee of a North Carolina public school.

c. Is paid on the teacher salary schedule.

d. Spends at least seventy percent (70%) of his or her work time:
   1. In classroom instruction, if the employee is employed as a teacher. Most of the teacher's remaining time shall be spent in one or more of the following: mentoring teachers, doing demonstration lessons for teachers, writing curricula, developing and leading staff development programs for teachers; or
   2. In work within the employee's area of certification or licensure, if the employee is employed in an area of NBPTS.
3. As an instructional coach, as classified by the Department of Public Instruction, in a Title I school. As used in this sub-sub-subdivision, a Title I school is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended."

JLEOC STUDY DIAGNOSTIC READING ASSESSMENTS FOR READ TO ACHIEVE

SECTION 8.22.(a) The Joint Legislative Education Oversight Committee shall study the formative and diagnostic reading assessments required by the Department of Public Instruction to meet the provisions of the Read to Achieve Program. The study shall examine whether there are additional options for formative and diagnostic reading assessments that would provide local school administrative units with additional flexibility in meeting the requirements of Read to Achieve, and if fewer assessment instruments or data-gathering activities could be used. When considering additional assessments, the Committee shall review the assessments to see if they could be used with the Education Value-Added Assessment System (EVAAS) in analyzing student growth for the purposes of the teacher evaluation instrument for kindergarten through second grade teachers. The Committee shall also identify other assessments that may be used in analyzing student growth for the purposes of the teacher evaluation instrument for kindergarten through second grade teachers. In identifying additional options for both formative and diagnostic reading assessments, and other assessments for analyzing student growth for the purposes of the teacher evaluation, the Committee shall consider at least the following factors:

(1) The time required for conducting assessments.
(2) The level of integration of assessment results with instructional support for teachers and students.
(3) The timeliness in reporting assessment results to teachers and administrators.
(4) The ability to provide timely and useful assessment results to parents and guardians.

SECTION 8.22.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

SUPPLY OF EMERGENCY EPINEPHRINE AUTO-INJECTORS ON SCHOOL PROPERTY

SECTION 8.23.(a) Article 25A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-375.2A. School supply of epinephrine auto-injectors. (a) A local board of education shall provide for a supply of emergency epinephrine auto-injectors on school property for use by trained school personnel to provide emergency medical aid to persons suffering from an anaphylactic reaction during the school day and at school-sponsored events on school property. Each school shall store in a secure but unlocked and easily accessible location a minimum of two epinephrine auto-injectors. For purposes of this section, "school property" does not include transportation to or from school. (b) For the purposes of this section and G.S. 115C-375.2, "epinephrine auto-injector" means a disposable drug delivery system with a spring-activated, concealed needle that is designed for emergency administration of epinephrine to provide rapid, convenient first aid for persons suffering a potentially fatal reaction to anaphylaxis. (c) The principal shall designate one or more school personnel, as part of the medical care program under G.S. 115C-375.1, to receive initial training and annual retraining from a school nurse or qualified representative of the local health department regarding the storage and emergency use of an epinephrine auto-injector. Notwithstanding any other provision of law to
the contrary, the school nurse or other designated school personnel who has received training under this subsection shall obtain a non-patient specific prescription for epinephrine auto-injectors from a physician, physician assistant, or nurse practitioner of the local health department serving the area in which the local school administrative unit is located.

(d) The principal shall collaborate with appropriate school personnel to develop an emergency action plan for the use of epinephrine auto-injectors in an emergency. The plan shall include at least the following components:

1. Standards and procedures for the storage and emergency use of epinephrine auto-injectors by trained school personnel.
2. Training of school personnel in recognizing symptoms of anaphylaxis.
3. Emergency follow-up procedures, including calling emergency services and contacting a student’s parent and physician.
4. Instruction and certification in cardiopulmonary resuscitation.

(e) A supply of emergency epinephrine auto-injectors provided in accordance with this section shall not be used as the sole medication supply for students known to have a medical condition requiring the availability or use of an epinephrine auto-injector. Those students may be authorized to possess and self-administer their medication on school property under G.S. 115C-375.2.

(f) A local board of education, its members, employees, designees, agents, or volunteers, and a physician, physician assistant, or nurse practitioner of the local health department shall not be liable in civil damages to any party for any act authorized by this section or for any omission relating to that act unless that act or omission amounts to gross negligence, wanton conduct, or intentional wrongdoing.

SECTION 8.23.(b) G.S. 115C-238.29F(a) reads as rewritten:

"(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades seven through 12 with information annually on the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A. The board of directors of a charter school shall provide the school with a
supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

SECTION 8.23.(c) G.S. 115C-238.66(7) reads as rewritten:

"(7) Health and safety. – The board of directors shall require that the regional school meet the same health and safety standards required of a local school administrative unit.

The Department of Public Instruction shall ensure that regional schools comply with G.S. 115C-375.2A. The board of directors of a regional school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A."

SECTION 8.23.(d) Within 60 days of the date this act becomes law, the North Carolina Board of Pharmacy, in consultation with the State Board of Education, shall adopt rules addressing the authorization for school personnel to obtain a prescription for epinephrine for emergency health circumstances in public schools in accordance with G.S. 115C-375.2A, as enacted by this section.

SECTION 8.23.(e) Subsections (a) through (c) of this section become effective November 1, 2014.

OPPORTUNITY SCHOLARSHIP GRANT CLARIFICATIONS

SECTION 8.25.(a) G.S. 115C-562.2(a) reads as rewritten:

"(a) The Authority shall make available no later than February 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school. Information about scholarship grants and the application process shall be made available on the Authority's Web site. Beginning March 1, March 15, the Authority shall begin awarding scholarship grants according to the following criteria:

(1) First priority shall be given to eligible students who received a scholarship grant during the previous school year if those students have applied by March 1.

...."

SECTION 8.25.(b) G.S. 115C-562.2 is amended by adding a new subsection to read:

"(e) Scholarship applications and personally identifiable information related to eligible students receiving scholarship grants shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student's household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, financial information, or any other information or identification number that would provide information about a specific student or members of a specific student's household."

SECTION 8.25.(c) G.S. 115C-562.3(a) reads as rewritten:

"(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. The Authority shall select and verify a random sample of no less than six percent (6%) of applications annually, including those with apparent errors on the face of the application. The Authority shall establish rules for the verification process and may use the federal verification requirements process for free and reduced-price lunch applications as guidance for those rules. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student."

SECTION 8.25.(d) G.S. 115C-562.5 is amended by adding a new subsection to read:

"(c1) A nonpublic school shall not discriminate with respect to the categories listed in 42 U.S.C. § 2000d, as that statute read on January 1, 2014."

SECTION 8.25.(d1) G.S. 115C-562.5(a)(2) reads as rewritten:
"(a) A nonpublic school that accepts eligible students receiving scholarship grants shall comply with the following:

(2) Conduct Provide to the Authority a criminal background check conducted for the staff member with the highest decision-making authority, as defined by the bylaws, articles of incorporation, or other governing document, to ensure that person has not been convicted of any crime listed in G.S. 115C-332."

SECTION 8.25.(e) G.S. 115C-562.7(a) is repealed.

SECTION 8.25.(f) G.S. 115C-562.7(b) reads as rewritten:

"(b) The Authority shall report annually, no later than March-April 1, to the Joint Legislative Education Oversight Committee on the following:

"...."

SECTION 8.25.(g) Notwithstanding the requirement in G.S. 115C-562.2(a), as amended by this section, that the State Education Assistance Authority (Authority) make available applications for scholarship grants to attend nonpublic schools by February 1, the Authority shall make applications for the award of scholarships for the 2015 spring semester available no later than October 1, 2014, and the Authority shall notify parents in writing of the eligibility as soon as practicable. Notwithstanding the awards criteria in G.S. 115C-562.2(a), as amended by this section, and the definition of eligible student in G.S. 115C-562.1(2), to be eligible to receive a scholarship grant for the 2015 spring semester, a student shall meet both of the following criteria:

(1) Reside in a household with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.

(2) Be a full-time student who has not yet received a high school diploma and is assigned to and attending a public school pursuant to G.S. 115C-366 during the 2014 fall semester.

The Authority shall establish temporary rules and regulations for the administration and awarding of scholarship grants for the 2015 spring semester. The Authority shall give priority to an eligible student who applied but did not receive an award for the 2014-2015 school year in the awarding of scholarship grants for the 2015 spring semester. The Authority may also develop a process for awarding grants using a random lottery system.

SECTION 8.25.(h) Notwithstanding G.S. 115C-562.2(b), scholarship grants awarded to eligible students for the 2015 spring semester shall be for amounts of up to two thousand one hundred dollars ($2,100). No scholarship grant shall exceed the required tuition and fees for the nonpublic school the eligible student will attend. Tuition and fees for a nonpublic school may include tuition and fees for books, transportation, equipment, or other items required by the nonpublic school.

SECTION 8.25.(i) Notwithstanding G.S. 115C-562.6, the Authority shall remit at least once during the 2015 spring semester scholarship grant funds awarded for that semester for endorsement by at least one of the student's parents or guardians. The requirements of G.S. 115C-562.6 shall otherwise apply to scholarship grants awarded for the 2015 spring semester.

SECTION 8.25.(j) Except as otherwise provided in this section, Part 2A of Article 39 of the General Statutes shall apply to the award of scholarship grants for the 2015 spring semester by the Authority.

SECTION 8.25.(k) Notwithstanding the requirements of G.S. 115C-562.3, as amended by this section, for applications received for the 2014-2015 school year or the 2015 spring semester, the State Education Assistance Authority shall select and verify no less than three percent (3%) of applications, including those with apparent errors on the face of the application.

SECTION 8.25.(l) Notwithstanding G.S. 116-30.3(a) or any other provision of law, of the funds appropriated to the Board of Governors of The University of North Carolina

372
for the 2014-2015 fiscal year to award scholarship grants to eligible students in accordance with Section 8.29 of S.L. 2013-360 and the provisions of this section, any unspent funds in the 2014-2015 fiscal year for this purpose shall revert to the General Fund on June 30, 2015.

SECTION 8.25.(m) Subsection (b) of this section becomes effective July 1, 2013. The remainder of this section is effective when it becomes law.

INJURY PREVENTION AND RETURN-TO-WORK PROGRAMS

SECTION 8.26. G.S. 115C-12 is amended by adding a new subdivision to read:

"(43) To Ensure that Local Boards of Education Implement Injury Prevention and Return-to-Work Programs. – The State Board of Education shall develop policies and procedures to ensure that local boards of education implement and comply with loss prevention and return-to-work programs based on models adopted by the State Board. These models shall be designed to reduce the number of injuries resulting in workers' compensation claims and ensure injured employees with workers' compensation claims return to work in accordance with current State Board of Education policy."

PARTICIPATION IN INVESTING IN INNOVATION GRANTS

SECTION 8.27. Section 8.25(b) of S.L. 2013-360 reads as rewritten:

"SECTION 8.25.(b) The federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina New Schools Project for 2012-2017 requires students to enroll in a community college course in the 10th grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (10th grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen, Hertford, Jones, Madison, Martin, Richmond, Rutherford, Surry, Warren, Wilkes, and Yancey County Schools."

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE TIME

SECTION 8.28. Staff at the Department of Public Instruction shall, whenever practicable, respond to requests for information originating from the superintendent of a local school administrative unit, the principal officer of a charter school, or the principal of a regional school, or their designees, within three business days of receipt of the request. Absent extraordinary circumstances, requests for information shall be reasonably and fully answered within 14 business days following an initial response.

EXTEND REPORTING FOR SCHOOL PERFORMANCE SCORES AND GRADES

SECTION 8.30. Section 9.4(f) of S.L. 2013-360 reads as rewritten:

"SECTION 9.4.(f) The State Board of Education shall issue the first annual report cards under G.S. 115C-12(9)c1., as amended by this section, no earlier than August 1, 2014. January 15, 2015."

ANNUAL DISTRIBUTION OF SCHOOL BULLYING/CYBER-BULLYING POLICIES

SECTION 8.32.(a) G.S. 115C-407.16(d) reads as rewritten:

"(d) At the beginning of each school year, the principal shall provide the local school administrative unit's policy prohibiting bullying and harassing behavior, including cyber-bullying, to staff, students, and parents as defined in G.S. 115C-390.1(b)(8). Notice of the local policy shall appear in any school unit publication that sets forth the comprehensive rules, procedures, and standards of conduct for schools within the school unit and in any student and school employee handbook."

SECTION 8.32.(b) G.S. 115C-238.29F is amended by adding a new subsection to read:
"(m) Policy Against Bullying. – A charter school is encouraged to adopt a policy against bullying or harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a charter school adopts a policy to prohibit bullying and harassing behavior, the charter school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).”

SECTION 8.32.(c) G.S. 115C-238.66 is rewritten:

"§ 115C-238.66. Board of directors; powers and duties.
The board of directors shall have the following powers and duties:

(12) Policy against bullying. – A regional school is encouraged to adopt a policy against bullying or harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a regional school adopts a policy to prohibit bullying and harassing behavior, the regional school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8)."

SECTION 8.32.(d) This section applies beginning with the 2014-2015 school year.

CLARIFY SCHOOL COUNSELORS WORK DUTIES

SECTION 8.33.(a) G.S. 115C-316.1(b) is rewritten:

"(b) During the remainder of their work time, counselors shall spend adequate time on school counseling program support activities that consist of professional development; consultation, collaboration, and training; and program management and operations. School counseling program support activities do not include the coordination of standardized testing. However, during the remainder of their work time, school counselors may assist other staff with the coordination of standardized testing.”

SECTION 8.33.(b) Section 8.35(b) of S.L. 2013-360 is repealed.

FUNDS FOR CHARTER SCHOOL CLOSURE

SECTION 8.34.(a) G.S. 115C-238.29F(i) is repealed.

SECTION 8.34.(b) Article 16 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-238.29L. Dissolution of a charter school.
(a) Funds Reserved for Closure Proceedings. – A charter school shall maintain, for the purposes of ensuring payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the charter school, one or more of the options set forth in this subsection. The minimum aggregate value of the options chosen by the charter school shall be fifty thousand dollars ($50,000). The State Board of Education shall not allocate any funds under G.S. 115C-238.29H to a charter school unless the school has provided documentation to the State Board that the charter school has met the requirements of this subsection. Permissible options to satisfy the requirements of this subsection include one or more of the following:

(1) An escrow account.
(2) A letter of credit.
(3) A bond.
(4) A deed of trust.
(b) Distribution of Assets. – Upon dissolution of a charter school, all net assets of the charter school purchased with public funds shall be deemed the property of the local school administrative unit in which the charter school is located."

SECTION 8.34.(c) G.S. 115C-238.29G(a1) is rewritten:

"(a1) The State Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student performance and
has annual performance composites below sixty percent (60%) in any two years in a three-year period is inadequate.

(2) If a charter school is inadequate and has had a charter for more than five years, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board. The State Board shall develop rules on the assumption of a charter by a new entity that include all aspects of the operations of the charter school, including the status of the employees. Public assets would transfer to the new entity and not revert to the local school administrative unit in which the charter school is located pursuant to G.S. 115C-238.29L(b)."

SECTION 8.34.(d) This section applies to charter schools that submit applications for an initial charter or the renewal of a charter to the State Board of Education on or after the date this act becomes law.

VIRTUAL CHARTER SCHOOL PILOT PROGRAM

SECTION 8.35.(a) Notwithstanding G.S. 115C-238.29D or any other provision of law to the contrary, the State Board of Education shall establish a pilot program to authorize the operation of two virtual charter schools serving students in kindergarten through twelfth grade. The State Board shall establish an application process to allow student enrollment in the selected virtual charter schools beginning with the 2015-2016 school year. A virtual charter school participating in the pilot may serve any grade span of students in kindergarten through twelfth grade. The pilot program shall continue for a period of four school years and shall end with the 2018-2019 school year.

SECTION 8.35.(b) The virtual charter schools participating in the pilot program authorized by this section shall be subject to the statutes and rules applicable to charter schools pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes, except as follows:

(1) The maximum student enrollment in any participating school shall be no greater than 1,500 in its first year of operation and may increase by twenty percent (20%) for each participating school up to a maximum student enrollment of 2,592 in the fourth year of the pilot. The State Board of Education may waive this maximum student enrollment threshold, beginning in the fourth year of the school's operation, if the State Board determines that doing so would be in the best interest of North Carolina students.

(2) The maximum overall ratio of teachers to students for kindergarten through eighth grade shall be 1:50, and for ninth through twelfth grade shall be 1:150.

(3) A student who regularly fails to participate in courses may be withdrawn from enrollment pursuant to procedures adopted by the virtual charter school. The procedures adopted by the virtual charter school shall ensure that (i) fair notice is provided to the parent and student and (ii) an opportunity is provided, prior to withdrawal of the student by the school, for the student and parent to demonstrate that failure to participate in courses is due to a lawful absence recognized under Part I of Article 26 of Chapter 115C of the General Statutes and any applicable rules adopted by the State Board of Education.

SECTION 8.35.(c) In addition to the operating requirements applicable to a virtual charter school participating in the pilot program pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes, the following requirements shall apply to a participating virtual charter school:

(1) The school shall maintain an administrative office within North Carolina. In addition, the school shall maintain at least one testing center or meeting
place within each of the eight State Board of Education districts where the participating students reside, to allow educators and administrators from the school to meet students and parents.

(2) If the school contracts with a third party for the provision of administrative staff, such staff fulfilling the equivalent positions of superintendent, principal, or business officer shall be residents of North Carolina.

(3) All teaching staff shall carry the appropriate State certification to instruct any course and shall receive professional development in virtual instruction pursuant to the school's application to the State Board of Education to participate in the pilot program within 30 days of the employee's date of hire. At least ninety percent (90%) of the teaching staff shall reside within North Carolina.

(4) The school shall have a withdrawal rate below twenty-five percent (25%). A student enrolled in a school with the intent expressed prior to enrollment of only being enrolled for a finite period of time within the school year shall not be counted in the measured withdrawal rate. The school shall keep a written record of a student's stated intent for finite enrollment. A count of school attendance shall be taken at least once during each semester for funding purposes.

(5) The school shall ensure that each student is assigned a learning coach. The learning coach shall provide (i) daily support and supervision of students, (ii) ensure student participation in online lessons, and (iii) coordinate teacher-led instructional sessions and State assessments.

SECTION 8.35.(d) Notwithstanding G.S. 115C-238.29B and G.S. 115C-238.29D, a participating virtual charter school that is successful in meeting the requirements of this section and the applicable requirements of Part 6A of Article 16 of Chapter 115C of the General Statutes during the period of the pilot program shall be eligible to be approved by the State Board of Education, at its discretion, without additional application requirements.

SECTION 8.35.(e) The State Board of Education shall provide State funding to a virtual charter school participating in the pilot program as provided in G.S. 115C-238.29H(a) and G.S. 115C-238.29H(a1). The amount allocated pursuant to G.S. 115C-238.29H(a)(1) shall not, however, include the allocation for low-wealth counties supplemental funding and the allocation for small county supplemental funding. Virtual charter schools participating in the pilot program shall also be subject to the requirements in G.S. 115C-238.29H(b) through G.S. 115C-238.29H(d). The amount of local funds provided to participating schools pursuant to G.S. 115C-238.29H(b) shall be the lesser of seven hundred ninety dollars ($790.00) per pupil or the amount computed in accordance with G.S. 115C-238.29H(b).

SECTION 8.35.(f) A participating virtual charter school that does not comply with the provisions of this section may result in deferment or termination of enrollment expansion, or termination of a pilot. Schools are subject to presentation of data to the State Board of Education at the call of the Chair of the State Board with a minimum of 21 days' notice.

SECTION 8.35.(g) The State Board shall report on the initial implementation of the pilot program to the Joint Legislative Education Oversight Committee by November 15, 2016, and on findings from three years of operation of the pilot program by November 15, 2018. At a minimum, the report shall include the following:

(1) The number of students who have enrolled in courses offered by the schools.
(2) The number and type of courses offered by the schools.
(3) The withdrawal rate of students after enrollment.
(4) Student performance and accountability data.
(5) Information on the implementation, administration, and funding for the pilot program.
(6) Recommendations on the modification, continuation, and potential expansion of the program.

376
CLARIFY REGIONAL SCHOOL CIHS APPLICATIONS

SECTION 8.36.(a) G.S. 115C-238.50A(1a) reads as rewritten:

"(1a) Cooperative innovative high school. – A high school approved by the State Board of Education and the applicable governing Board that meets the following criteria:

a. It has no more than 100 students per grade level. This criterion shall not apply to a regional school as defined in G.S. 115C-238.61.

b. It partners with an institution of higher education to enable students to concurrently obtain a high school diploma and begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.

c. It is located on the campus of the partner institution of higher education, unless the governing Board or the local board of trustees for a private North Carolina college specifically waives the requirement through adoption of a formal resolution. This criterion shall not apply to a regional school established as provided in Part 10 of this Article."

SECTION 8.36.(b) Notwithstanding the requirements of Part 9 of Article 16 of Chapter 115C of the General Statutes, for the 2014-2015 school year, the Northeast Regional School of Biotechnology and Agriscience shall be designated as a cooperative innovative high school. To maintain the designation as a cooperative innovative high school beyond the 2014-2015 school year, the board of directors of the Northeast Regional School of Biotechnology and Agriscience shall apply with a local board of trustees for approval as a cooperative innovative high school program as provided under Part 9 of Article 16 of Chapter 115C of the General Statutes.

LEASE PURCHASE OR INSTALLMENT PURCHASE CONTRACTS TO PURCHASE ATHLETIC LIGHTING

SECTION 8.38. G.S. 115C-528(a) reads as rewritten:

"(a) Local boards of education may purchase or finance the purchase of automobiles; school buses; mobile classroom units; food service equipment, photocopiers; athletic lighting; and computers, computer hardware, computer software, and related support services by lease purchase contracts and installment purchase contracts as provided in this section. Computers, computer hardware, computer software, and related support services purchased under this section shall meet the technical standards specified in the North Carolina Instructional Technology Plan as developed and approved under G.S. 115C-102.6A and G.S. 115C-102.6B."

EDUCATION OF CHILDREN IN PRIVATE PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

SECTION 8.39.(a) G.S. 108A-80 reads as rewritten:


(a) Except as provided in subsections (b) and (b1) of this section, it shall be unlawful for any person to obtain, disclose or use, or to authorize, permit, or acquiesce in the use of any list of names or other information concerning persons applying for or receiving public assistance or social services that may be directly or indirectly derived from the records, files or communications of the Department or the county boards of social services, or county departments of social services or acquired in the course of performing official duties except for the purposes directly connected with the administration of the programs of public assistance and social services in accordance with federal law, rules and regulations, and the rules of the Social Services Commission or the Department.

(b) The Department shall furnish a copy of the recipient check register monthly to each county auditor showing a complete list of all recipients of Work First Family Assistance in Standard Program Counties and State-County Special Assistance, their addresses, and the
amounts of the monthly grants. An Electing County whose checks are not being issued by the State shall furnish a copy of the recipient check register monthly to its county auditor showing a complete list of all recipients of Work First Family Assistance in the Electing County, their addresses, and the amounts of the monthly payments. These registers shall be public records open to public inspection during the regular office hours of the county auditor, but the registers or the information contained therein may not be used for any commercial or political purpose. Any violation of this section shall constitute a Class 1 misdemeanor.

(b1) The Department may share confidential information concerning a person receiving public assistance or social services with a local school administrative unit and with the Department of Public Instruction. Disclosure is limited to that information necessary to establish, coordinate, or maintain appropriate educational services for the person receiving public assistance or social services.

(c) Any listing of recipients of benefits under any public assistance or social services program compiled by or used for official purposes by a county board of social services or a county department of social services shall not be used as a mailing list for political purposes. This prohibition shall apply to any list of recipients of benefits of any federal, State, county or mixed public assistance or social services program. Further, this prohibition shall apply to the use of such listing by any person, organization, corporation, or business, including but not limited to public officers or employees of federal, State, county, or other local governments, as a mailing list for political purposes. Any violation of this section shall be punishable as a Class 1 misdemeanor.

(d) The Social Services Commission may adopt rules governing access to case files for social services and public assistance programs, except the Medical Assistance Program. The Secretary of the Department of Health and Human Services shall have the authority to adopt rules governing access to medical assistance case files."

SECTION 8.39.(b) G.S. 115C-12 is amended by adding a new subdivision to read:

"(44) Duty to Ensure Educational Services in Private Psychiatric Residential Treatment Facilities (PRTFs). – The Board, in collaboration with the Department of Health and Human Services, shall ensure that educational services are provided to all students in PRTFs as required under Part 4 of Article 6 of Chapter 122C of the General Statutes. The Board shall ensure that a child with a disability as defined under G.S. 115C-106.3(1) in a PRTF receives educational services and procedural safeguards as provided in Article 9 of this Chapter."

SECTION 8.39.(c) G.S. 122C-23.1 reads as rewritten:

"§ 122C-23.1. Licensure of residential treatment facilities.

(a) The General Assembly finds:

(1) That much of the care for residential treatment facility residents is paid by the State and the counties;

(2) That the cost to the State for care of residents of residential treatment facilities is substantial, and high vacancy rates in residential treatment facilities further increase the cost of care;

(3) That the proliferation of residential treatment facilities results in costly duplication and underuse of facilities and may result in lower quality service;

(4) There is currently no ongoing relationship between some applicants for licensure and local management entities (LMEs) that are responsible for the placement of children and adults in residential treatment facilities; and

(5) That it is necessary to protect the general welfare and lives, health, and property of the people of the State for the local management entity (LME) to verify that additional beds are needed in the LME's catchment area before new residential treatment facilities are licensed. This process is established to ensure that unnecessary costs to the State do not result, residential
treatment facility beds are available where needed, and that individuals who need care in residential treatment facilities may have access to quality care.

Based on these findings, the Department of Health and Human Services may license new residential treatment facilities if the applicant for licensure submits with the application a letter of support obtained from the local management entity in whose catchment area the facility will be located. The letter of support shall be submitted to the Department of Health and Human Services, Division of Health Service Regulation and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, and shall specify the number of existing beds in the same type of facility in the catchment area and the projected need for additional beds of the same type of facility.

(b) All private psychiatric residential treatment facilities (PRTFs), as defined in G.S. 122C-450(a)(3), that serve children eligible to attend the public schools in accordance with G.S. 115C-366, including a student who has been suspended or expelled but otherwise meets the requirements of that statute, shall have a facility-based school as a condition of licensure. Subject to the time limits of subsection (c) of this section, the school shall meet all the requirements of a qualified nonpublic school under Article 39 of Chapter 115C of the General Statutes and of a Nonpublic Exceptional Children's Program as defined in G.S. 122C-450(a)(2). The requirements of this subsection and subsection (c) of this section do not apply to PRTFs that are approved charter schools pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes.

(c) The Department of Health and Human Services may issue an initial license to a PRTF that meets all licensure requirements except for the approval of the facility-based school as a Nonpublic Exceptional Children's Program by the Department of Public Instruction. This initial license is valid for a period of six months, during which time the PRTF shall obtain approval of its facility-based school as a Nonpublic Exceptional Children's Program by the Department of Public Instruction. If such approval is not obtained before the expiration of the initial license, the Department of Health and Human Services shall review the PRTF's license for appropriate action. If the PRTF obtains approval as a Nonpublic Exceptional Children's Program, the Department of Health and Human Services may issue a license for the remainder of the calendar year, and the facility is eligible for annual renewal thereafter.

(d) At any time upon receipt of a written notice from the Department of Public Instruction that a PRTF has not provided or is not providing educational services, or is not reasonably cooperating with the Department of Public Instruction to ensure those services are provided and that compliance with State and federal law is assured, the Department of Health and Human Services shall review the PRTF's license for appropriate action. The Department of Health and Human Services may issue sanctions including (i) requiring a refund of all State funds disbursed for the provision of educational services for the current fiscal year, (ii) barring future funding for the provision of educational services for the current or following year, or (iii) suspending or revoking the PRTF's license.

(e) As used in this subsection, "residential treatment facility" means a "residential facility" as defined in and licensed under this Chapter, but not subject to Certificate of Need requirements under Article 9 of Chapter 131E of the General Statutes."

SECTION 8.39.(d) G.S. 122C-55 is amended by adding a new subsection to read:

"(g2) Whenever there is reason to believe that the client is eligible for educational services through a governmental agency, a facility shall disclose client identifying information to the Department of Public Instruction. Disclosure is limited to that information necessary to establish, coordinate, or maintain educational services. The Department of Public Instruction may further disclose client identifying information to a local school administrative unit as necessary."

SECTION 8.39.(e) Article 6 of Chapter 122C of the General Statutes is amended by adding a new Part to read:

§ 122C-450. Definitions.

(a) The following definitions apply in this Part:

1. "Educational services" means appropriate education-related assessment and instruction provided to any child residing in a private psychiatric residential treatment facility, including special education and related services to a child with a disability as defined in G.S. 115C-106.3(1). An education-related assessment includes the determination of need for special education and related services.

2. "Nonpublic Exceptional Children's Program" means a facility-based school that meets all of the following criteria:
   a. Provides at least one teacher for every 14 students. The PRTF shall report exceptions to this requirement to (i) the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SAS) to request additional funding for educational services as provided under G.S. 122C-450.1(d) to the extent that funds are available and, if funds are not available, (ii) the Department of Public Instruction to request a waiver from this requirement.
   b. Provides at least one teacher with a North Carolina Professional Educator license in special education, if there is a child with a disability as defined in G.S. 115C-106.3(1) residing in the PRTF.
   c. Registers with the Department of Administration, Division of Nonpublic Schools, under Article 39 of Chapter 115C of the General Statutes.
   d. Has been approved by the Department of Public Instruction to provide educational services as promulgated by the rules adopted by the State Board of Education pursuant to the Administrative Procedures Act.

3. "Private psychiatric residential treatment facility" (PRTF) means a facility, other than a hospital, that provides psychiatric and other behavioral health services as described in Subpart D of C.F.R. Part 441 of Chapter 42 to individuals under age 21 in an inpatient setting licensed by the Department of Health and Human Services as provided under Chapter 122C of the General Statutes. A PRTF does not include a State-operated facility.

§ 122C-450.1. Eligibility and allocations.

(a) A child who is receiving psychiatric and other behavioral health services in a PRTF shall also receive educational services in accordance with federal and State law, if the child is eligible to enroll in public schools as provided in G.S. 115C-366, including a student who has been suspended or expelled but otherwise meets the requirements of that statute. For a child with a disability, as defined in G.S. 115C-106.3(1), who has been placed in a PRTF, all educational services shall meet applicable standards as required under Article 9 of Chapter 115C of the General Statutes.

(b) A PRTF shall be qualified to receive a funding allocation, to the extent that funds are available from the Department of Health and Human Services, to provide educational services if the following conditions are met:

1. The PRTF is licensed by the Department of Health and Human Services pursuant to Chapter 122C of the General Statutes and has a facility-based school approved by the Department of Public Instruction as a Nonpublic Exceptional Children's Program.

2. The PRTF documents deviations from educational and other programmatic requirements when it is medically necessary for a resident in accordance with G.S. 122C-62(e).

(c) A PRTF that meets the qualification standards required in subsection (b) of this section may enter into an educational services contract, to the extent that funds are available,
with a local school administrative unit to assist in the delivery of educational services to the children in the PRTF. The contract shall clearly define the education-related assessment, instruction, and legal responsibilities of both parties engaging in the educational services contract. A PRTF entering into an educational services contract with a local school administrative unit shall submit the educational services contract to both the Department of Public Instruction and the Department of Health and Human Services for inclusion in any required reports to the General Assembly regarding the provision of educational services to children in PRTFs.

(d) To the extent that funds are available in the Department of Public Instruction for the delivery of educational services in PRTFs as provided in this Part, those funds shall be transferred to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS). The funds transferred for the purchase of educational services within the PRTF shall not be allocated to LME/MCOs but shall be held in reserve at the DMH/DD/SAS. The DMH/DD/SAS shall use the reserve funds to pay for educational services authorized by the Department of Public Instruction and billed by the PRTFs in a process established by the DMH/DD/SAS. The funds transferred to the DMH/DD/SAS pursuant to this section shall be allocated to the PRTFs for educational services in a manner determined by the Department of Health and Human Services and the Department of Public Instruction in a Memorandum of Understanding or a Memorandum of Agreement. The Department of Health and Human Services shall disburse for these purposes only those funds transferred from the Department of Public Instruction.

(e) The Department of Health and Human Services shall cease disbursement of educational funding to a PRTF upon receipt of a written notice from the Department of Public Instruction that educational services have not been provided. Educational funding disbursement shall be reinstated by the Department of Health and Human Services upon written notice from the Department of Public Instruction that the PRTF is providing educational services.

(f) A PRTF that receives educational funding shall comply with all audit and accounting policies applicable to other public and private entities receiving public funding.

§ 122C-450.2. Information sharing.

(a) Within three business days of admitting a child into a PRTF, the admitting PRTF shall notify (i) the Department of Public Instruction and (ii) the local school administrative unit in which the child was last enrolled, if known. The PRTF shall request a copy of the child's most current Individualized Education Program and any other available documents related to the provision of appropriate educational services from the local school administrative unit. To the extent practicable, the local school administrative unit shall provide this information within three business days of receiving a request made pursuant to this subsection. Upon withdrawal or discharge of a child, the PRTF shall notify the Department of Public Instruction within three business days of such withdrawal or discharge.

(b) The PRTF and the receiving local school administrative unit shall work together to develop a transition plan, including a revised Individualized Education Program, if necessary, to be implemented upon discharge of the child residing in a PRTF.

§ 122C-450.3. Technical assistance and monitoring.

The State Board of Education and the Department of Public Instruction shall (i) offer training to PRTFs on compliance with special education laws and regulations, (ii) maintain a current list of names of children residing in PRTFs along with the name and contact information of the PRTF in which each child resides, and (iii) develop and implement rules to monitor the delivery of educational services in PRTFs, including a process to inform the Department of Health and Human Services when services are not being provided. The Department of Health and Human Services shall appropriately enforce applicable licensing requirements as provided under G.S. 122C-23.1.

§ 122C-450.4. Reporting requirement.

The Department of Health and Human Services and the Department of Public Instruction, in collaboration with other interested agencies, shall submit, by January 15 of each year, a joint
report to the Joint Legislative Education Oversight Committee and to the Joint Legislative Oversight Committee on Health and Human Services on the delivery of educational services in PRTFs, including (i) the annual number of children by age residing in a PRTF both with and without an Individualized Education Program, (ii) the average length of stay of these children, (iii) the types of educational services, including number of hours each type of service has been provided, (iv) the costs and outcomes of providing educational services, and (v) recommendations for improving the efficiency and effectiveness of delivering educational services to children residing in PRTFs."

SECTION 8.39.(f) As of the effective date of this act, PRTFs that are licensed to serve children eligible to enroll in public schools as provided in G.S. 115C-366, including a student who has been suspended or expelled but otherwise meets the requirements of that statute, shall have six months after their next annual renewal to obtain approval of their facility-based school by the Department of Public Instruction as a Nonpublic Exceptional Children's Program. If such approval is not obtained before the expiration of the additional six months, the Department of Health and Human Services shall review the PRTF's license for appropriate action. This subsection does not apply to PRTFs that are approved charter schools pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes.

SECTION 8.39.(g) The State Board of Education shall adopt emergency rules pursuant to G.S. 150B-21.1A to monitor the delivery of educational services in PRTFs, including a process to inform the Department of Health and Human Services when services are not being provided.

SECTION 8.39.(h) The Department of Health and Human Services and the Department of Public Instruction, in collaboration with other interested agencies, shall submit its initial joint report, as required by G.S. 122C-450.4, to the Joint Legislative Education Oversight Committee and to the Joint Legislative Oversight Committee on Health and Human Services by January 15, 2015.

SECTION 8.39.(i) In accordance with G.S. 122C-450.1(d), as enacted by this act, the Department of Public Instruction shall transfer the funds provided for in this act for the purchase of educational services within PRTFs pursuant to this section to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS).

SECTION 8.39.(j) The Department of Public Instruction shall process all applications submitted by PRTFs on or before September 1, 2014, for approval as a Nonpublic Exceptional Children's Program no later than December 1, 2014.

ALLOW CONTINUED TRANSFER OF FUNDS FROM SPECIAL EDUCATION TAX CREDITS

SECTION 8.40. Section 6(b) of S.L. 2013-364 reads as rewritten: "SECTION 6.(b) The State Controller shall transfer the fund balance from the Fund for Special Education and Related Services to Nontax Budget Code 19978 (Intrastate Transfers) or the appropriate budget code as determined by the State Controller to support General Fund appropriations for the 2013-2014 fiscal year appropriations."

DIFFERENTIATED PAY FOR HIGHLY EFFECTIVE TEACHERS

SECTION 8.41.(a) Intent. – It is the intent of the General Assembly to provide local boards of education additional State funds for local programs to provide differentiated pay for highly effective classroom teachers through funds appropriated from the North Carolina Education Endowment Fund as provided in Section 8.11(i) of this act.

SECTION 8.41.(b) Proposals. – Local boards of education shall submit proposals to establish a local program to provide differentiated pay for highly effective classroom teachers to the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Joint Legislative Education Oversight Committee by January 15, 2015.
(1) Proposals may include any of the following types of differentiated pay for classroom teachers:
   a. Performance-based salary increases for classroom teachers rated highly effective on the North Carolina Teacher Evaluation instrument based on successful performance relative to classroom instruction and student academic growth.
   b. Differentiated bonuses for classroom teachers, including:
      1. Hard-to-staff subject areas, such as science, technology, engineering, and mathematics (STEM) education and exceptional children.
      2. Hard-to-staff schools.
      3. Assignment of additional academic responsibilities and leadership roles.
      4. Assignment as an instructional coach.

(2) Proposals shall limit eligibility for differentiated pay to the following employees of local boards of education:
   a. Classroom teachers. – An eligible classroom teacher is a teacher who is employed as a teacher who spends at least seventy percent (70%) of his or her work time in classroom instruction and is not employed as instructional support personnel.
   b. Instructional coach, as classified by the Department of Public Instruction, in a Title I school, as identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.

PART IX. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 9.1.(a) The following monthly teacher salary schedule shall apply for the 2014-2015 fiscal year to licensed personnel of the public schools who are classified as teachers. The schedule contains steps with each step corresponding to one year of teaching experience.

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>&quot;A&quot; Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>$3,300</td>
</tr>
<tr>
<td>5-9</td>
<td>3,650</td>
</tr>
<tr>
<td>10-14</td>
<td>4,000</td>
</tr>
<tr>
<td>15-19</td>
<td>4,350</td>
</tr>
<tr>
<td>20-24</td>
<td>4,650</td>
</tr>
<tr>
<td>25+</td>
<td>5,000</td>
</tr>
</tbody>
</table>

SECTION 9.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule. –

(1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.
(2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.
(3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the supplement provided to them as "M" teachers.
(4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred
fifty-three dollars ($253.00) per month in addition to the supplement provided to them as "M" teachers.

(5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

SECTION 9.1.(c) The first step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be equivalent to Step 5 of the "A" salary schedule. These employees shall receive a salary supplement each month of ten percent (10%) of their monthly salary and are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

SECTION 9.1.(d) In lieu of providing annual longevity payments to teachers paid on this salary schedule for the 2014-2015 fiscal year and subsequent fiscal years, the amounts of those longevity payments are built into this salary schedule.

SECTION 9.1.(e) A teacher compensated in accordance with this salary schedule shall receive an amount equal to the greater of (i) the applicable amount on the salary schedule or (ii) the sum of the teacher's salary plus the annual longevity payment that was effective for the 2013-2014 school year.

In addition, educators receiving compensation equal to the sum of the teacher's salary plus the annual longevity payment that was effective for the 2013-2014 school year shall receive an annual bonus of one thousand dollars ($1,000), payable monthly.

SECTION 9.1.(f) Teachers who earned longevity during the 2013-2014 fiscal year shall be paid a prorated longevity amount for annual longevity earned prior to July 1, 2014. If the funds appropriated for the 2014-2015 fiscal year to the Accrued Longevity Reserve – Educators are insufficient, the Department of Public Instruction shall use other funds within the State Public School Fund for these purposes.

SECTION 9.1.(g) As used in this section, the term "teacher" shall also include instructional support personnel.

SECTION 9.1.(h) Section 35.11 of S.L. 2013-360 is repealed.

SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE

SECTION 9.11.(a) The following base salary schedule for school-based administrators shall apply only to principals and assistant principals. This base salary schedule shall apply for the 2014-2015 fiscal year commencing July 1, 2014.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Principal (0-10)</th>
<th>Assistant (11-21)</th>
<th>Prin I (22-32)</th>
<th>Prin II (33-43)</th>
<th>Prin III</th>
<th>Prin IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9</td>
<td>$3,828</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>$3,977</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>$4,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>$4,240</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13</td>
<td>$4,323</td>
<td>$4,323</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14</td>
<td>$4,377</td>
<td>$4,377</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15</td>
<td>$4,434</td>
<td>$4,434</td>
<td>$4,489</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>$4,489</td>
<td>$4,489</td>
<td>$4,547</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>$4,547</td>
<td>$4,547</td>
<td>$4,606</td>
<td>$4,665</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>18</td>
<td>$4,606</td>
<td>$4,606</td>
<td>$4,665</td>
<td>$4,726</td>
<td>$4,788</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>$4,665</td>
<td>$4,665</td>
<td>$4,726</td>
<td>$4,788</td>
<td>$4,851</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>$4,726</td>
<td>$4,726</td>
<td>$4,788</td>
<td>$4,851</td>
<td>$4,918</td>
<td>-</td>
</tr>
<tr>
<td>21</td>
<td>$4,788</td>
<td>$4,788</td>
<td>$4,851</td>
<td>$4,918</td>
<td>$4,983</td>
<td>-</td>
</tr>
<tr>
<td>22</td>
<td>$4,851</td>
<td>$4,851</td>
<td>$4,918</td>
<td>$4,983</td>
<td>$5,050</td>
<td>-</td>
</tr>
</tbody>
</table>
### 2014-2015 Principal and Assistant Principal Salary Schedules

<table>
<thead>
<tr>
<th>Years of Exp (44-54)</th>
<th>Classification</th>
<th>0-19</th>
<th>20</th>
<th>21</th>
<th>22</th>
<th>23</th>
<th>24</th>
<th>25</th>
<th>26</th>
<th>27</th>
<th>28</th>
<th>29</th>
<th>30</th>
<th>31</th>
<th>32</th>
<th>33</th>
<th>34</th>
<th>35</th>
<th>36</th>
<th>37</th>
<th>38</th>
<th>39</th>
<th>40</th>
<th>41</th>
<th>42</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>$4,918</td>
<td>$4,918</td>
<td>$4,983</td>
<td>$5,050</td>
<td>$5,119</td>
<td>$5,119</td>
<td>$5,188</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>$4,983</td>
<td>$4,983</td>
<td>$5,050</td>
<td>$5,119</td>
<td>$5,188</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>$5,050</td>
<td>$5,050</td>
<td>$5,119</td>
<td>$5,188</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>$5,119</td>
<td>$5,119</td>
<td>$5,188</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>$5,188</td>
<td>$5,188</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>$5,263</td>
<td>$5,263</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>$5,335</td>
<td>$5,335</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>$5,409</td>
<td>$5,409</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>$5,483</td>
<td>$5,483</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>$5,561</td>
<td>$5,561</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>$5,641</td>
<td>$5,641</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>$5,722</td>
<td>$5,722</td>
<td>$5,803</td>
<td>$5,885</td>
<td>$5,967</td>
<td>$6,049</td>
<td>$6,131</td>
<td>$6,213</td>
<td>$6,295</td>
<td>$6,377</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>$5,794</td>
<td>$5,794</td>
<td>$5,876</td>
<td>$5,958</td>
<td>$6,040</td>
<td>$6,122</td>
<td>$6,204</td>
<td>$6,286</td>
<td>$6,368</td>
<td>$6,450</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>$5,866</td>
<td>$5,866</td>
<td>$5,948</td>
<td>$6,030</td>
<td>$6,112</td>
<td>$6,194</td>
<td>$6,276</td>
<td>$6,358</td>
<td>$6,440</td>
<td>$6,522</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>$5,938</td>
<td>$5,938</td>
<td>$6,020</td>
<td>$6,102</td>
<td>$6,184</td>
<td>$6,266</td>
<td>$6,348</td>
<td>$6,430</td>
<td>$6,512</td>
<td>$6,594</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>$6,010</td>
<td>$6,010</td>
<td>$6,092</td>
<td>$6,174</td>
<td>$6,256</td>
<td>$6,338</td>
<td>$6,420</td>
<td>$6,502</td>
<td>$6,584</td>
<td>$6,666</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>$6,082</td>
<td>$6,082</td>
<td>$6,164</td>
<td>$6,246</td>
<td>$6,328</td>
<td>$6,410</td>
<td>$6,492</td>
<td>$6,574</td>
<td>$6,656</td>
<td>$6,738</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>$6,154</td>
<td>$6,154</td>
<td>$6,236</td>
<td>$6,318</td>
<td>$6,399</td>
<td>$6,481</td>
<td>$6,563</td>
<td>$6,645</td>
<td>$6,727</td>
<td>$7,001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>$6,226</td>
<td>$6,226</td>
<td>$6,308</td>
<td>$6,390</td>
<td>$6,482</td>
<td>$6,564</td>
<td>$6,646</td>
<td>$6,728</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>$6,298</td>
<td>$6,298</td>
<td>$6,380</td>
<td>$6,462</td>
<td>$6,544</td>
<td>$6,626</td>
<td>$6,708</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>$6,370</td>
<td>$6,370</td>
<td>$6,452</td>
<td>$6,534</td>
<td>$6,616</td>
<td>$6,698</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>$6,442</td>
<td>$6,442</td>
<td>$6,524</td>
<td>$6,606</td>
<td>$6,688</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>$6,514</td>
<td>$6,514</td>
<td>$6,596</td>
<td>$6,678</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>$6,586</td>
<td>$6,586</td>
<td>$6,668</td>
<td>$7,002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Note:**

- Classification:
  - **Prin V:** (44-54)
  - **Prin VI:** (55-65)
  - **Prin VII:** (66-100)
  - **Prin VIII:** (101+)

---

**Session Laws-2014**

**S.L. 2014-100**

---

**385**
SECTION 9.11.(b) The appropriate classification for placement of principals and assistant principals on the salary schedule, except for principals in alternative schools and in cooperative innovative high schools, shall be determined in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of Teachers Supplied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Principal</td>
<td>Fewer than 11 Teachers</td>
</tr>
<tr>
<td>Principal I</td>
<td>11-21 Teachers</td>
</tr>
<tr>
<td>Principal II</td>
<td>22-32 Teachers</td>
</tr>
<tr>
<td>Principal III</td>
<td>33-43 Teachers</td>
</tr>
<tr>
<td>Principal IV</td>
<td>44-54 Teachers</td>
</tr>
<tr>
<td>Principal V</td>
<td>55-65 Teachers</td>
</tr>
<tr>
<td>Principal VI</td>
<td>66-100 Teachers</td>
</tr>
<tr>
<td>Principal VII</td>
<td>More than 100 Teachers</td>
</tr>
</tbody>
</table>

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools and in cooperative innovative high school programs shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

SECTION 9.11.(c) A principal shall be placed on the step on the salary schedule that reflects total number of years of experience as a certified employee of the public schools and an additional step for every three years of experience serving as a principal on or before June 30, 2009. A principal or assistant principal shall also continue to receive any additional State-funded percentage increases earned for the 1997-1998, 1998-1999, and 1999-2000 school years for improvement in student performance or maintaining a safe and orderly school.

SECTION 9.11.(d) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars ($126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars ($253.00) per month.

SECTION 9.11.(e) Longevity pay for principals and assistant principals shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 9.11.(f) If a principal is reassigned to a higher job classification because the principal is transferred to a school within a local school administrative unit with a larger number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the higher job classification.

If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subsection applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subsection for one calendar year following the date of the merger.

SECTION 9.11.(g) Participants in an approved full-time master's in-school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the master's program. The stipend shall not exceed the difference between the beginning salary of an assistant principal plus the cost of tuition, fees, and books and any fellowship funds received by the intern as a full-time student, including awards of the Principal Fellows Program. The Principal Fellows Program or the school of education where the intern participates in a full-time master's in-school administration
program shall supply the Department of Public Instruction with certification of eligible full-time interns.

**SECTION 9.11.(b)** During the 2013-2015 fiscal biennium, the placement on the salary schedule of an administrator with a one-year provisional assistant principal's certificate shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

**SECTION 9.11.(i)** Effective July 1, 2014, any person paid on the State Salary Schedule in the 2013-2014 school year and employed on July 1, 2014, who does not receive a salary increase on this salary schedule shall receive a nonrecurring salary bonus of eight hundred nine dollars ($809.00).

**CENTRAL OFFICE SALARIES**

**SECTION 9.12.** Section 35.13 of S.L. 2013-360 reads as rewritten:

"**SECTION 35.13.(a)** The monthly salary ranges that follow, which apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers, shall remain unchanged for the 2013-2015 fiscal biennium, beginning July 1, 2013, be increased by five hundred dollars ($500.00) annually as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School Administrator I</td>
<td>$3,349</td>
<td>$3,391</td>
<td>$3,431</td>
<td>$3,473</td>
</tr>
<tr>
<td>School Administrator II</td>
<td>$3,550</td>
<td>$3,592</td>
<td>$3,634</td>
<td>$3,676</td>
</tr>
<tr>
<td>School Administrator III</td>
<td>$3,769</td>
<td>$3,811</td>
<td>$3,853</td>
<td>$3,895</td>
</tr>
<tr>
<td>School Administrator IV</td>
<td>$3,920</td>
<td>$3,962</td>
<td>$4,004</td>
<td>$4,046</td>
</tr>
<tr>
<td>School Administrator V</td>
<td>$4,078</td>
<td>$4,120</td>
<td>$4,162</td>
<td>$4,204</td>
</tr>
<tr>
<td>School Administrator VI</td>
<td>$4,326</td>
<td>$4,368</td>
<td>$4,410</td>
<td>$4,452</td>
</tr>
<tr>
<td>School Administrator VII</td>
<td>$4,500</td>
<td>$4,542</td>
<td>$4,584</td>
<td>$4,626</td>
</tr>
</tbody>
</table>

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

"**SECTION 35.13.(b)** The monthly salary ranges that follow, which apply to public school superintendents, shall remain unchanged for the 2013-2015 fiscal biennium, beginning July 1, 2013, be increased beginning July 1, 2014, as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Superintendent I</td>
<td>$4,777</td>
<td>$4,819</td>
<td>$4,861</td>
<td>$4,903</td>
</tr>
<tr>
<td>Superintendent II</td>
<td>$5,071</td>
<td>$5,113</td>
<td>$5,155</td>
<td>$5,197</td>
</tr>
<tr>
<td>Superintendent III</td>
<td>$5,380</td>
<td>$5,422</td>
<td>$5,464</td>
<td>$5,506</td>
</tr>
<tr>
<td>Superintendent IV</td>
<td>$5,710</td>
<td>$5,752</td>
<td>$5,794</td>
<td>$5,836</td>
</tr>
<tr>
<td>Superintendent V</td>
<td>$6,060</td>
<td>$6,102</td>
<td>$6,144</td>
<td>$6,186</td>
</tr>
</tbody>
</table>

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

"**SECTION 35.13.(c)** Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the State Personnel Act.

"**SECTION 35.13.(d)** Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the compensation provided for under this section.
"SECTION 35.13.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

"SECTION 35.13.(f) The annual salaries of all permanent, full-time personnel paid from the Central Office Allotment shall remain unchanged for the 2013-2015 fiscal biennium, be increased by five hundred dollars ($500.00).

NONCERTIFIED PERSONNEL SALARIES

SECTION 9.13. Section 35.14 of S.L. 2013-360 reads as rewritten:

"SECTION 35.14. The annual salary for permanent, full-time and part-time noncertified public school employees whose salaries are supported from the State's General Fund shall remain unchanged for the 2013-2015 fiscal biennium increased by five hundred dollars ($500.00). Part-time, noncertified public school employees shall receive the increase authorized by this section on a prorated and equitable basis.

PART X. COMMUNITY COLLEGES

PROCESS FOR PERIODICALLY REVISING ENROLLMENT TIERS

SECTION 10.2. The State Board of Community Colleges shall develop a process for periodically reviewing and revising how courses and programs are classified into tiers in the enrollment funding model. The process shall be developed by March 1, 2015, and reported to the Office of State Budget and Management and the Fiscal Research Division of the North Carolina General Assembly.

The State Board of Community Colleges shall identify those courses and programs in high-need areas and may suggest any revisions to the model. These revisions shall be submitted as part of their budget requests for the 2017-2019 fiscal biennium.

REVENUES/EXPENDITURES/FEES COLLECTED AND ASSESSED BY THE MANUFACTURING SOLUTIONS CENTER AND THE TEXTILE TECHNOLOGY CENTER

SECTION 10.3. The State Board of Community Colleges shall report, no later than January 15, 2015, to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management a summary of the revenues and expenditures for the Manufacturing Solutions Center at Catawba Valley Community College and for the Textile Technology Center at Gaston College during the 2012-2013 and 2013-2014 fiscal years. The report shall include information on the structure of the fees assessed and the total fees collected by each Center.

JLEOC STUDY ON VOCATIONAL TRAINING FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES

SECTION 10.4.(a) The Joint Legislative Education Oversight Committee shall study at least the following issues related to vocational training for individuals with intellectual disabilities:

(1) Model programs for implementation on a systemwide basis at community college campuses and constituent institutions of The University of North Carolina for training and developing vocational expertise and job readiness in students with intellectual disabilities.

(2) Enhancing employment outcomes for individuals with intellectual disabilities.

(3) Barriers to employment for individuals with intellectual disabilities.

(4) Establishment and expansion of partnerships between community colleges, constituent institutions of The University of North Carolina, the Department of Health and Human Services, Division of Vocational Rehabilitative
Services, and community-based organizations that offer job training and job placement opportunities for individuals with intellectual disabilities.

(5) Policies for ensuring that students with intellectual disabilities are prepared for higher educational opportunities upon completion of their elementary and secondary school education.

(6) Policies for transition planning and job training for students with intellectual disabilities as they complete their elementary and secondary school education.

SECTION 10.4.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

EXTEND AUTHORITY TO REORGANIZE THE COMMUNITY COLLEGES SYSTEM OFFICE

SECTION 10.5. Section 10.1(b) of S.L. 2013-360 reads as rewritten:

"SECTION 10.1.(b) This section expires June 30, 2014 June 30, 2015."

PERMIT THE BOARD OF COMMUNITY COLLEGES TO TRANSFER CERTAIN FUNDS TO DEPARTMENT OF COMMERCE TO OFFSET APPRENTICESHIP FEES

SECTION 10.6.(a) Notwithstanding any other provision of law, of the funds appropriated by this act for the Customized Industry Training Program for the 2014-2015 fiscal year, the State Board of Community Colleges shall transfer three hundred thousand dollars ($300,000) to the Department of Commerce to offset fee revenue lost when apprenticeship fees assessed pursuant to G.S. 94-12 are waived.

SECTION 10.6.(b) This section shall expire June 30, 2015.

COMMUNITY COLLEGES AND UNC STUDY BILATERAL AGREEMENTS REGARDING TRANSFER PROCESS

SECTION 10.7.(a) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly study the various bilateral agreements and partnerships that exist between constituent institutions of The University of North Carolina and the community colleges throughout the State. The study shall specifically focus on those agreements and partnerships that aid in the transfer process and those agreements and partnerships that encourage or require students to complete some coursework at a community college before attending or transferring to a constituent institution. The study shall also provide data on the agreements and partnerships, to the extent this information is available, on all of the following:

(1) A description of the agreement or partnership;
(2) The number of years it has been in existence;
(3) The number of participants by year; and
(4) An analysis of student outcomes after a transfer under the agreement or partnership.

SECTION 10.7.(b) The findings of the study shall be reported to the Joint Legislative Education Oversight Committee and the Senate Appropriations Committee on Education/Higher Education and the House Appropriations Subcommittee on Education by February 1, 2015. The final report shall also include recommendations on replication and expansion possibilities for the various agreements and partnerships.

GUILFORD TECHNICAL COMMUNITY COLLEGE PROPERTY LEASE

SECTION 10.9.(a) Section 1 of S.L. 2011-153 reads as rewritten:

"SECTION 1. Notwithstanding G.S. 115D-15, Article 12 of Chapter 160A of the General Statutes, Chapter 66 of the General Statutes, or any other provision of law, the board of trustees
of Guilford Technical Community College may lease at private sale to The North Carolina Center for Global Logistics, LLC–GTCC Innovative Resources Corporation or its successor in interest a portion of its land and improvements now or hereafter located on the Donald W. Cameron Campus of Guilford Technical Community College. The terms and conditions of the lease shall be set by the board of trustees of Guilford Technical Community College and may include rental at less than fair market value. The lease shall not be subject to the prior approval of the State Board of Community Colleges.

SECTION 10.9.(b) Section 3 of S.L. 2011-153 reads as rewritten:

"SECTION 3. Notwithstanding G.S. 66-58(a), the personnel and facilities of Guilford Technical Community College may, with the consent of the trustees of the college, be used (i) in support of economic development through the operation of the Donald W. Cameron Campus of Guilford Technical Community College and its companion facilities as an event venue, (ii) by, for, or in connection with GTCC Innovative Resources Corporation, an affiliated nonprofit corporation that is a supporting organization of the college, or its successor in interest, or (iii) for both purposes. Proceeds generated shall be used either to pay the operational costs of the college's facilities, to support the event venue, or to support the mission of the college."

PART XI. UNIVERSITIES

STRATEGIC PLAN AND DISTINGUISHED PROFESSOR ENDOWMENT FUND

SECTION 11.1.(a) Notwithstanding the provisions of G.S. 116-11 and G.S. 116-30.2, the Board of Governors and the campuses of the constituent institutions shall consider reducing State funds for centers and institutes, speaker series, and other nonacademic activities by up to fifteen million dollars ($15,000,000); if reductions are taken, then the Board of Governors may use those reductions to do either or both of the following:

1. Provide a State match of up to ten million dollars ($10,000,000) for gifts from private sources for the Distinguished Professors Endowment Trust Fund.

2. Expend up to five million dollars ($5,000,000) to implement provisions of The University of North Carolina Strategic Plan as set out in the report "Our Time, Our Future: The University of North Carolina Compact with North Carolina." These funds are in addition to the fifteen million dollars ($15,000,000) that may be expended pursuant to subsection (h) of Section 11.13 of S.L. 2013-360.

SECTION 11.1.(b) Notwithstanding the provisions of G.S. 116-41.13 through G.S. 116-41.19, for the 2014-2015 fiscal year, no State match shall be required to use donations and gifts that were or are intended by the donor as matching funds for a State appropriation for distinguished professorships. If the terms of a particular donation or gift require a State match, then this subsection shall not apply without the written consent of the donor.

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION 11.2. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars ($29,000,000) to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

UNC BUDGET REDUCTIONS

SECTION 11.3. Notwithstanding any other provisions of this act, no reduction in State funds except reductions based on enrollment growth model changes or tuition increases, shall be allocated to any of the following:
(1) Any special responsibility constituent institution which has been granted a basic type designation of "Special Focus Institution" under the Carnegie Classification of Institutions of Higher Education.

(2) Any special responsibility constituent institution which has been granted a basic type designation of "Baccalaureate Colleges–Arts & Sciences" under the Carnegie Classification of Institutions of Higher Education.

(3) Any constituent high school of The University of North Carolina.

REPORT ON INSTITUTIONAL TRUST FUNDS

SECTION 11.4. G.S. 116-36.1(e) reads as rewritten:

"(e) Each institution shall submit such reports or other information concerning its trust fund accounts as may be required by the Board or by the Director of the Budget."

REPORT ON ACADEMIC SUMMER BRIDGE

SECTION 11.5. No later than January 1, 2015, the Board of Governors of The University of North Carolina shall report to the Office of State Budget and Management and the Joint Legislative Education Oversight Committee on the impact of Academic Summer Bridge programs on student outcomes. At a minimum, the report shall include information by institution on graduation rates, average time to degree, and student academic performance at multiple intervals over a four-year course of study.

OPERATION OF 4-H CAMPS AND USE OF VARIOUS SITES OF DEFUNCT 4-H CAMPS AND TRANSFER 4-H CAMP SERTOMA/MOORE SPRINGS TO THE STATE PARKS SYSTEM.

SECTION 11.7.(a) Part 5 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-43.20. Operation of 4-H camps.

(a) North Carolina State University shall not close the 4-H camps listed in subdivisions (1) through (3) of this subsection. Further, North Carolina State University shall continue to operate each of those camps as 4-H camps and to offer programs and services at the sites of each of those camps at a level that is at least equivalent to the programs and services offered at each site as of June 30, 2013. The following three 4-H camps are to continue and are to be operated as 4-H camps as provided by this subsection:

(1) Eastern 4-H Center located in Columbia, NC.
(2) Millstone 4-H Camp located near Ellerbe, NC.
(3) Betsy-Jeff Penn 4-H Educational Center located near Reidsville, NC.

(b) The 4-H camps that were located at the sites listed in subdivisions (1) and (2) of this subsection have ceased to operate as 4-H camps. At the request of the board of county commissioners of any county that is the site of one of the defunct 4-H camps listed in this subsection, North Carolina State University shall consult with the board regarding actions that may be taken to reopen the 4-H camp in that county and other options that may be available for the use of the site.

Within 90 days after any consultation with a board of county commissioners conducted pursuant to this subsection, North Carolina State University shall submit a written report to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House of Representatives Appropriations Subcommittee on Education, and the Fiscal Research Division regarding the feasibility of reopening the site as a 4-H camp and any other options considered for the use of the site.

The list of defunct 4-H camps follows:

(1) Anita-Alta 4-H Camp in the Pisgah National Forest in Lenoir, NC.
(2) Swannanoa 4-H Camp located at Swannanoa, NC.
North Carolina State University shall take all practicable measures to operate the 4-H camps in a manner that will generate a positive fund balance in the institutional trust funds that account for the activities of the 4-H camps."

SECTION 11.7.(b) Article 7 of Chapter 146 of the General Statutes is amended by adding a new section to read:

"§ 146-30.1. Application of net proceeds of disposition or use of real property allocated to the 4-H Camping Program.

(a) Limitation. – Notwithstanding G.S. 146-30 or any other provision of law, and subject to the limitations contained in any applicable deed, the net proceeds of any disposition of, use of, or activity on real property allocated to the 4-H Camping Program shall be used solely for the operation of the 4-H Camping Program, for the acquisition of real property for the 4-H Camping Program, or for the funding of an endowment to support these purposes. These proceeds shall not be used to pay any debt or other financial obligation owed to a State agency that arose prior to the effective date of this section.

(b) Definition of Net Proceeds. – For purposes of this section, the term "net proceeds" shall have the same meaning as in G.S. 146-30.

(c) No Supplanting of General Fund Support. – It is the intent of the General Assembly that appropriations for the 4-H Camping Program not be reduced as a result of the realization of proceeds under this section. Instead, the General Assembly intends that the amount of appropriations be determined as if no proceeds had been realized under this section. The Director of the Budget shall not decrease the recommended continuation budget requirements for the 4-H Camping Program as a result of proceeds being realized under this section.

(d) Proceeds Must Be Appropriated. – Nothing in this section shall be construed to appropriate the proceeds described in this section."

SECTION 11.7.(c) If on the effective date of this section the net proceeds of any use of, or activity on, real property allocated to the 4-H Camping Program are being used in a manner prohibited by G.S. 146-30.1, then notwithstanding that section they may continue to be used in that manner.

SECTION 11.7.(d) The Department of Administration shall reallocate all of the approximately 716 acres of State-owned real property that is part of Camp Sertoma/Moore Springs property to the Department of Environment and Natural Resources. The General Assembly authorizes the Department of Environment and Natural Resources to add this property to the State Parks System as provided in G.S. 113-44.14(b).

SECTION 11.7.(e) Of the funds appropriated by this act for the 2014-2015 fiscal year to the Board of Governors of The University of North Carolina for North Carolina State University the sum of seven hundred twenty-five thousand dollars ($725,000) in recurring funds shall be allocated equally among all operating 4-H camps, including any currently defunct 4-H camp that reopens and operates as a 4-H camp. The funds allocated under this section shall be used for the operation, repair, and renovation of operating 4-H camps.

STUDY FINANCIAL AID PAYMENT SCHEDULE TO INCENTIVIZE THIRTY COMPLETED HOURS PER YEAR AND IMPLEMENT REVISED PAYMENT SCHEDULE

SECTION 11.8. Section 11.15(h) of S.L. 2013-360 reads as rewritten:

"SECTION 11.15.(h) The State Education Assistance Authority shall structure its payment schedule Authority, in consultation with The University of North Carolina, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities, shall study ways to structure its financial aid payment schedules to encourage students to complete an average of 30 credit hours per academic year. The State Education Assistance Authority shall make an interim report to the Joint Legislative Education Oversight Committee by March 1, 2014, regarding the measures implemented by the Authority pursuant to this subsection.

March 1, 2015, on its progress or lack thereof in developing such schedules
and shall make a final report to the Joint Legislative Education Oversight Committee by October 1, 2015, about the financial aid payment schedules it proposes to implement.

After submitting its final report to the Joint Legislative Education Oversight Committee, the State Education Assistance Authority shall structure its payment schedules to encourage students to complete an average of 30 credit hours per academic year. The revised payment schedules shall be in place for financial aid awards made for the 2016-2017 academic year and all subsequent academic years.

UNC FACULTY TUITION WAIVER

SECTION 11.9.(a) G.S. 116-143(d) reads as rewritten:

"(d) Notwithstanding the above provision relating to the abolition of free tuition, the Board of Governors of The University of North Carolina may, in its discretion, provide regulations under which a full-time faculty member of the rank of full-time instructor or above, and any full-time staff member of The University of North Carolina may during the period of normal employment enroll for not more than two three courses per year in The University of North Carolina free of charge for tuition, tuition and fees, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving general fund appropriations."

SECTION 11.9.(b) This section applies to the 2014-2015 fall academic semester and each subsequent academic semester.

STATE EDUCATION ASSISTANCE AUTHORITY TO ASSUME RESPONSIBILITY FOR TEACHING FELLOWS PROGRAM SCHOLARSHIP LOANS

SECTION 11.10.(a) The Office of State Budget and Management shall transfer to the State Education Assistance Authority the cash balance remaining in the Teaching Fellows Trust Fund as of February 16, 2015. The funds shall be taken from Budget Code 63501 unless otherwise determined by the Office of State Budget and Management. The North Carolina Teaching Fellows Commission shall make scholarship loan awards for the 2015 spring academic semester prior to the transfer of the cash balance from the Teaching Fellows Trust Fund. The Office of State Budget and Management shall work with the State Education Assistance Authority to determine the schedule for implementing the transfer of funds; however, the transfer of funds required by this section shall be completed no later than February 16, 2015.

SECTION 11.10.(b) Article 23 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-209.27. Administration of scholarships previously awarded by Teaching Fellows Program.

(a) The Authority shall, as of March 1, 2015, administer all outstanding scholarship loans previously awarded by the former North Carolina Teaching Fellows Commission and subject to repayment under the former Teaching Fellows Program.

(b) Scholarship loans previously awarded by the North Carolina Teaching Fellows Commission by notes payable to the Commission shall be deemed payable to the Authority, as the successor in interest to the North Carolina Teaching Fellows Commission, by the same terms stated in the note.

(c) All funds received by the Authority in association with its administration of the Teaching Fellows Program, including all funds received as repayment of scholarship loans and all interest earned on these funds, shall be deposited into the Forgivable Education Loans for Service Fund established in G.S. 116-209.45."

SECTION 11.10.(c) The North Carolina Teaching Fellows Commission shall deliver to the State Education Assistance Authority, in a format acceptable to the Authority, complete electronic and paper records on (i) all outstanding scholarship loans previously awarded but not canceled by service or otherwise satisfied in full as of the date of delivery, including records of applicable teaching service performed to that date, and (ii) aggregate
historical data on the numbers of loans made that are no longer active and, of those, numbers
and dollars paid in cash, paid in service, or written off due to death, disability, or uncollectible
debt.

Prior to the transfer of any such outstanding scholarship loan and related records,
the North Carolina Teaching Fellows Commission shall discharge its reporting obligations
under G.S. 147-86.26 and specifically confirm for the Authority that no account subject to
write-off in accordance with the Statewide Accounts Receivable Program has been transferred
under this section.

SECTION 11.10.(d) Notwithstanding G.S. 115C-363.23A(f), the Public School
Forum may use up to four hundred thousand dollars ($400,000) during the 2014-2015 fiscal
year from the Teaching Fellows Trust Fund balance for costs associated with administration of
the Teaching Fellows Program, provided that these funds are withdrawn from the Teaching
Fellows Trust Fund balance prior to February 16, 2015.

SECTION 11.10.(e) The State Education Assistance Authority, as administrator
for the Teaching Fellows Program, may use up to seventy-five thousand dollars ($75,000) for
the 2014-2015 fiscal year of the fund balance for the Forgivable Education Loans for Service
Fund for expenses related to accepting and beginning its administration of the Teaching
Fellows Program, including the conversion of the data.

SECTION 11.10.(f) Section 1.38(a) of S.L. 2011-266 reads as rewritten:
"SECTION 1.38.(a) Effective July 1, 2015, March 1, 2015, Part 2 of Article 24C of
Chapter 115C of the General Statutes, G.S. 115C-363.22 through G.S. 115C-363.23A, is
repealed."

SECTION 11.10.(g) G.S. 116-209.45(h) reads as rewritten:
"(h) Use of Fund Monies. – All funds appropriated to or otherwise received by the
Authority to provide loans through the Program, all funds received as repayment of loans, and
all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for
loans made pursuant to this section and for administrative costs of the Authority, including costs of administering the former Teaching Fellows Program transferred to the
Authority under G.S. 116-209.27."

REPORT ON COLLEGE FOUNDATION OF NORTH CAROLINA SUSTAINABILITY

SECTION 11.11. No later than December 1, 2014, the State Education Assistance
Authority shall report to the Office of State Budget and Management and the Fiscal Research
Division of the General Assembly on its progress toward funding operations of the College
Foundation of North Carolina entirely from non-General Fund sources. This report shall
include all of the following:

(1) The status of fundraising efforts to date.
(2) A detailed plan and time line for generating additional revenues.
(3) Estimated expenditures and revenues by type for the next four fiscal years.
(4) Potential reduction measures and alternative funding options should General
Fund appropriations not be provided in the next biennium.

TUITION ASSISTANCE TO VETERANS WHO PARTICIPATE IN THE YELLOW
RIBBON PROGRAM AND THEIR SPOUSES AND DEPENDENT RELATIVES

SECTION 11.12.(a) Article 14 of Chapter 116 of the General Statutes is amended
by adding a new section to read:
"§ 116-143.8. Tuition assistance for certain veterans and their dependents.
(a) The following definitions apply in this section:
(1) Institution of higher education. – Has the same meaning as in
G.S. 116-143.1(a)(1).
(2) Yellow Ribbon Program. – Yellow Ribbon G.I. Education Enhancement

394
Either the Board of Governors of The University of North Carolina or one or more constituent institutions shall annually enter into an agreement with the United States Secretary of Veterans Affairs to participate in the Yellow Ribbon Program. The State Board of Community Colleges or one or more community colleges shall annually enter into an agreement with the United States Secretary of Veterans Affairs to participate in the Yellow Ribbon Program. The agreements shall include all of the following terms:

1. A grant of ninety percent (90%) of the cost of tuition and mandatory fees not otherwise covered shall be provided for every eligible veteran or eligible spouse or dependent relative of a veteran who is enrolled or will be enrolled as an undergraduate student at a constituent institution or as a student at a community college.

2. To be eligible for grants under the Yellow Ribbon Program, a student must meet all program requirements established by the federal government. In addition, to be eligible for a Yellow Ribbon grant in which the school share of the grant is paid with State appropriation, a student must be enrolled as an undergraduate student at a constituent institution or as a student at a North Carolina community college.

This section is not intended to prohibit constituent institutions from using private funds to provide Yellow Ribbon grants for students enrolled in master's or doctoral level programs.

The General Assembly encourages private institutions of higher education in North Carolina to participate in the Yellow Ribbon Program.

SECTION 11.12.(b) It is the intent of the General Assembly to establish two reserve funds for the purpose of forward funding tuition assistance to students who participate in the Yellow Ribbon Program. Therefore, the General Assembly establishes the two following reserve funds:

1. There is established the UNC Yellow Ribbon Reserve to be managed by the Board of Governors of The University of North Carolina. Of the funds appropriated by this act to the Board of Governors, the sum of four million eight hundred sixty-three thousand two hundred seventy-six dollars ($4,863,276) shall be allocated to the UNC Yellow Ribbon Reserve and shall be held in reserve for the 2014-2015 fiscal year. Beginning with the 2015-2016 fiscal year, the funds in the UNC Yellow Ribbon Reserve shall be used to fund undergraduate tuition assistance to participants in the Yellow Ribbon Program for the 2015-2016 academic year and each subsequent academic year.

2. There is established the Community College Yellow Ribbon Reserve to be managed by the State Board of Community Colleges. Of the funds appropriated by this act to the Community Colleges System Office, the sum of one million dollars ($1,000,000) shall be allocated to the Community College Yellow Ribbon Reserve and shall be held in reserve for the 2014-2015 fiscal year. Beginning with the 2015-2016 fiscal year, the funds in the Community College Yellow Ribbon Reserve shall be used to fund tuition assistance to participants in the Yellow Ribbon Program for the 2015-2016 academic year and each subsequent academic year.

SECTION 11.12.(c) The Board of Governors and the State Board of Community Colleges shall each report to the Joint Legislative Education Oversight Committee by January 1, 2015, regarding their planned participation in the Yellow Ribbon Program for the 2015-2016 academic year. Each report shall include the following information:

1. The number and identity of constituent institutions or community colleges that will participate in the Yellow Ribbon Program.

2. The methodology used by each governing board to select the institutions of higher education that will participate in the Yellow Ribbon Program.
(3) For each institution that will participate, the maximum number of students and the maximum award amount per student.

(4) A list of the institutions of higher education that will not participate in the Yellow Ribbon Program and the reason each institution is not participating.

SECTION 11.12.(d) Subsection (a) of this section applies to the 2015-2016 academic year and each subsequent academic year.

HEALTH CARE EDUCATION/PUBLIC PRIVATE PARTNERSHIP

SECTION 11.14. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use two million dollars ($2,000,000) in the 2014-2015 fiscal year to support Union Square Campus, Inc., a nonprofit entity, that will build a facility to house nursing programs for North Carolina A&T State University, the University of North Carolina at Greensboro, and Guilford Technical Community College, as well as the training facilities for Cone Health Cardiovascular Physician Management Company, Inc.

STUDY UNIVERSITY TUITION

SECTION 11.15.(a) The Joint Legislative Education Oversight Committee shall study the increasing cost of attendance for resident and nonresident students attending The University of North Carolina. In doing so, the Committee shall consider, at a minimum, all of the following:

(1) The tuition and mandatory fees at the constituent institutions of The University of North Carolina.

(2) How changes in tuition and fees in recent years have compared to overall economic inflation.

(3) The funding available to offset increases in the cost of attendance, which could include non-General Fund revenues and the availability of State- and non-State-funded financial aid.

(4) The tuition cost controls or limits that may have been implemented in other states.

(5) The desirability of encouraging students seeking an undergraduate degree to enroll first in a community college for college credit and then enroll in a constituent institution to complete the requirements for the undergraduate degree.

SECTION 11.15.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

UNC REVERSIONS

SECTION 11.17.(a) G.S. 116-30.3 reads as rewritten:

"§ 116-30.3. Reversions.

(a) Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each budget code of a special responsibility constituent institution, except for the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount of the General Fund appropriation for that fiscal year may be carried forward by the institution to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. Of the General Fund current operations appropriations credit balance remaining in the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this section shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation."

396
The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code of each institution. Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each of the budget codes listed in this subsection, any amount of the General Fund appropriation for that budget code for that fiscal year (i) may be carried forward to the next fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be used for any of the purposes set out in subsection (f) of this section. However, the amount carried forward in each budget code under this subsection shall not exceed two and one-half percent (2.5%) of the General Fund appropriation in that budget code. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code.

The budget codes that may carry forward a General Fund current operations appropriations credit balance remaining at the end of each fiscal year pursuant to this section are the budget codes for each of the following:

1. Each special responsibility constituent institution.
2. The Area Health Education Centers of the University of North Carolina at Chapel Hill.

(b) Repealed by Session Laws 1998-212, s. 11(b).
(c) Repealed by Session Laws 1998-212, s. 11(a).
(d) Repealed by Session Laws 1998-212, s. 11(b).
(e) Notwithstanding G.S. 143C-1.2 of the General Fund current operations appropriations credit balance remaining in Budget Code 16010 of the Office of General Administration of The University of North Carolina, any amount of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this subsection shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in Budget Code 16010 of the Office of General Administration of The University of North Carolina. The funds shall not be used to support positions.

(f) Funds carried forward pursuant to subsection (a) of this section may be used for one-time expenditures, provided, however, that the expenditures shall not impose additional financial obligations on the State and shall not be used to support positions.

SECTION 11.17. This section applies to the 2014-2015 fiscal year and each subsequent fiscal year.

UNC SET NONRESIDENT TUITION RATES

SECTION 11.18. Notwithstanding the provisions of S.L. 2013-360, the Board of Governors of The University of North Carolina may set nonresident undergraduate tuition rates for the 2014-2015 fiscal year at any level deemed appropriate by the Board of Governors; however, the systemwide total in new tuition receipts due to these changes must be at least twenty-seven million two hundred forty-three thousand one hundred fifty-seven dollars ($27,243,157) for the 2014-2015 fiscal year.
UNC STRATEGIC PLAN FUNDS

SECTION 11.19. Section 11.13 of S.L. 2013-360 reads as rewritten:

"SECTION 11.13. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium, the Board of Governors may spend a sum of up to fifteen million dollars ($15,000,000) for the 2013-2014 fiscal year and a sum of up to fifteen million dollars ($15,000,000) for the 2014-2015 fiscal year on a recurring basis to implement provisions of The University of North Carolina Strategic Plan as set out in the report "Our Time, Our Future: The University of North Carolina Compact with North Carolina. These funds are in addition to any new funds appropriated for The University of North Carolina by this act."

REPORT ON FUNDING OF STATE MEDICAL SCHOOLS

SECTION 11.20. The University of North Carolina System, working with the appropriate constituent institutions and health systems, shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on how the medical schools are funded. The report shall include a detailed explanation of the sources of all income within both a current and historical context, noting any changes in funding sources and amounts over time. The report shall also include a detailed explanation of operating expenses so that they may be compared to income. The report required by this section is due by October 1, 2014, and shall be based on the most recent audited fiscal year practicable.

STUDY ON ESTABLISHMENT OF NEW OPTOMETRY SCHOOLS

SECTION 11.21.(a) By December 1, 2014, the Board of Governors of The University of North Carolina shall evaluate and report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the feasibility of establishing a school of optometry at one or more of the following constituent institutions:

1. The University of North Carolina at Chapel Hill.
2. The University of North Carolina at Pembroke.
3. East Carolina University.
4. Elizabeth City State University.
5. Fayetteville State University.
8. Winston-Salem State University.

SECTION 11.21.(b) The report by the Board of Governors pursuant to subsection (a) of this section shall include at least all of the following:

1. A breakdown of any projected capital, operational, or other expenditures necessary for establishing and operating a school of optometry affiliated with the institution.
2. A breakdown of all funds available to assist the institution with these expenses.
3. A projected number of applicants for the affiliated school of optometry.

SECTION 11.21.(c) The North Carolina Independent Colleges and Universities, Inc., (NCICU) is encouraged to examine and report by December 1, 2014, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the feasibility of establishing a school of optometry affiliated with an NCICU college or university. The report should include at least all of the following:

1. A breakdown of any projected capital, operational, or other expenditures necessary for establishing and operating a school of optometry affiliated with the institution.
(2) A breakdown of all funds available to assist the institution with these expenses.

(3) A projected number of applicants for the affiliated school of optometry.

ECSU STUDY

SECTION 11.24.(a) The General Assembly finds that Elizabeth City State University had its origins established during the 1891 legislative session and is a key educational and economic resource for northeastern North Carolina. The Joint Legislative Education Oversight Committee shall evaluate and study strategies to address any financial or enrollment concerns.

SECTION 11.24.(b) The Joint Legislative Education Oversight Committee shall examine, at a minimum, any plans of The University of North Carolina Board of Governors or of Elizabeth City State University to restore Elizabeth City State University to more financially sustainable conditions, including the strategies described in Elizabeth City State University’s March 2014, document titled, "Rightsizing ECSU: The Need for Financial Stability". Further, the General Assembly urges that, in conducting the study described in subsection (a) of this section, the JLEOC’s work include consultation with the Board of Trustees of Elizabeth City State University and any other appropriate parties.

SECTION 11.24.(c) The Joint Legislative Education Oversight Committee shall report the results of the study required by this section to the General Assembly prior to the convening of the 2015 General Assembly. The report shall include recommendations, if any, for actions by the General Assembly to address such financial and enrollment concerns.

NCSU NEXT GENERATION POWER ELECTRONICS INNOVATION INSTITUTE STATE MATCHING FUNDS/OSBM TO ADJUST UNC BASE BUDGET WHEN STATE MATCH PLEDGE IS FULFILLED

SECTION 11.25 By making the two million dollar ($2,000,000) appropriation in this act to North Carolina State University for the Next Generation Power Electronics Innovation Institute a recurring appropriation, it is the intent of the General Assembly (i) to provide funding of two million dollars ($2,000,000) per year for five years in order to provide a total of ten million dollars ($10,000,000) in State funds that shall be used as a match for federal National Network for Manufacturing Innovation for Wide Bandgap Semiconductors funds and (ii) that thereafter no further funds shall be appropriated for this purpose. Accordingly, the Office of State Budget and Management shall remove this two million dollar ($2,000,000) annual appropriation from the UNC System base budget once this funding pledge has been fulfilled."

UNC NEED-BASED FINANCIAL AID FORWARD FUNDING RESERVE/ESCHEAT FUNDS

SECTION 11.26 Section 11.2 of S.L. 2013-360 reads as rewritten:

"SECTION 11.2.(a) It is the intent of the General Assembly to move the UNC Need-Based Financial Aid Program grant funding into a reserve in the North Carolina Student Loan Fund designated for that purpose so that funds appropriated for grants in a fiscal year are awarded to students for the following academic year. This change will provide additional program stability.

"SECTION 11.2.(b) The UNC Need-Based Financial Aid Forward Funding Reserve (Reserve) is established as a reserve in the North Carolina Student Loan Fund. The funds in the UNC Need-Based Financial Aid Forward Funding Reserve shall be held in reserve for the 2013-2014 fiscal year and for the 2014-2015 fiscal year. Beginning with the 2015-2016 fiscal year, the funds in the Reserve shall be used to fund grants from the UNC Need-Based Financial Aid Program for the 2015-2016 program year and each subsequent program year.

"SECTION 11.2.(c) Section 6.11(e) of this act appropriates funds from the Education Lottery Fund in the amount of thirty-two million five hundred thirty thousand three hundred
fifty-nine dollars ($32,530,359) for the 2013-2014 fiscal year and in the amount of nineteen million one hundred thirty thousand seven hundred twenty-eight dollars ($19,130,728) for the 2014-2015 fiscal year to the Reserve. The following funds shall also be transferred to the Reserve:

1. The sum of fifty-nine million eight hundred fifty-nine thousand five hundred sixty-two dollars ($59,859,562) shall be transferred from the North Carolina Student Loan Fund to the Reserve.
2. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2013-2015 fiscal biennium, the sum of three million four hundred seventy-five thousand five hundred thirty-eight dollars ($3,475,538) for the 2013-2014 fiscal year and the sum of three million four hundred fifty-four thousand six hundred fifty-six dollars ($3,454,656) for the 2014-2015 fiscal year shall be transferred to the Reserve.
3. Notwithstanding G.S. 115C-296.2, the sum of three million five hundred twenty-five thousand dollars ($3,525,000) shall be transferred from the fund balance of the National Board Certification Loan program to the Reserve.
4. The sum of five hundred thousand dollars ($500,000) shall be transferred from the John B. McLendon Scholarship Fund established in G.S. 116-209.40 to the Reserve.

"SECTION 11.2.(d) G.S. 116-209.40 is repealed.
"SECTION 11.2.(e) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of nineteen million one hundred thirty thousand seven hundred twenty-eight dollars ($19,130,728) for the 2014-2015 fiscal year for the Reserve."

PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART XII-A. CENTRAL MANAGEMENT AND SUPPORT

HHS COMPETITIVE GRANTS PROCESS REVISIONS

SECTION 12A.1. Section 12A.2 of S.L. 2013-360 reads as rewritten:

"FUNDING FOR NONPROFIT ORGANIZATIONS/ESTABLISH COMPETITIVE GRANTS PROCESS"

"SECTION 12A.2.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of nine million five hundred twenty-nine thousand one hundred thirty-four dollars ($9,529,134) in recurring funds for each year of the 2013-2015 fiscal biennium, the 2013-2014 fiscal year and the sum of nine million one hundred three thousand nine hundred eleven dollars ($9,103,911) in recurring funds for the 2014-2015 fiscal year, the sum of three hundred seventeen thousand four hundred dollars ($317,400) in nonrecurring funds for each year of the 2013-2015 fiscal biennium, and the sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in Section 12J.1 of this act in Social Services Block Grant funds for each year of the 2013-2015 fiscal biennium shall be used to allocate funds for nonprofit organizations.

"SECTION 12A.2.(d) It is the intent of the General Assembly that, beginning fiscal year 2014-2015, the Department implement a competitive grants process for nonprofit funding. To that end, the Department shall develop a plan that establishes a competitive grants process to be administered by the Division of Central Management and Support. The Department shall develop a plan that, at a minimum, includes each of the following:

1. A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis."
(2) A requirement that nonprofits match a minimum of ten percent (10%) of the total amount of the grant award.
(3) A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.
(4) A process that awards grants to nonprofits dedicated to providing that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:
   a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.
   b. A comprehensive program of education, advocacy, and support related to brain injury and those affected by brain injury.
   c. A system of residential supports for those afflicted with substance abuse addiction.
   d. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.
   e. Supports and services to children and adults with developmental disabilities or mental health diagnoses.
   f. A food distribution system for needy individuals.
   g. The provision and coordination of services for the homeless.
   h. The provision of services for individuals aging out of foster care.
   i. Programs promoting wellness, physical activity, and health education programming for North Carolinians.
   j. A program focused on enhancing vision screening through the State's public school system.
   k. Provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.
   l. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease.
   m. The provision of assistive information technology services for blind and disabled persons.
   n. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.
(5) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

"SECTION 12A.2.(h) For fiscal year 2014-2015 only, from the sum of nine million one hundred three thousand nine hundred eleven dollars ($9,103,911) referred to in subsection (a) of this section, the Department shall allocate the sum of one hundred seventy-five thousand dollars ($175,000) to St. Gerard House for the purpose of assisting individuals with autism spectrum disorders (ASD), learning disabilities, developmental delays, and behavioral health needs. St. Gerard House shall be required to seek future funding through the competitive grants process in accordance with subsection (d) of this section."

Funds for Statewide Health Information Exchange

SECTION 12A.2.(a) It is the intent of the General Assembly:
(1) To maximize receipt of federal funds for administration and support of the statewide health information exchange network (HIE Network).
(2) To allow the North Carolina Health Information Exchange (NC HIE), the nonprofit corporation responsible for overseeing and administering the HIE Network, to receive the State's share of available federal funds for
administration and support of the HIE Network in order to reduce the operating costs of the HIE Network by an amount sufficient to allow for the elimination or reduction of the participation fee the NC HIE currently imposes on hospitals required to connect to the HIE Network pursuant to G.S. 90-413.3A.

(3) Beginning with the 2015-2016 fiscal year, to make the Department of Health and Human Services, Division of Central Management and Support, responsible for using State funds to draw down available matching federal funds for administration and support of the HIE Network.

SECTION 12A.2.(b) From the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year, the Department shall allocate to the North Carolina Health Information Exchange, a nonprofit corporation, an amount sufficient to represent the State share for the maximum amount of approved federal matching funds for allowable Medicaid administrative costs related to the HIE Network.

SECTION 12A.2.(c) By March 1, 2015, the NC HIE shall report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on its use of (i) State appropriations allocated to the NC HIE pursuant to this section and (ii) federal matching funds received by the NC HIE for costs related to the HIE Network. The report shall include a detailed, audited report of all State and federal funds received by the NC HIE and all expenditures from these funds.

DEVELOPMENT OF PLAN TO IMPLEMENT SINGLE INFORMATION TECHNOLOGY SYSTEM FOR MEDICAID CLAIM ADJUDICATION BY LOCAL MANAGEMENT ENTITIES/MANAGED CARE ORGANIZATIONS

SECTION 12A.4.(a) Section 12A.4(j) of S.L. 2013-360 is repealed.

SECTION 12A.4.(b) Section 12A.4(k) of S.L. 2013-360, as amended by Section 4.11 of S.L. 2013-363, is repealed.

SECTION 12A.4.(c) Not later than December 1, 2014, the Department of Health and Human Services shall develop and submit to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and to the Fiscal Research Division a report on a plan to implement a single, stand-alone information technology system to be used for Medicaid claim adjudication by all local management entities, including local management entities approved to operate the 1915(b)/(c) Medicaid Waiver. Prior to submitting this report to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and to the Fiscal Research Division, the Department shall submit the plan for review by the Enterprise Project Management Office and make any changes deemed necessary by that Office. The Department shall not implement the plan until (i) it is reviewed by the Enterprise Project Management Office and (ii) submitted to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and to the Fiscal Research Division in accordance with this section.

FUNDS FOR REPLACEMENT MEDICAID MANAGEMENT INFORMATION SYSTEM

SECTION 12A.5. Section 12A.4(a) of S.L. 2013-360 reads as rewritten:

"SECTION 12A.4.(a) The Secretary of the Department of Health and Human Services may utilize prior year earned revenue received for the replacement MMIS in the amount of nine million six hundred fifty-eight thousand one hundred fifty-two dollars ($9,658,152) for the 2013-2014 fiscal year and in the amount of one million six hundred sixty-six thousand six hundred twenty-five dollars ($1,666,625) six million eight hundred ninety thousand six hundred dollars ($6,890,600) for the 2014-2015 fiscal year. In the event the Department does not receive prior year earned revenues in the amounts authorized by this section, or funds are
insufficient to advance the project, the Department may, with prior approval from the Office of State Budget and Management (OSBM), utilize overrealized receipts and funds appropriated to the Department to achieve the level of funding specified in this section for the replacement MMIS."

Funds for North Carolina Families Accessing Services Through Technology (NC FAST)

SECTION 12A.6. Section 12A.6(a) of S.L. 2013-360 reads as rewritten:

"SECTION 12A.6.(a) Funds appropriated in this act in the amount of eight hundred sixty-four thousand six hundred fifty-five dollars ($864,655) for State fiscal year 2014-2015 along with prior year earned revenue in the amount of four million one hundred thirty-eight thousand two dollars ($4,138,002) and the cash balance in Budget Code 24410 Fund 2411 for the North Carolina Families Accessing Services through Technology (NC FAST) project shall be used to match federal funds in fiscal years 2013-2014 and 2014-2015 to expedite the development and implementation of the Eligibility Information System (EIS), Child Care, Low Income Energy Assistance, and Crisis Intervention Programs, and Child Service components of the NC FAST project."

Supplemental Short-Term Assistance for Group Homes

SECTION 12A.7.(a) Notwithstanding any other provision of law, funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2014-2015 fiscal year for unpaid LME liabilities is reduced by the sum of two million dollars ($2,000,000) in nonrecurring funds, and that amount is instead allocated to the Department of Health and Human Services, Division of Central Management and Support, for the 2014-2015 fiscal year to provide temporary, short-term financial assistance in the form of a monthly payment to group homes on behalf of each resident who meets all of the following criteria:

1. Was eligible for Medicaid-covered personal care services (PCS) prior to January 1, 2013, but was determined to be ineligible for PCS on or after January 1, 2013, due to Medicaid State Plan changes in PCS eligibility criteria specified in Section 10.9F of S.L. 2012-142, as amended by Section 3.7 of S.L. 2012-145 and Section 70 of S.L. 2012-194.
2. Has continuously resided in a group home since December 31, 2012.

SECTION 12A.7.(b) These monthly payments shall be subject to all of the following requirements and limitations:

1. The amount of the monthly payments authorized by this section shall not exceed four hundred sixty-four dollars and thirty cents ($464.30) per month for each resident who meets all criteria specified in subsection (a) of this section.
2. A group home that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than providing, as necessary, supervision and medication management for a resident who meets all criteria specified in subsection (a) of this section.
3. The Department shall make monthly payments authorized by this section to a group home on behalf of each resident who meets all criteria specified in subsection (a) of this section only for the period commencing July 1, 2014, and ending June 30, 2015, or upon depletion of the two million dollars ($2,000,000) in nonrecurring funds appropriated in this act to the Division of Central Management and Support for the 2014-2015 fiscal year for the purpose of this section, whichever is earlier.
4. The Department shall make monthly payments authorized by this section only to the extent sufficient funds are available from the two million dollars ($2,000,000) in nonrecurring funds appropriated in this act to the Division of
Central Management and Support for the 2014-2015 fiscal year for the purpose of this section.

(5) The Department shall not make monthly payments authorized by this section to a group home on behalf of a resident during the pendency of an appeal by or on behalf of the resident under G.S. 108A-70.9A.

(6) The Department shall terminate all monthly payments pursuant to this section on June 30, 2015, or upon depletion of the funds appropriated in this act to the Division of Central Management and Support for the 2014-2015 fiscal year for the purpose of this section, whichever is earlier.

(7) Each group home that receives the monthly payments authorized by this section shall submit to the Department a list of all funding sources for the operational costs of the group home for the preceding two years, in accordance with the schedule and format prescribed by the Department.

SECTION 12A.7.(c) The Department shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to group homes. The Department shall not, under any circumstances, use any portion of the two million dollars ($2,000,000) appropriated in this act to the Division of Central Management and Support for the purpose of this section for any other purpose.

SECTION 12A.7.(d) By no later than April 1, 2015, the Department of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the following:

(1) A detailed plan for a long-term solution for individuals residing in group homes who would like to continue residing in this setting and, as a result of an independent assessment, have been determined to need only supervision, medication management, or both.

(2) A list of funding sources for each group home that receives assistance authorized by this section, based on the information provided to the Department pursuant to subdivision (7) of subsection (b) of this section.

SECTION 12A.7.(e) Notwithstanding any provision of law to the contrary, if the Department of Health and Human Services fails to submit the detailed plan required by subsection (d) of this section by April 1, 2015, then any remaining balance of the funds appropriated for the purpose of this section as of that date shall revert to the General Fund and the Department shall terminate all monthly payments pursuant to this section.

SECTION 12A.7.(f) Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or an entitlement by any group home, resident of a group home, or other person to receive temporary, short-term financial assistance under this section.

SECTION 12A.7.(g) As used in this act, "group home" means any facility that (i) is licensed under Chapter 122C of the General Statutes, (ii) meets the definition of a supervised living facility under 10A NCAC 27G .5601(c)(1) or 10A NCAC 27G .5601(c)(3), and (iii) serves adults whose primary diagnosis is mental illness or a developmental disability but may also have other diagnoses.

SECTION 12A.7.(h) This section expires June 30, 2015.

SUBPART XII-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

CHILD CARE SUBSIDY RATES/REVISE CO-PAYMENTS AND ELIGIBILITY CRITERIA

SECTION 12B.1. Section 12B.3 of S.L. 2013-360 reads as rewritten:

"CHILD CARE SUBSIDY RATES

"SECTION 12B.3.(a) The Beginning October 1, 2014, the maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be seventy-five
percent (75%) of the State median income, adjusted for family size determined based on a percentage of the federal poverty level as follows:

<table>
<thead>
<tr>
<th>AGE</th>
<th>INCOME PERCENTAGE LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>200%</td>
</tr>
<tr>
<td>6-12</td>
<td>133%</td>
</tr>
</tbody>
</table>

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

"SECTION 12B.3.(a1) A child receiving child care subsidy based on seventy-five percent (75%) of the State median income shall continue to receive subsidy based on seventy-five percent (75%) of the State median income until the child's next eligibility redetermination by the Department, and at that redetermination, the child's income eligibility shall be based on the eligibility criteria set forth in subsection (a) of this section.

"SECTION 12B.3.(b) Fees Beginning October 1, 2014, fees for families who are required to share in the cost of care shall be established based on ten percent (10%) of gross family income and adjusted for family size. Fees shall be determined as follows:

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>PERCENT OF GROSS FAMILY INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>10%</td>
</tr>
<tr>
<td>4-5</td>
<td>9%</td>
</tr>
<tr>
<td>6 or more</td>
<td>8%</td>
</tr>
</tbody>
</table>

"SECTION 12B.3.(b1) No later than January 1, 2015, the Department of Health and Human Services, Division of Child Development and Early Education, shall revise its child care subsidy policy to include in the policy's definition of "income unit" the following:

(1) A stepparent and the stepparent's child, if applicable.
(2) A nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child.

"SECTION 12B.3.(h) Payment for subsidized child care services provided with Work First—Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

"SECTION 12B.2.(a) Section 12B.9 of S.L. 2013-360 is amended by adding the following new subsection to read:

"SECTION 12B.9.(i) The North Carolina Partnership for Children, Inc., (Partnership) shall implement a plan to increase local capacity to raise private funds to support early childhood activities. The plan shall include the following:

(1) Providing training and technical assistance on fund-raising for local partnerships and boards.
(2) Building the capacity and composition of local boards to enhance fund development and long-term sustainability.
(3) Partnering with State and local businesses and organizations to create fund-raising events.
(4) Identifying grant opportunities at the State and local level.

"SECTION 12B.2.(b) G.S. 143B-168.15(g) reads as rewritten:
"(g) Not less than thirty percent (30%) of the funds spent in each year of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child care services as described in this section. The North Carolina Partnership may increase this percentage requirement up to a maximum of fifty percent (50%) when, based upon a significant local waiting list for subsidized child care, the North Carolina Partnership determines a higher percentage is justified. Local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars ($52,000,000) for the Temporary Assistance to Needy Families (TANF) maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement."

STUDY CHILD CARE SUBSIDY FOR 11- AND 12-YEAR OLDS

SECTION 12B.3.(a) The Department of Health and Human Services, Division of Child Development and Early Education, shall study child care subsidy for 11- and 12-year olds. The Division shall study (i) available options for 11- and 12-year olds for before and after school care, (ii) available resources other than child care subsidy to pay for before and after school care, and (iii) the average cost of care for 11- and 12- year olds.

SECTION 12B.3.(b) The Division shall report its findings and recommendations to the Joint Legislative Committee on Health and Human Services and the Fiscal Research Division no later than November 30, 2014. The report shall include separate findings and recommendations for 11- and 12-year olds.

REVISE CHILD CARE ALLOCATION FORMULA

SECTION 12B.4. Section 12B.4 of S.L. 2013-360 reads as rewritten:

"CHILD CARE ALLOCATION FORMULA"

"SECTION 12B.4.(a) The Department of Health and Human Services shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

(1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than seventy-five percent (75%) of the State median income, the applicable federal poverty level percentage set forth in Section 12B.3(a) of this act, as amended.

(2) No county's allocation shall be less than ninety percent (90%) of its State fiscal year 2001-2002 initial child care subsidy allocation.

(3) For fiscal years 2013-2014 and 2014-2015, the Division of Child Development and Early Education shall base the formula identified in subdivision (1) of this subsection on the same data source used for the 2012-2013 fiscal year.

(4) The Department of Health and Human Services shall allocate to counties all State funds appropriated for child care subsidy and shall not withhold funds during the 2013-2014 and 2014-2015 fiscal years.

"SECTION 12B.4.(b) The Department of Health and Human Services may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county."
"SECTION 12B.4.(c) When implementing the formula under subsection (a) of this section, the Department of Health and Human Services, Division of Child Development and Early Education, shall include the market rate increase in the formula process, rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) Beginning fiscal year 2014-2015, implement (i) one-third of the change in a county's allocation based on the new Census data; (ii) an additional one-third of the change in a county's allocation beginning fiscal year 2016-2017; and (iii) the final one-third change in a county's allocation beginning fiscal year 2018-2019. However, the following applies regarding increases to a county's allocation:

a. For the 2014-2015 fiscal year allocations, a county that did not have a child care subsidy waiting list during the 2013-2014 fiscal year shall not receive an increase in its allocation due to the new allocation formula directed in this subdivision.

b. Beginning fiscal year 2015-2016, a county whose spending coefficient is below ninety-five percent (95%) in the previous fiscal year shall not receive an increase in its allocation in the following fiscal year. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-five percent (95%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1st of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this sub-subdivision and the reasons for the waiver.

(2) Effective immediately following the next new Census data release, implement (i) one-third of the change in a county's allocation in the year following the data release; (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision; and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

CHILD CARE MARKET RATE ADJUSTMENTS

SECTION 12B.5. Effective January 1, 2015, the Department shall implement an adjustment to child care market rates based upon the 2013 Child Care Market Rate Study. Three- to five-star rated child care centers and three- to five-star rated child care homes shall receive twenty-five percent (25%) of the recommended rate adjustments as defined in the 2013 Child Care Market Rate Study.

NC PRE-K AUDITS

SECTION 12B.6. Section 12B.1 of S.L. 2013-360, as amended by Sections 4.2 and 4.3 of S.L. 2013-363, is amended by adding the following new subsection to read:

"SECTION 12B.1.(k) The administration of the NC Pre-K program by local partnerships shall be subject to the biennial financial and compliance audits authorized under G.S. 143B-168.14(b)."

SUBPART XII-C. DIVISION OF SOCIAL SERVICES

CHILD PROTECTIVE SERVICES IMPROVEMENT INITIATIVE

SECTION 12C.1.(a) Findings and Intent. – The General Assembly makes the following findings:
(1) Child Protective Services' policy from the Department of Health and Human Services, Division of Social Services, recommends that the average child protective services caseload be no greater than 10 families at any time for workers performing child protective services assessments and 10 families at any time for staff providing in-home services. However, data suggests that in 43 of the counties in this State, 21 have a caseload size of more than 15 cases per worker; and further, in nine of those 21 counties, there is an average caseload size of more than 20 cases per worker.

(2) During the 2013-2014 fiscal year, county departments of social services lost federal funding for child protective services under the Temporary Assistance for Needy Families (TANF) Block Grant and Title IV-E funding. However, the number of Child Protective Services investigations has grown by twenty percent (20%) from fiscal year 2002 to fiscal year 2012.

(3) There is no current, statewide data available on the performance of county departments of social services regarding child protective services.

(4) There exists the potential for a conflict of interest to arise when a county department of social services has been appointed as guardian for both (i) a child who is the subject of a report of abuse, neglect, or dependency that would be investigated by Child Protective Services and (ii) for the parent or legal guardian of the child.

It is the intent of the General Assembly to (i) reduce caseload size for Child Protective Services' workers to the recommended standard, (ii) provide adequate resources for county departments of social services to provide child protective services for abused, neglected, and dependent children, (iii) provide for a comprehensive evaluation of various functions and funding regarding child protective services, and (iv) study ways to reduce conflicts of interest regarding guardianship and child protective services. To that end, the General Assembly supports the initiatives and the allocation of funds for child welfare services as described in this section.

SECTION 12C.1.(b) Funds for Child Protective Services. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of seven million three hundred sixty-nine thousand nine hundred seventy dollars ($7,369,970) shall be allocated to county departments of social services. Four million five hundred thousand dollars ($4,500,000) of those funds shall be used to replace federal funds counties lost during the 2013-2014 fiscal year previously used to pay for child protective services' workers. Beginning October 1, 2014, the remaining two million eight hundred sixty-nine thousand nine hundred seventy dollars ($2,869,970) shall be used to provide additional funding for child protective services' workers to reduce caseloads to an average of 10 families per worker.

SECTION 12C.1.(c) Funds for In-Home Services. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of four million five hundred thousand dollars ($4,500,000) shall be allocated for child welfare in-home services to provide and coordinate interventions and services that focus on child safety and protection, family preservation, and the prevention of further abuse or neglect.

SECTION 12C.1.(d) Funds for Oversight of Child Welfare Services. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of seven hundred fifty thousand dollars ($750,000) shall be allocated to fund nine positions to the Division to enhance oversight of child welfare services in county departments of social services. These positions shall be used to monitor, train, and provide technical assistance to the county departments of social services to ensure children and families are provided services that address the safety, permanency, and well-being of children served by child welfare services.

SECTION 12C.1.(e) Pilot Program. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of three
hundred thousand dollars ($300,000) shall be used to establish and implement a child protective services pilot program. The funds shall be used to enhance coordination of services and information among county departments of social services, local law enforcement agencies, the court system, guardian ad litem programs, and other agencies as deemed appropriate by the Department. The Department shall determine the number of sites that may participate in the pilot program and include regions that are geographically diverse.

The Division shall coordinate with the Government Data Analytics Center (GDAC) in developing the pilot program and commence the pilot program by December 1, 2014. The Division shall provide a progress report on the pilot program to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than March 1, 2015. The Division shall make a final report of its findings and recommendations on the pilot program to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1, 2016.

SECTION 12C.1.(f) Statewide Evaluation. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of seven hundred thousand dollars ($700,000) shall be used to provide for a comprehensive, statewide evaluation of the State's child protective services system. The Division of Social Services shall contract for an independent evaluation of the system, which evaluation shall include developing recommendations on the following:

1. The performance of county departments of social services as related to child protective services.
2. Caseload sizes.
3. The administrative structure of the child protective services system in the State.
4. Adequacy of funding.
5. Child protective services' worker turnover.
6. Monitoring and oversight of county departments of social services.

The Division shall report the findings and recommendations from the evaluation to the Joint Legislative Oversight Committee on Health and Human Services no later than January 1, 2016.

SECTION 12C.1.(g) Study Conflicts of Interest/Public Guardianship and Child Protective Services. – The Department of Health and Human Services, Division of Social Services, shall study the issue of conflicts of interest in child welfare cases as related to public guardianship. In conducting the study, the Department shall consider the following regarding addressing potential conflicts of interest:

1. Creating internal firewalls to prevent information sharing and influence among staff members involved with the conflicting cases.
2. Creating a formal or an informal "buddy system" allowing a county with a conflict to refer a case to a neighboring county.
3. Referring the guardianship to a corporate guardian until the child welfare case is resolved.
4. Having the Department assume responsibility for either the guardianship or the child welfare case.
5. Recommending legislation to permit the clerk the option to appoint a public agency or official, other than the Director of Social Services, to serve as a disinterested public agent in exceptional circumstances only.
6. Any other issues specific to this matter the Department deems appropriate.

The Division shall submit a final report of its findings and recommendations to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division no later than February 1, 2015.
CLARIFY WORK FIRST FAMILY ASSISTANCE INCOME LEVELS

SECTION 12C.2. G.S. 108A-27.01 reads as rewritten:

"§ 108A-27.01. Income eligibility and payment level for Work First Family Assistance.

The maximum net family annual income eligibility standards for Work First Family Assistance are the same standards of need for eligibility for the categorically needy under the Medicaid Program, as provided in the table below. The payment level for Work First Family Assistance shall be fifty percent (50%) of the standard of need.

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Income Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$4,344</td>
</tr>
<tr>
<td>2</td>
<td>$5,664</td>
</tr>
<tr>
<td>3</td>
<td>$6,528</td>
</tr>
<tr>
<td>4</td>
<td>$7,128</td>
</tr>
<tr>
<td>5</td>
<td>$7,776</td>
</tr>
<tr>
<td>6</td>
<td>$8,376</td>
</tr>
<tr>
<td>7</td>
<td>$8,952</td>
</tr>
<tr>
<td>8</td>
<td>$9,256&quot;</td>
</tr>
</tbody>
</table>

EASTERN BAND OF CHEROKEE INDIANS/ASSUMPTION BY TRIBE OF VARIOUS HUMAN SERVICES

SECTION 12C.3(a) The purpose of this section is to enable the Eastern Band of Cherokee Indians to assume responsibility for certain social services, healthcare benefit programs, ancillary services, including Medicaid administrative and service related functions, and related reimbursements.

SECTION 12C.3(b) Beginning October 1, 2014, or upon federal approval, the Eastern Band of Cherokee Indians may begin assuming the responsibility for the Supplemental Nutrition Assistance Program (SNAP). When the Eastern Band of Cherokee Indians assumes responsibility for SNAP, then any State statutes, portions of statutes, or rules relating to the provision of social services regarding SNAP services by a county department of social services for members of the Eastern Band of Cherokee Indians shall no longer apply to the Tribe, and the functions, administration, and funding requirements relating to those social services are thereby delegated to the Eastern Band of Cherokee Indians.

No later than October 1, 2015, and with the exception of services related to special assistance, childcare, and adult care homes, the Eastern Band of Cherokee Indians may assume responsibility for other programs as described under G.S. 108A-25(e), enacted in subsection (c) of this section. When the Eastern Band of Cherokee Indians assumes responsibility for any of those other programs, then any State statutes, portions of statutes, or rules relating to the provision of services for those programs by a county department of social services for members of the Eastern Band of Cherokee Indians shall no longer apply to the Tribe, and the functions, administration, and funding requirements relating to those programs are thereby delegated to the Eastern Band of Cherokee Indians.

SECTION 12C.3(c) G.S. 108A-25 reads as rewritten:

"§ 108A-25. Creation of programs; assumption by federally recognized tribe of programs.

(e) When any federally recognized Native American tribe within the State assumes responsibility for any social services, Medicaid and NC Health Choice healthcare benefit programs, and ancillary services, including Medicaid administrative and service functions, that are otherwise the responsibility of a county under State law, then, notwithstanding any other provision of law, the county shall be relieved of the legal responsibility related to the tribe's assumption of those services."

SECTION 12C.3(d) G.S. 108A-87 reads as rewritten:

410

(a) The nonfederal share of the annual cost of each public assistance and social services program and related administrative costs may be divided between the State and counties as determined by the General Assembly and in a manner consistent with federal laws and regulations.

(b) The nonfederal share of the annual cost of public assistance and social services programs and related administrative costs provided to Indians living on federal reservations held in trust by the United States on their behalf shall be borne entirely by the State.

(c) Notwithstanding subsections (a) and (b) of this section, when the Eastern Band of Cherokee Indians assumes responsibility for a program described under G.S. 108A-25(e), the following shall occur:

(1) Nonfederal matching funds designated to Jackson and Swain counties to serve the Eastern Band of Cherokee Indians for that program previously borne by the State shall be allocated directly to the Eastern Band of Cherokee Indians rather than to those counties.

(2) Any portion of nonfederal matching funds borne by counties for public assistance and social services programs and related administrative costs shall be borne by the Eastern Band of Cherokee Indians.

SECTION 12C.3.(e) No later than October 1, 2014, the Department of Health and Human Services, Division of Medical Assistance, shall submit to the Centers for Medicare and Medicaid Services (CMS) Medicaid and NC Health Choice state plan amendments and Medicaid waivers necessary to achieve the following:

(1) To effectuate the changes required by this section.

(2) To address the healthcare needs identified in community health assessments and plans conducted by the Eastern Band of Cherokee Indians, provided that changes to Medicaid and NC Health Choice services made by the state plan amendments or waivers will be one hundred percent (100%) federally funded. If any state plan amendments or waivers authorized by this subdivision will increase the state share of administrative or other costs, the Department shall report the anticipated increased costs to the Joint Legislative Oversight Committee on Health and Human Services.

The state plan amendments and waivers authorized by this section shall have an effective date no later than October 1, 2015.

SUBPART XII-D. DIVISION OF AGING AND ADULT SERVICES

ELIGIBILITY FOR STATE-COUNTY SPECIAL ASSISTANCE PROGRAM

SECTION 12D.1.(a) G.S. 108A-41(b) reads as rewritten:

"(b) Assistance shall be granted to any person who meets all of the following criteria:

(1) Meets one of the following:
   a. Is 65 years of age and older.
   b. Is between the ages of 18 and 65, and is permanently and totally disabled or is legally blind pursuant to G.S. 111-11.

(2) Has both (i) income at or below one hundred percent (100%) of the federal poverty level guidelines published by the United States Department of Health and Human Services and (ii) insufficient income or other resources to provide a reasonable subsistence compatible with decency and health as determined by the rules and regulations of the Social Services Commission and Commission."
SECTION 12D.1.(c) G.S. 108A-41(b)(3) reads as rewritten:

"(3) Is one of the following:
   a. A resident of North Carolina for at least 90 days immediately prior to receiving this assistance.
   b. A person coming to North Carolina to join a close relative who has resided in North Carolina for at least 180 consecutive days immediately prior to the person's application. The close relative shall furnish verification of his or her residency to the local department of social services at the time the applicant applies for special assistance. As used in this sub-subdivision, a close relative is the person's parent, grandparent, brother, sister, spouse, or child; or
   c. A person discharged from a State facility who was a patient in the facility as a result of an interstate mental health compact that requires the State to continue treating the person within the State. As used in this sub-subdivision the term State facility is a facility listed under G.S. 122C-181."

SECTION 12D.1.(d) Subsections (a) and (c) of this section shall not affect the eligibility of State-County Special Assistance applicants approved to receive State-County Special Assistance benefits prior to November 1, 2014.

SECTION 12D.1.(e) Subsection (b) of this section shall not affect the eligibility of State-County Special Assistance applicants approved to receive State-County Special Assistance benefits prior to the effective date of subsection (b) of this section.

SECTION 12D.1.(f) Not later than October 31, 2014, the Department of Health and Human Services, Division of Medical Assistance, shall submit to the federal Centers for Medicare and Medicaid Services (CMS) an amendment to the Medicaid State Plan to allow Medicaid recipients who were approved to receive State-County Special Assistance benefits prior to the effective date of subsection (b) of this section to retain their eligibility for Medicaid. G.S. 108A-54.1A(e) does not apply to this subsection.

SECTION 12D.1.(g) Subsections (a), (c), and (d) of this section become effective November 1, 2014. Subsections (f), (g), and (h) of this section are effective when they become law.

SECTION 12D.1.(h) Subsections (b) and (e) of this section become effective 30 days after the date CMS approves the Medicaid State Plan Amendment submitted by the Department of Health and Human Services pursuant to subsection (f) of this section. The Secretary of the Department of Health and Human Services shall report to the Revisor of Statutes when CMS approval is obtained and the date of the approval. Subsections (b) and (e) of this section shall not become effective if CMS disapproves the Medicaid State Plan Amendment submitted by the Department of Health and Human Services pursuant to subsection (f) of this section.

STATE-COUNTY SHARE OF COSTS FOR SPECIAL ASSISTANCE PROGRAM

SECTION 12D.2. G.S. 143B-139.5 reads as rewritten:

"§ 143B-139.5. Department of Health and Human Services; adult care State/county share of costs; maintenance of State/county budget allocations costs for State-County Special Assistance programs.

State funds available to the Department of Health and Human Services shall pay fifty percent (50%), and the counties shall pay fifty percent (50%) of the authorized rates for care in adult care homes including area mental health agency-operated or contracted-group homes. The Department shall maintain the State's appropriation to the State County Special Assistance program at one hundred percent (100%) of the State certified budget enacted by the General Assembly for the 2012-2013 fiscal year. The Department shall use these appropriated funds for the State's appropriation to the State-County Special Assistance program, program for this program, for the State-County Special Assistance in-home program, and for rental assistance.

412
Each county department of social services shall maintain its allocation to the State-County Special Assistance program at one hundred percent (100%) of the county funds budgeted for this program for the 2011-2012 fiscal year. Each county shall use these county funds budgeted for the State-County Special Assistance program for this program, for the State-County Special Assistance in-home program, and for rental assistance."

EXAMINATION OF WAYS TO IMPROVE THE PUBLIC GUARDIANSHIP SYSTEM

SECTION 12D.3.(a) The Department of Health and Human Services (Department), Division of Aging and Adult Services, shall collaborate with the Administrative Office of the Courts to develop a plan regarding the Department's evaluation of complaints pertaining to wards under the care of publicly funded guardians in order to ensure that, in addition to current requirements, the complaint process incorporates a face-to-face observation of the ward, an interview with the ward, or both. The plan shall include a requirement that an individual with experience in understanding the unique needs and abilities of the ward be assigned to conduct the observation or interview.

SECTION 12D.3.(b) The Department shall continue utilizing existing safeguards regarding guardians as paid service providers. In addition, the Division of Aging and Adult Services shall consult with the clerks of superior court, local management entities that have been approved as managed care organizations, the North Carolina Bar Association Section on Elder Law, and any other interested groups to develop a model plan for transitioning a ward to an alternative guardianship arrangement when an individual guardian of the person becomes unable or unwilling to serve. The model plan shall focus on ways to prevent the appointment of a public guardian.

SECTION 12D.3.(c) The Department shall continue to study whether utilization of care coordination services would provide needed oversight to safeguard against conflicts of interest when guardians serve as paid providers.

SECTION 12D.3.(d) The Department shall submit a final report of its findings and recommendations for each of the issues described in subsections (a) through (c) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than October 1, 2014.

STATUS REPORTS FILED BY CORPORATIONS OR DISINTERESTED PUBLIC AGENTS SERVING AS GUARDIANS FOR INCOMPETENT WARDS

SECTION 12D.4.(a) G.S. 35A-1202(14) reads as rewritten:

"(14) "Status report" means the report required by G.S. 35A-1242 to be filed by the general guardian or guardian of the person. A status report shall include a report of a recent medical and dental examination of the ward by one or more physicians or dentists, a report on the guardian's performance of the duties set forth in this Chapter and in the clerk's order appointing the guardian, and a report on the ward's condition, needs, and development. The clerk may direct that the report contain other or different information. The report may also contain, without limitation, reports of mental health or mental retardation professionals, psychologists, social workers, persons in loco parentis, a member of a multidisciplinary evaluation team, a designated agency, a disinterested public agent or agency, a guardian ad litem, a guardian of the estate, an interim guardian, a successor guardian, an officer, official, employee or agent of the Department of Health and Human Services, or any other interested persons including, if applicable to the ward's situation, group home parents or supervisors, employers, members of the staff of a treatment facility, or foster parents."

SECTION 12D.4.(b) G.S. 35A-1242 reads as rewritten:

"§ 35A-1242. Status reports for incompetent wards.  
(a) Any corporation or disinterested public agent that is guardian of the person for an incompetent person, within six months after being appointed, shall file an initial status report
with the designated agency, if there is one, or with the clerk, the clerk and submit a copy of the initial status report to the designated agency, if there is one. Such guardian shall file a second status report with the designated agency or the clerk one year after being appointed, and subsequent reports annually thereafter. The clerk may order any other guardian of the person to file status reports. If a guardian required by this section to file a status report is employed by the designated agency, the guardian shall file any required status report with both the designated agency and the clerk, the clerk and submit a copy of the status report to the designated agency.

(a1) Each status report shall include all of the following:

1. A report or summary of recent medical and dental examinations of the ward by one or more physicians and dentists. In instances when the guardian has made diligent but unsuccessful attempts to secure this information, the guardian shall include in the status report an explanation and documentation of all actions taken to attempt to secure this information.

2. A report on the guardian's performance of the duties set forth in this Chapter and in the clerk's order appointing the guardian.

3. A report on the ward's residence, education, employment, and rehabilitation or habilitation.

4. A report of the guardian's efforts to restore competency.

5. A report of the guardian's efforts to seek alternatives to guardianship.

6. If the guardian is a disinterested public agent or corporation, a report of the efforts to identify alternative guardians.

7. The guardian's recommendations for implementing a more limited guardianship, preserving for the ward the opportunity to exercise rights that are within the ward's comprehension and judgment.

8. Any additional reports or information required by the clerk.

(a2) The guardian may include in each status report additional information pertaining to the ward's best interests.

(b) Each status report shall be filed (i) under the guardian's oath or affirmation that the report is complete and accurate so far as he determines; or (ii) with the signature of a disinterested, competent witness to a statement by the guardian that the report is complete and accurate so far as the guardian is informed and can determine. Status reports filed with the signature of a disinterested, competent witness shall include the full name, address, and telephone number of the witness.

(b1) The clerk shall make status reports submitted by corporations or disinterested public agents available to the Director, or the Director's designee, of the Division of Aging and Adult Services within the Department of Health and Human Services. The Director, or the Director's designee, shall review the status reports in connection with the Department's regular program of oversight for these categories of guardians.

(c) A clerk or designated agency that receives a status report shall not make the status report available to anyone other than the guardian, the ward, the court, or State or local human resource services agencies providing services to the ward.

(d) The clerk, on the clerk's own motion, or any interested party, may file a motion in the cause pursuant to G.S. 35A-1207 with the clerk in the county where the guardianship is filed to request modification of the order appointing the guardian or guardians or for consideration of any matters contained in the status report.

SECTION 12D.4.(c) This section becomes effective October 1, 2014.

DEVELOPMENT OF STRATEGIC STATE PLAN FOR ALZHEIMER'S DISEASE

SECTION 12D.5. G.S. 143B-181.1(a) is amended by adding a new subdivision to read:
“(13) To develop a strategic State plan for Alzheimer's disease. The plan shall address ways to improve at least all of the following with respect to Alzheimer's disease:

a. Statewide awareness and education.
b. Early detection and diagnosis.
c. Care coordination.
d. Quality of care.
e. Health care system capacity.
f. Training for health care professionals.
g. Access to treatment.
h. Home- and community-based services.
i. Long-term care.
j. Caregiver assistance.
k. Research.
l. Brain health.
m. Data collection.

n. Public safety and safety-related needs of individuals with Alzheimer's disease.
o. Legal protections for individuals living with Alzheimer's disease and their caregivers.
p. State policies to assist individuals with Alzheimer's disease and their families.”

REINSTATEMENT OF THE VOLUNTEER DEVELOPMENT PROGRAM AS A SERVICE CATEGORY UNDER THE HOME AND COMMUNITY CARE BLOCK GRANT

SECTION 12D.6. The Department of Health and Human Services, Division of Aging and Adult Services, shall reinstate the Volunteer Development Program as a service category under the Home and Community Care Block Grant. Counties may elect to use this program to provide services to older adults from funds received under the Home and Community Care Block Grant.

SUBPART XII-E. DIVISION OF PUBLIC HEALTH

CHILDREN’S DEVELOPMENTAL SERVICES AGENCIES

SECTION 12E.1.(a) Section 12E.4 of S.L. 2013-360 reads as rewritten:

"SECTION 12E.4. In The Department of Health and Human Services, Division of Public Health, shall explore all options in order to achieve the reduced amount of State funds appropriated in this act for the Children's Developmental Service-Services Agencies (CDSAs) program, the Department of Health and Human Services, Division of Public Health, may close up to four CDSAs, effective July 1, 2014. The Department shall retain the CDSA located in the City of Morganton and the CDSAs with the highest caseloads of children residing in rural and medically underserved areas. If the Department elects to close one or more CDSAs pursuant to this section, it program. The authorization for the Department to explore all options to achieve this reduction shall not be construed to repeal the elimination of 160 CDSA positions by June 30, 2015. The Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than March 1, 2014, March 1, 2015, identifying the CDSAs selected for closure, actions implemented by the Department to achieve this reduction.”

SECTION 12E.1.(b) For the 2014-2015 fiscal year, the Department shall maintain the same eligibility requirements for the CDSA program that were in effect on June 30, 2013.

INCREASED FEE FOR PRIVATE WELL-WATER TESTING

SECTION 12E.3.(a) G.S. 130A-5(16) reads as rewritten:
"(16) To charge a fee of up to fifty-five dollars ($55.00)–seventy-four dollars ($74.00) for analyzing private well-water samples sent to the State Laboratory of Public Health by local health departments. The fee shall be imposed only for analyzing samples from newly constructed and existing wells. The fee shall be computed annually by the Director of the State Laboratory of Public Health by analyzing the previous year's testing at the State Laboratory of Public Health, and applying the amount of the total cost of the private well-water testing, minus State appropriations that support this effort. The fee includes the charge for the private well-water panel test kit."

SECTION 12E.3.(b) Subsection (a) of this section is effective when this act becomes law, and applies to private well-water samples analyzed on or after that date.

SECTION 12E.3.(c) The Department of Health and Human Services, Division of Public Health, shall, in consultation with local health departments and the Department of Environment and Natural Resources, study options for reducing or waiving the private well-water testing fee established in subsection (a) of this section for households with incomes at or below three hundred percent (300%) of the current federal poverty level. The Department shall report its findings and recommendations, including any recommended legislation, to the Joint Legislative Oversight Committee on Health and Human Services, the Environmental Review Commission, and the Fiscal Research Division by December 1, 2014.

PROGRAM EVALUATION STUDY OF CHIEF MEDICAL EXAMINER'S OFFICE

SECTION 12E.5. The Joint Legislative Program Evaluation Oversight Committee shall consider including in the 2014-2015 Work Plan for the Program Evaluation Division of the General Assembly a study on ways to improve North Carolina's medical examiner system. The study shall include (i) an evaluation of the Office of the Chief Medical Examiner within the Epidemiology Section of the Department of Health and Human Services, Division of Public Health, and that Office's policies and procedures with respect to death investigations and (ii) recommendations for best practices in death investigations to achieve greater efficiencies.

OPERATIONAL EFFICIENCIES FOR OFFICE OF THE CHIEF MEDICAL EXAMINER

SECTION 12E.6.(a) G.S. 130A-382 reads as rewritten:

"§ 130A-382. County medical examiners; appointment; term of office; vacancies.

One or more county medical examiners for each county shall be appointed by the Chief Medical Examiner. The Chief Medical Examiner shall appoint one or more county medical examiners for each county for a three-year term. County medical examiners shall be appointed from a list of physicians licensed to practice medicine in this State submitted by the medical society of the county in which the appointment is to be made. If no names are submitted by the society, the Chief Medical Examiner shall appoint one or more medical examiners from physicians in the county licensed to practice medicine in this State. If no licensed physician in a county accepts an appointment, the Chief Medical Examiner may appoint as acting county medical examiner one or more physicians licensed to practice medicine in this State from other counties, a licensed physician assistant, a nurse, a coroner, or an individual who has taken an approved course of training as required by the Chief Medical Examiner. The acting county medical examiner shall have all the duties and authority of the physician medical examiner except to perform autopsies. In appointing medical examiners for each county, the Chief Medical Examiner shall give preference to physicians licensed to practice medicine in this State but may also appoint licensed physician assistants, nurse practitioners, nurses, coroners, or emergency medical technician paramedics. A medical examiner may serve more than one county. The Chief Medical Examiner may take jurisdiction in any case or appoint another medical examiner to do so."

416
SECTION 12E.6.(b) On or before November 1, 2014, the Department of Health and Human Services, Division of Public Health, shall study and report to the Joint Legislative Oversight Committee on Health and Human Services on all of the following:

1. The adequacy of the current fee paid by the State and counties (i) pursuant to G.S. 130A-387 for investigations and reports and (ii) pursuant to G.S. 130A-389 for autopsies. This portion of the report shall include recommendations for any fee increase deemed necessary by the Department, as well as an explanation and documentation to support the recommended fee increase.

2. Recommended categories of professionals that the Chief Medical Examiner may appoint as medical examiners.

3. Recommended qualifications of, and training requirements for, medical examiners.

SECTION 12E.6.(c) A portion of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for the Office of the Chief Medical Examiner for the 2014-2015 fiscal year shall be used by the Department to establish a system of oversight to achieve operational efficiencies and improve quality assurance with respect to postmortem medicolegal examinations conducted under the authority of the Office of the Chief Medical Examiner pursuant to Part I of Article 16 of Chapter 130A of the General Statutes. In establishing the system of oversight required by this subsection, the Department shall develop and implement uniform protocols for conducting postmortem medicolegal examinations in accordance with established best practices for these examinations.

ADJUST REPORTING DATE FOR DIABETES COORDINATION REPORT

SECTION 12E.7. G.S. 130A-221.1(b) reads as rewritten:

"(b) On or before December January 1 of each even-numberedodd-numbered year, the entities referenced in subsection (a) of this section shall collectively submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report shall provide the following:

1. An assessment of the financial impact that each type of diabetes has on each entity and collectively on the State. This assessment shall include: the number of individuals with diabetes served by the entity, the cost of diabetes prevention and control programs implemented by the entity, the financial toll or impact diabetes and related complications places on the program, and the financial toll or impact diabetes and related complications places on each program in comparison to other chronic diseases and conditions.

2. A description and an assessment of the effectiveness of each entity's programs and activities implemented to prevent and control diabetes. For each program and activity, the assessment shall document the source and amount of funding provided to the entity, including funding provided by the State.

3. A description of the level of coordination that exists among the entities referenced in subsection (a) of this section, as it relates to activities, programs, and messaging to manage, treat, and prevent all types of diabetes and the complications from diabetes.

4. The development of and revisions to detailed action plans for preventing and controlling diabetes and related complications. The plans shall identify proposed action steps to reduce the impact of diabetes, pre-diabetes, and related diabetic complications; identify expected outcomes for each action step; and establish benchmarks for preventing and controlling diabetes.

5. A detailed budget identifying needs, costs, and resources required to implement the plans identified in subdivision (4) of this subsection, including a list of actionable items for consideration by the Committee."
FOOD PROTECTION PROGRAM BUDGET REALIGNMENT

SECTION 12E.8. Notwithstanding any other provision of law, the four hundred thousand dollars ($400,000) that is appropriated under this act for aid to counties for local food and lodging programs shall be retained by the State beginning with the 2014-2015 fiscal year, to pay for the costs to operate the State elements of the food and lodging program, which was transferred to the Department of Health and Human Services pursuant to Section 13.3(d) of S.L. 2011-145.

TRANSFER OF SUMMER FOOD SERVICE PROGRAM TO DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 12E.9.(a) The North Carolina Summer Food Service Program is hereby transferred from the Department of Health and Human Services, Division of Public Health, to the Department of Public Instruction, by a Type I transfer, as defined in G.S. 143A-6.

SECTION 12E.9.(b) This section becomes effective October 1, 2014.

SUBPART XII-F. DIVISION OF MH/DD/SAS AND STATE OPERATED HEALTHCARE FACILITIES

TRAUMATIC BRAIN INJURY FUNDING

SECTION 12F.1. Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2014-2015 fiscal year, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) shall be used exclusively to support traumatic brain injury (TBI) services as follows:

1. The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or other appropriate service providers.

2. The sum of seven hundred ninety-six thousand nine hundred thirty-four dollars ($796,934) shall be used to support residential programs across the State that are specifically designed to serve individuals with TBI.

3. The sum of one million two hundred sixteen thousand nine hundred thirty-four dollars ($1,216,934) shall be used to support requests submitted by individual consumers for assistance with residential support services, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity and primary care physician.

REPORT ON STRATEGIES FOR IMPROVING MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

SECTION 12F.3.(a) The Department of Health and Human Services (Department) shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2014, that includes all of the following components:

1. A strategy for improving communication and coordination among all divisions within the Department that administer funds or programs related to the delivery of behavioral health services, especially regarding the most appropriate and efficient uses of public and private inpatient behavioral health services. The Department shall include as part of its strategy a process to address shortages and deficiencies identified in the annual State Medical Facilities Plan.

2. A plan developed in collaboration with local management entities that have been approved to operate as managed care organizations (LME/MCOs) to increase access to, and availability of, community-based outpatient crisis and
emergency services for the stabilization and treatment of individuals experiencing mental health, developmental disability, or substance abuse crises in settings other than local hospital emergency departments and State-operated psychiatric hospitals.

(3) A plan to ensure that a comprehensive array of outpatient treatment and crisis prevention and intervention services are available and accessible to children, adolescents, and adults in every LME/MCO catchment area. The plan shall ensure that an adequate number of crisis stabilization units are available in each LME/MCO catchment area. The plan shall include specific strategies for increasing the number of Facility-Based Crisis Programs for Children and Adolescents in high-need areas of the State and the availability of Professional Treatment Services in Facility-Based Crisis Programs for Children and Adolescents as defined in section 4.b.(8)(k) of the current Medicaid State Plan. The plan shall further describe in detail all actions necessary to implement those strategies, including a description of how the Department's funds will be utilized.

(4) Findings and recommendations for increasing the inventory of inpatient psychiatric and substance abuse services within the State. In developing its findings and recommendations, the Department shall examine the advantages and disadvantages of increasing this inventory of services through (i) additional State-operated facilities, (ii) community hospital beds, (iii) United States Veterans Administration beds, and (iv) community-based services that decrease the need for inpatient treatment.

(5) A plan for offering hospitals and other entities incentives to apply for licenses to begin offering new inpatient behavioral health services, or to begin operating existing licensed beds that are currently unstaffed, or both.

(6) Recommendations on the use of the existing Cherry Hospital buildings after patients and operations are relocated to the replacement facility. In developing its findings and recommendations, the Department shall conduct a study that includes development of an inventory and assessment of the condition of every building located on the existing Cherry Hospital campus. The study shall include an examination of the feasibility of using the existing Cherry Hospital facility to provide community-based and facility-based behavioral health services, including additional child and adolescent inpatient beds.

(7) A method by which the Division of Health Service Regulation can begin tracking and separately reporting no later than January 1, 2015, on the inventory of inpatient behavioral health beds for children ages six through 12 and for adolescents over age 12.

(8) A status update on the implementation of each component of the 2008 Mental Health Commission Workforce Development Plan.

SECTION 12F.3.(b) The Department shall submit a report to the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by March 1, 2015, that includes all of the following components:

(1) A comprehensive strategy, developed in collaboration with stakeholders deemed relevant by the Department, to address the dearth of licensed child and adolescent inpatient psychiatric beds in facilities throughout the State. The strategy shall do all of the following:
   a. Ensure that an adequate inventory of child and adolescent beds are available in each LME/MCO catchment area.
b. Include the development and implementation of a child and adolescent psychiatric bed registry to provide real-time information on the number of beds available at each licensed and nonlicensed facility in the State.

c. Include recommendations as to any regulatory changes necessary to ensure safety and quality in Facility-Based Crisis Programs for Children and Adolescents.

(2) Recommendations for meaningful outcome measures to be implemented by State-operated alcohol and drug abuse treatment centers to assess the impact of inpatient treatment on an individual's substance use following discharge from a State-operated alcohol and drug abuse treatment center. The recommendations shall include a proposed time line for implementation of these outcome measures.

REPORT AND PLAN REGARDING BUDGET SHORTFALLS WITHIN THE DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

SECTION 12F.4. By December 1, 2014, the Department of Health and Human Services shall provide a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the budget shortfalls within the Department as a result of liabilities associated with (i) the provision of community services for the treatment of mental illness, developmental disabilities, and substance abuse disorders and (ii) the State-operated health care facilities under the jurisdiction of the Department. The report shall include a detailed explanation of all of the following:

(1) A history of the annual budget shortfalls since 2008 and all the contributing factors.

(2) An explanation of actions taken by the Department and the Office of State Budget and Management to address these budget shortfalls.

(3) A plan for eliminating these budget shortfalls.

FUNDS APPROPRIATED TO IMPLEMENT RECOMMENDATIONS OF THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES REGARDING BEHAVIORAL HEALTH CRISIS SERVICES

SECTION 12F.5.(a) The following definitions apply in this section:

(1) Facility-Based Crisis Center. – A 24-hour residential facility licensed under 10A NCAC 27G .5000 to provide facility-based crisis service as described in 10A NCAC 27G .5001.

(2) Secretary. – The Secretary of the North Carolina Department of Health and Human Services.

(3) Behavioral Health Urgent Care Center. – An outpatient facility that provides walk-in crisis assessment, referral, and treatment by licensed behavioral health professionals with prescriptive authority to individuals with an urgent or emergent need for mental health, intellectual or developmental disabilities, or substance abuse services.

SECTION 12F.5.(b) From funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for community services for the 2014-2015 fiscal year, the Division shall use two million two hundred thousand dollars ($2,200,000) in recurring funds to accomplish the following:

(1) To increase the number of co-located or operationally linked behavioral health urgent care centers and facility-based crisis centers.

(2) To increase the number of facility-based crisis centers designated by the Secretary as facilities for the custody and treatment of involuntary clients.
pursuant to G.S. 122C-252 and 10A NCAC 26C .0101. The Department shall give priority to areas of the State experiencing a shortage of these types of facilities.

(3) To provide reimbursement for services provided by facility-based crisis centers.

(4) To establish facility-based crisis centers for children and adolescents.

SUBPART XII-G. DIVISION OF HEALTH SERVICE REGULATION

TECHNICAL CORRECTION TO CERTIFICATE OF NEED EXEMPTION FOR REPLACEMENT OF PREVIOUSLY APPROVED EQUIPMENT

SECTION 12G.1.(a) G.S. 131E-184(f) reads as rewritten:

"(f) The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar ($2,000,000) threshold set forth in G.S. 131E-176(22a) if all of the following conditions are met:

(1) The equipment being replaced is located on the main campus.

(2) The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.

(3) The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subdivision."

SECTION 12G.1.(b) This section is effective when it becomes law.

HEALTH CARE COST REDUCTION AND TRANSPARENCY ACT REVISIONS

SECTION 12G.2. G.S. 131E-214.13 reads as rewritten:

"§ 131E-214.13. Disclosure of prices for most frequently reported DRGs, CPTs, and HCPCSs.

(a) The following definitions apply in this Article:

(1) Ambulatory surgical facility. – A facility licensed under Part 4 of Article 6 of this Chapter.

(2) Commission. – The North Carolina Medical Care Commission.

(3) Health insurer. – As defined in G.S. 108A-55.4, provided that “health insurer” shall not include self-insured plans and group health plans as defined in section 607(1) of the Employee Retirement Income Security Act of 1974. An entity that writes a health benefit plan and is one of the following:

a. An insurance company under Article 3 of Chapter 58 of the General Statutes.
c. A health maintenance organization under Article 67 of Chapter 58 of the General Statutes.
d. A third-party administrator of one or more group health plans, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1167(1)).

(4) Hospital. – A medical care facility licensed under Article 5 of this Chapter or under Article 2 of Chapter 122C of the General Statutes.

(5) Public or private third party. – Includes the State, the federal government, employers, health insurers, third-party administrators, and managed care organizations.
(b) Beginning with the quarter ending June 30, 2014, and quarterly thereafter, each hospital shall provide to the Department of Health and Human Services, utilizing electronic health records software, the following information about the 100 most frequently reported admissions by DRG for inpatients as established by the Commission:

(1) The amount that will be charged to a patient for each DRG if all charges are paid in full without a public or private third party paying for any portion of the charges.

(2) The average negotiated settlement on the amount that will be charged to a patient required to be provided in subdivision (1) of this subsection.

(3) The amount of Medicaid reimbursement for each DRG, including claims and pro rata supplemental payments.

(4) The amount of Medicare reimbursement for each DRG.

(5) For each of the five largest health insurers providing payment to the hospital on behalf of insureds and teachers and State employees, the range and the average of the amount of payment made for each DRG. Prior to providing this information to the Department, each hospital shall redact the names of the health insurers and any other information that would otherwise identify the health insurers.

A hospital shall not be required to report the information required by this subsection for any of the 100 most frequently reported admissions where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) or other federal law.

(c) The Commission shall adopt rules on or before January 1, 2015, to ensure that subsection (b) of this section is properly implemented and that hospitals report this information to the Department in a uniform manner. The rules shall include all of the following:

(1) The method by which the Department shall determine the 100 most frequently reported DRGs for inpatients for which hospitals must provide the data set out in subsection (b) of this section.

(2) Specific categories by which hospitals shall be grouped for the purpose of disclosing this information to the public on the Department's Internet Web site.

(d) Beginning with the quarter ending September 30, 2014, and quarterly thereafter, each hospital and ambulatory surgical facility shall provide to the Department, utilizing electronic health records software, information on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures, by volume, performed in hospital outpatient settings or in ambulatory surgical facilities, along with the related CPT and HCPCS codes. Hospitals and ambulatory surgical facilities shall report this information in the same manner as required by subdivisions (b)(1) through (5) of this section, provided that hospitals and ambulatory surgical facilities shall not be required to report the information required by this subsection where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) or other federal law.

(e) The Commission shall adopt rules on or before January 1, 2015, to ensure that subsection (d) of this section is properly implemented and that hospitals and ambulatory surgical facilities report this information to the Department in a uniform manner. The rules shall include the list of method by which the Department shall determine the 20 most common surgical procedures and the 20 most common imaging procedures, by volume, performed in a hospital outpatient setting and those performed in an ambulatory surgical facility, along with the related CPT and HCPCS codes, procedures for which the hospitals must provide the data set out in subsection (d) of this section.
(e1) The Commission shall adopt rules to establish quality measures identical to those established by the Joint Commission for each of the following:

a. Primary cesarean section rate, uncomplicated (TJC PC-02)
b. Early elective delivery rate (TJC PC-01)
c. C. difficile infection SIR (NHSN)
d. Multidrug resistant organisms (NHSN)
e. Surgical site infection SRI for colon surgeries (NHSN)
f. Post op sepsis rate (PSI13)
g. Thrombolytic therapy for acute ischemic stroke patients (STK-4)
h. Stroke education (STK-8)
i. Venous thrombolism prophylaxis (VTE-1)
j. Venous thrombolism discharge instructions (VTE-5)

(f) Upon request of a patient for a particular DRG, imaging procedure, or surgery procedure reported in this section, a hospital or ambulatory surgical facility shall provide the information required by subsection (b) or subsection (d) of this section to the patient in writing, either electronically or by mail, within three business days after receiving the request.

(g) G.S. 150B-21.3 does not apply to rules adopted under subsections (c) and (e) of this section. A rule adopted under subsections (c) and (e) of this section becomes effective on the last day of the month following the month in which the rule is approved by the Commission."

STUDY CONCERNING EXPANSION OF HEALTH CARE COST REDUCTION AND TRANSPARENCY ACT TO ADDITIONAL HEALTH CARE PROVIDERS

SECTION 12G.3. By December 1, 2014, the Department of Health and Human Services shall study and submit a written report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division summarizing its recommendations for extending North Carolina's Health Care Cost Reduction and Transparency Act of 2013 (the Act) to additional health care providers. The report shall identify all of the following:

(1) Recommended categories of additional health care providers that should be subject to the requirements of the Act.
(2) Recommended data to be collected for the purpose of transparency from each category of identified health care providers.
(3) Recommended exemptions, if any, from certain requirements of the Act for each category of identified health care providers.
(4) Recommended effective dates for the applicability of the Act to each category of identified health care providers.

MORATORIUM ON HOME CARE AGENCY LICENSES FOR IN-HOME AIDE SERVICES

SECTION 12G.4.(a) For the period commencing on the effective date of this section, and ending June 30, 2016, and notwithstanding the provisions of the Home Care Agency Licensure Act set forth in Part 3 of Article 6 of Chapter 131E of the General Statutes or any rules adopted pursuant to that Part, the Department of Health and Human Services shall not issue any licenses for home care agencies as defined in G.S. 131E-136(2) that intend to offer in-home aide services. This prohibition does not apply to companion and sitter services and shall not restrict the Department from doing any of the following:

(1) Issuing a license to a certified home health agency as defined in G.S. 131E-176(12) that intends to offer in-home aide services.
(2) Issuing a license to an agency that needs a new license for an existing home care agency being acquired.
(3) Issuing a license for a new home care agency in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to care is necessary in that area.
SECTION 12G.4.(b) This section is effective when it becomes law.

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION 12G.5. Section 12G.1(a) of S.L. 2013-360 reads as rewritten:

"SECTION 12G.1.(a) For the period beginning July 31, 2013, and ending June 30, 2016, the Department of Health and Human Services, Division of Health Service Regulation (Department), shall not issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.

(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the three-year moratorium imposed by this section.

(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.

(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds.
"

SUBPART XII-H. DIVISION OF MEDICAL ASSISTANCE (MEDICAID)

MEDICAID REFORM

SECTION 12H.1. It is the intent of the General Assembly to continue to work toward the details of Medicaid reform during a special session in November 2014. Until the General Assembly enacts legislation authorizing a plan to reform Medicaid, the Department of Health and Human Services (i) shall continue to consult with stakeholder groups, study, and recommend options for Medicaid reform that will provide greater budget predictability for the Medicaid program and (ii) shall not commit the State to any particular course on Medicaid reform and shall not submit any reform-related State plan amendments, waivers, or grant applications nor enter into any contracts related to implementing Medicaid reform.

REINSTATE MEDICAID ANNUAL REPORT

SECTION 12H.2. The Department of Health and Human Services, Division of Medical Assistance, shall reinstate the publication of the Medicaid Annual Report and accompanying tables, which was discontinued after 2008. The Division shall publish the report and tables on its Web site and shall not publish copies in print.

MODIFY INTENSIVE IN-HOME SERVICE

SECTION 12H.4. No later than October 1, 2014, the Department of Health and Human Services, Division of Medical Assistance, shall modify the service definition for the Intensive In-Home Service to reflect a team-to-family ratio of one Intensive In-Home team to 12 families for both the Medicaid and NC Health Choice programs.

STUDY ADDITIONAL 1915(C) WAIVER

SECTION 12H.5. The Department of Health and Human Services, Division of Medical Assistance, shall design and draft a 1915(c) waiver that meets the following requirements:

(1) The waiver should create 1,000 new slots each year for 3 years, to serve a total of 3,000 additional adults with developmental disabilities from January 1, 2016, to June 30, 2019.
(2) The budget for each slot should be capped at twenty thousand dollars ($20,000) per plan year per beneficiary, and slots will target individuals on the registry of unmet needs.

(3) The slots should be managed as part of the LME/MCO managed care system.

The Department shall report the draft waiver, other findings, and any other options or recommendations to best serve the additional adults with developmental disabilities on the registry of unmet needs to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services by March 1, 2015. The Department may submit drafts of the waiver to the Centers for Medicare and Medicaid Services (CMS) to solicit feedback but shall not submit the waiver for CMS approval until authorized by the General Assembly.

TRAUMATIC BRAIN INJURY WAIVER

SECTION 12H.6. The Department of Health and Human Services, Division of Medical Assistance, and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, in conjunction with the North Carolina Traumatic Brain Injury Advisory Council, shall design and draft a 1915(c) waiver to add a new service package for Medicaid eligibles with traumatic brain injury (TBI). This draft waiver may be based on an update to the 2010 report on a waiver to serve individuals with traumatic brain injury. The Department shall report the draft waiver, other findings, and any additional options to provide Medicaid services to those suffering from TBI to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services by February 1, 2015. The Department may submit drafts of the waiver to the Centers for Medicare and Medicaid Services (CMS) to solicit feedback but shall not submit the waiver for CMS approval until authorized by the General Assembly.

FREEZE NURSING HOME CASE MIX INDEX

SECTION 12H.7. Section 12H.13(b) of S.L. 2013-360 reads as rewritten:

"SECTION 12H.13.(b) Effective July 1, 2013, any rate methodologies that contain an automatic inflationary or increase factor shall not increase above the rate in effect on June 30, 2013, unless the rate is otherwise increased by the General Assembly. Interim hospital outpatient services' percentage of cost used for payment shall be adjusted to compensate for expected inflation that hospitals would be eligible for, and cost settlement will only be up to the percentage in subsection (e) of this section. The following rates are excluded from this subsection: Federally Qualified Health Centers, Rural Health Centers, critical access hospitals, State-Operated services, Hospice, Part B and D Premiums, third-party and HMO premiums, drugs, MCO capitation payments, and nursing home direct care services case mix index increases. Notwithstanding the foregoing, the exclusion from this subsection for nursing home direct care services case mix index increases expires January 1, 2015, and the rate for nursing home direct care services case mix shall not increase above the rate in effect on December 31, 2014."

DRUG REIMBURSEMENT USING AVERAGE ACQUISITION COST

SECTION 12H.8.(a) The Department of Health and Human Services, Division of Medical Assistance, shall adopt an average acquisition cost methodology for brand and generic drug ingredient pricing to be effective beginning on January 1, 2015. The drug ingredient pricing methodology shall be consistent with new federal requirements or, if the new federal requirements have not yet been finalized by October 1, 2014, consistent with the draft federal requirements. In adopting a new drug ingredient pricing methodology, the Department shall also do all of the following:

(1) Raise dispensing fees so that the average acquisition cost ingredient pricing plus the dispensing fees, net of any drug rebates, generates nine hundred
seventy-five thousand dollars ($975,000) in savings in General Fund appropriations.

(2) Maintain a distinction between the dispensing fees for preferred and brand drugs.

(3) Ensure that ingredient prices are updated at least monthly.

SECTION 12H.8.(b) The Department of Health and Human Services, Division of Medical Assistance, shall issue a request for proposals (RFP) for a contractor to perform a statewide drug dispensing fee study to begin on March 1, 2015. The Department shall use the one hundred thousand dollars ($100,000) appropriated in this budget for this study as the State share to draw down additional federal Medicaid funds for this study.

SECTION 12H.8.(c) The Department of Health and Human Services, Division of Medical Assistance, shall follow the procedures in G.S. 108A-54.1A in submitting the State plan amendment required to implement this section.

SUBSTITUTION OF GENERIC DRUGS FOR UNAVAILABLE PREFERRED DRUGS

SECTION 12H.8A. If the Department of Health and Human Services, Division of Medical Assistance, finds that there are net General Fund savings to the Medicaid program from doing so, then the Division may allow a pharmacist to substitute and dispense a generic drug in place of a preferred drug without prior authorization, subject to all of the following being true:

(1) The Division normally requires the dispensing of the preferred drug over the equivalent generic drug.

(2) The pharmacist has not been able to acquire the preferred drug from at least two separate wholesalers within the two weeks prior to dispensing the generic substitute.

(3) The pharmacist maintains records of the failed attempts to acquire the preferred drug. Such records shall be open to inspection and audit by the Division.

(4) The prescriber has not indicated that the preferred drug is "medically necessary."

(5) The pharmacist notifies the prescriber of the substitution and receives approval from the prescriber for the substitution.

(6) The pharmacist notifies the patient of the substitution and gives the patient the opportunity to accept or refuse the substitution.

For purposes of this section, "savings to the Medicaid program" shall not be limited to savings within the prescription drug service area but shall also include savings in other areas of the program, such as savings associated with eliminating the prior authorization process or savings from instances where missed doses may lead to negative and costly patient outcomes.

MENTAL HEALTH DRUG MANAGEMENT

SECTION 12H.9.(a) Effective January 1, 2015, Section 12H.13(g) of S.L. 2013-360, as amended by Section 4.4 of S.L. 2013-363, is repealed.

SECTION 12H.9.(b) Effective January 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall manage mental health drugs to produce twelve million dollars ($12,000,000), net of rebates, in recurring annual savings to General Fund appropriations to the Medicaid program. In order to achieve these savings, the Department shall first make adjustments to the preferred drug list to maximize supplemental rebates. Next, in order to achieve these savings, the Department is authorized to impose controls including prior authorization, utilization review criteria, and other restrictions. Notwithstanding the foregoing, because of the effective date of this section, savings in fiscal year 2014-2015 shall be six million dollars ($6,000,000).

SECTION 12H.9.(c) No later than October 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall report to the Joint Legislative Oversight
Committee on Health and Human Services on the Department's fiscal year 2014-2015 savings from making the changes required by subsection (b) of this section.

PERSONAL CARE SERVICES MANAGEMENT

SECTION 12H.10.(a) The Department of Health and Human Services, Division of Medical Assistance, shall implement the rate reduction specified in Section 2 of S.L. 2013-306 retroactively to October 1, 2013, by recouping all payments in excess of the rate approved in the State plan amendment required in Section 3 of S.L. 2013-306. The Department shall then additionally recoup the three percent (3%) reduction required by Section 12H.18(b) of S.L. 2013-360.

SECTION 12H.10.(b) By March 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall propose a financial plan to contain the budget growth of personal care services (PCS) for fiscal year 2015-2016, including any rate reductions necessary to keep the total PCS budget at the same level as the fiscal year 2014-2015 certified budget for PCS, code 1310, North Carolina Accounting System code 536144, in the Division of Medical Assistance fund 14445.

SECTION 12H.10.(c) The Joint Legislative Oversight Committee on Health and Human Services shall engage a contractor to study issues related to reforming and redesigning personal care services (PCS) while meeting the State's obligations under the Americans with Disabilities Act and the United States Supreme Court's decision in Olmstead v. L.C. ex rel. Zimring, 527 U.S. 581 (1999). The study shall examine the following issues:

1. What categories of Medicaid recipients are currently receiving PCS, and in what settings are they being served?
2. What is the total number of Medicaid recipients receiving PCS in each category, and what is the anticipated growth in each category?
3. What is the current cost of serving Medicaid recipients in each setting, and specifically, the sources of public funding utilized to serve those individuals?
4. What alternative, more cost-effective assistance models could be implemented for each category of Medicaid recipient?
5. Specifically, whether more cost-effective assistance could be offered through the new 1915(i) State plan home- and community-based services and 1915 waiver options for each category of Medicaid recipient.
6. Recommendations regarding what outcomes the redesigned program should be designed to achieve.
7. The impact of reforming and redesigning personal care services on appeals and litigation.
8. Other areas as deemed appropriate by the chairs of the Joint Legislative Oversight Committee on Health and Human Services.

The study shall specifically examine the effect of the moratorium on home care agency licenses for in-home aide services required by Section 12G.4 of this act and the moratorium on special care unit licenses required by Section 12G.5 of this act and make recommendations on whether each of these moratoria should be continued.

The study shall also address the quality of resident care within adult care homes and the adequacy of State oversight of adult care homes, including inspections, procedures, and processes.

No later than December 1, 2015, the contractor shall report the results and recommendations of the study to the Joint Legislative Oversight Committee on Health and Human Services. The Department of Health and Human Services shall give the contractor full access to all data necessary to complete the study and the report. The Department of Health and Human Services shall make payments to the contractor hired by the Joint Legislative Oversight Committee on Health and Human Services from funds appropriated elsewhere in this budget for this contract as well as from federal Medicaid matching funds available for this contract.
ADULT CARE HOME COST REPORTING

SECTION 12H.11. The Department of Health and Human Services shall require compliance with the adult care home cost reporting requirements set forth in G.S. 131D-4.2. The Department shall make available the data collected from the cost reporting in a character-separated values (CSV) plain text format or other file format that may easily be imported into software used for spreadsheets, databases, and data analytics.

CREATE STATEWIDE HOSPITAL BASE RATE

SECTION 12H.12.(a) Section 12H.20(b) of S.L. 2013-360 is repealed.

SECTION 12H.12.(b) Effective January 1, 2015, the individualized base rates for hospital inpatient services under the Medicaid and NC Health Choice programs are hereby replaced with a single statewide base rate for hospital inpatient services equal to the sum of two thousand seven hundred eighty-eight dollars ($2,788) or the statewide median rate on June 30, 2014, whichever is less. This subsection does not apply to UNC Hospitals or Vidant Medical Center, which was previously known as Pitt County Memorial Hospital, and their base rates shall not be included in the calculation of the statewide median rate.

SUPPLEMENTAL PAYMENTS TO ELIGIBLE MEDICAL PROFESSIONAL PROVIDERS

SECTION 12H.13.(a) Effective July 1, 2014, supplemental payments that increase reimbursement to the average commercial rate for certain eligible medical providers described in the Medicaid State Plan, Attachment 4.19-B, Section 5, Pages 2 and 3, shall be modified as follows:

(1) The number of eligible medical professional providers shall be limited as follows:
   a. 418 with the East Carolina University (ECU) Brody School of Medicine.
   b. 1,176 with the University of North Carolina at Chapel Hill (UNC) Faculty Physicians.
   c. 14 with the UNC Hospitals Pediatric Clinic.
   d. 75 with UNC Physicians Network.
   e. 18 with Chatham Hospital.

(2) Supplemental payments shall not be made for services provided in Wake County.

The Department of Health and Human Services shall not make any other modifications to the portion of the Medicaid State Plan referenced in this section, except as provided herein.

SECTION 12H.13.(b) Beginning on December 31, 2014, and annually thereafter, UNC and ECU shall submit an annual report based on their preceding fiscal year to the Joint Legislative Oversight Committee on Health and Human Services containing all of the following information for each individual provider for whom this supplemental payment is received:

(1) For each service provided by the provider and for which the supplemental payment is received, the location where the service was provided, including county, municipality, and zip code.

(2) The percentage of the provider's total time spent serving Medicaid recipients annually that is for services provided at locations other than the ECU Brody School of Medicine, the Firetower Medical Office, or the UNC School of Medicine.

(3) The amount of Medicaid reimbursement for each service for which a supplemental payment was made for services provided by the provider.

(4) On an annual basis, the percentage of the provider's time spent engaging in the following:
b. Teaching.
c. Research.
d. Other activities.

SECTION 12H.13.(c) Any State plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

COST SETTLE NORTH CAROLINA UNIVERSITY HOSPITALS AT SAME RATE AS OTHER HOSPITALS

SECTION 12H.13A. Effective July 1, 2014, the settlement for outpatient Medicaid services performed by UNC Hospitals and Vidant Medical Center, which was previously known as Pitt County Memorial Hospital, shall be done at seventy percent (70%) of costs.

REPEAL SHARED SAVINGS PROGRAM; MAINTAIN CERTAIN RATE REDUCTIONS

SECTION 12H.14.(a) All subsections of Section 12H.18 of S.L. 2013-360, except for subsection (b), are repealed.

SECTION 12H.14.(b) Section 12H.18(b) of S.L. 2013-360 reads as rewritten:

"SECTION 12H.18.(b) During the 2013-2015 fiscal biennium, the Department of Health and Human Services shall withhold reduce by three percent (3%) of the payments for the following services rendered to Medicaid and NC Health Choice recipients on or after January 1, 2014:

... Funds from payments withheld under this section that are budgeted to be shared with providers shall not revert to the General Fund."

SECTION 12H.14.(c) Effective June 1, 2015, Section 12H.18(b) of S.L. 2013-360, as amended by subsection (b) of this section, reads as rewritten:

"SECTION 12H.18.(b) During the 2013-2015 fiscal biennium, the Department of Health and Human Services shall reduce by three percent (3%) the payments for the following services rendered to Medicaid and NC Health Choice recipients on or after January 1, 2014:

(1) Inpatient hospital.
(2) Physician, excluding primary care until January 1, 2015.
(3) Dental.
(4) Optical services and supplies.
(5) Podiatry.
(6) Chiropractors.
(7) Hearing aids.
(8) Personal care services.
(9) Nursing homes.
(10) Adult care homes.
(11) Dispensing drugs."

SECTION 12H.14.(d) Consistent with the requirements of the Affordable Care Act, the primary care physicians excluded from the three percent (3%) rate reduction for the 2013-2015 fiscal biennium, referenced in Section 12H.18(b) of S.L. 2013-360, are those physicians for whom the Affordable Care Act requires payment at one hundred percent (100%) of the Medicare rate until January 1, 2015.

PROVIDER RATE REDUCTION

SECTION 12H.14A. Effective January 1, 2015, the Department of Health and Human Services shall reduce by one percent (1.0%) all fee-for-services payments for services rendered to Medicaid and NC Health Choice recipients on or after January 1, 2015, except for inpatient hospital services, home care services other than personal care services, private duty nursing, drugs, dispensing fees, nursing homes, all cost-based providers, services where rates or
rate methodologies are set by the federal government or negotiated through a contract, hospice, CAP services, federally qualified health centers, and rural health centers.

CASE WEIGHTING FACTOR REDUCTION

SECTION 12H.14B. Effective January 1, 2015, the Department of Health and Human Services shall reduce by two and one-tenth percent (2.1%) the diagnosis-related group (DRG) case weighting factors for all DRGs for inpatient services payments rendered to Medicaid and NC Health Choice recipients on or after January 1, 2015. The two and one-tenth percent (2.1%) reduction factor shall be applied uniformly to the case weighting factor assigned to each DRG.

PUBLISH MEDICAID PAYMENTS TO PROVIDERS

SECTION 12H.15.(a) For payments made in fiscal year 2013-2014 and for subsequent fiscal years, the Department of Health and Human Services, Division of Medical Assistance, shall publish on its Web site comprehensive information on Medicaid payments made to providers. The information shall be updated annually within three months of the close of a State fiscal year to include payments for that fiscal year. The information published shall include all of the following for each individual providing Medicaid services:

1. Name of the individual providing the service.
2. Location of service provider's principal place of business.
3. Location of provided services, listed with both municipality and county. If an individual provides services in multiple locations, then those shall be specified and the items in subdivisions (6) through (10) of this subsection shall be provided for each location.
4. Practice name, hospital name, or other business name with which the individual providing service is affiliated.
5. Type of service provider and practice area.
6. Number of Medicaid patients seen.
7. Number of procedures performed or items furnished for Medicaid patients.
8. Amount of Medicaid service payments received.
9. Amount of Medicaid supplemental payments received.
10. Amount of Medicaid settlement payments received.
11. Amount of Medicaid recoupments.

The information shall be published in a character-separated values (CSV) plain text format or other file format that may easily be imported into software used for spreadsheets, databases, and data analytics. The Department shall ensure that no protected patient information be published.

SECTION 12H.15.(b) The Department of Health and Human Services, Division of Medical Assistance, shall begin discussions with the UNC School of Public Health or any other appropriate party of an educational or nonprofit nature to perform analytics on the information or to generate an interactive Web site to access the information contained within the data required to be reported under subsection (a) of this section. Such a Web site should be designed to exceed the functionality of South Carolina's HealthViz Medicaid statistics Web site.

INCREASE HOSPITAL ASSESSMENT RETENTION BY STATE

SECTION 12H.17.(a) G.S. 108A-121(8) reads as rewritten:

"(8) State's annual Medicaid payment. – For an assessment collected under this Article, an amount equal to twenty-five and nine-tenths percent (25.9%) twenty-eight and eighty-five one hundredths percent (28.85%) of the total amount collected under the assessment."

SECTION 12H.17.(b) G.S. 108A-128 reads as rewritten:
§ 108A-128. Payment for providers formerly subject to this Article.

If a hospital provider (i) is exempt from both the equity and UPL assessments under this Article, (ii) makes an intergovernmental transfer (IGT) to the Department of Health and Human Services to be used to draw down matching federal funds, and (iii) has acquired, merged, leased, or managed another provider on or after March 25, 2011, then the hospital provider shall transfer to the State an additional amount, which shall be retained by the State. The additional amount shall be twenty-five and nine-tenths percent (25.9%) a percentage of the amount of funds that (i) would be transferred to the State through such an IGT and (ii) are to be used to match additional federal funds that the hospital provider is able to receive because of the acquired, merged, leased, or managed provider. That percentage shall be the same percentage provided in the definition of "State's annual Medicaid payment" under G.S. 108A-121.

REPEAL PLANNED CCNC PAYMENT OF PMPMS

SECTION 12H.19. It is the intent of the General Assembly that the structure of per member per month (PMPM) payments or other payments to providers participating in Community Care of North Carolina (CCNC) programs be considered as a part of any Medicaid reform plan for the State. Therefore, Section 12H.22 of S.L. 2013-360 is repealed.

PRIMARY CARE CASE MANAGEMENT FOR DUAL ELIGIBLES

SECTION 12H.20.(a) The Department of Health and Human Services, Division of Medical Assistance, shall draft one or more waivers that would expand primary care case management and that are designed to accomplish the following:

1. Medicare and Medicaid dual eligibles shall be required to enroll in primary care case management to the maximum extent allowed by the Centers for Medicare and Medicaid Services (CMS).
2. Primary care case management shall be provided for enrolled dual eligibles.
3. Primary care case management for dual eligibles with a primary diagnosis of mental illness or intellectual or developmental disability may be administered by the LME/MCOs.

The Department may submit drafts of the waivers to the Centers for Medicare and Medicaid Services (CMS) to solicit feedback but shall not submit the waivers for CMS approval until authorized by the General Assembly.

SECTION 12H.20.(b) No later than March 1, 2015, the Department shall submit to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services a copy of the draft waivers and a report, which shall include the following:

1. The anticipated increase in number of dual eligibles that will enroll in primary care case management.
2. The costs associated with serving the increased number of enrolled dual eligibles.
3. The anticipated savings to the Medicaid program.
4. A detailed fiscal analysis supporting any calculation of anticipated savings.

OPTION TO CANCEL CONTRACTS

SECTION 12H.20A.(a) During fiscal year 2014-2015, the Department of Health and Human Services and the Division of Medical Assistance shall ensure that any Medicaid-related or NC Health Choice-related State contract entered into after the effective date of this section contains a clause that allows the Department or the Division to terminate the contract without cause upon 30 days' notice. Any contract subject to this section that is entered into on or after the effective date of this section but that lacks such a termination clause shall, nonetheless, be deemed to include such a termination clause and shall be cancellable without cause upon 30 days' notice.
SECTION 12H.20A.(b) This section is effective when it becomes law.

ADDITIONAL NOTICE ON SPAS

SECTION 12H.21.(a) G.S. 108A-54.1A reads as rewritten:

"§ 108A-54.1A. Amendments to Medicaid State Plan and Medicaid Waivers.

(d) No fewer than 10 days prior to submitting an amendment to the State Plan to the federal government, the Department shall post the amendment on its Web site and notify the members of the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division that the amendment has been posted. This requirement shall not apply to draft or proposed amendments submitted to the federal government for comments but not submitted for approval. The amendment shall remain posted on the Department's Web site at least until the plan has been approved, rejected, or withdrawn. If the authority for submitting the amendment to the State Plan is pursuant to subdivision (3), (4), (5), or (6) of subsection (b) of this section, then, prior to submitting an amendment to the federal government, the Department shall submit to the General Assembly members receiving notice under this subsection and to the Fiscal Research Division an explanation of the amendment, the need for the amendment, and the federal time limits required for implementation of the amendment.

(e) The Department shall submit an amendment to the State Plan to the federal government by a date sufficient to provide the federal government adequate time to review and approve the amendment so the amendment may be effective by the date required by the directing authority in subsection (b) of this section. Additionally, if a change is made to the Medicaid program by the General Assembly and that change requires an amendment to the State Plan, then the amendment shall be submitted at least 90 days prior to the effective date of the change as provided in the legislation.

(f) Any public notice required under 42 C.F.R. 447.205 shall, in addition to any other posting requirements under federal law, be posted on the Department's Web site. Upon posting such a public notice, the Department shall notify the members of the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division that the public notice has been posted. Public notices shall remain posted on the Department's Web site.

SECTION 12H.21.(b) G.S. 108A-55(c) reads as rewritten:

"(c) The Department shall reimburse providers of services, equipment, or supplies under the Medical Assistance Program in the following amounts:

1. The amount approved by the Health Care Financing Administration Centers for Medicare & Medicaid Services (CMS) of the United States Department of Health and Human Services, if that Administration CMS approves an exact reimbursement amount.

2. The amount determined by application of a method approved by the Health Care Financing Administration Centers for Medicare & Medicaid Services (CMS) of the United States Department of Health and Human Services, if that Administration CMS approves the method by which a reimbursement amount is determined, and not the exact amount.

The Department shall establish the methods by which reimbursement amounts are determined in accordance with Chapter 150B of the General Statutes. A change in a reimbursement amount becomes effective as of the date for which the change is approved by the Health Care Financing Administration Centers for Medicare & Medicaid Services (CMS) of the United States Department of Health and Human Services. The Department shall report to the Fiscal Research Division of the Legislative Services Office and to the Senate Appropriations Committee on Human Resources and the House of Representatives Appropriations Subcommittee on Human Resources or the Joint Legislative Oversight Committee on Health and Human Services on any change in a reimbursement amount at the
same time as it sends out public notice of this change prior to presentation to the Health Care Financing Administration.”

**SECTION 12H.21.(c)** By repealing language in subsection (b) of this section related to giving to the General Assembly notice of a public notice, it is not the intent of the General Assembly to remove the required notice of the changes to reimbursement amounts for services, equipment, or supplies. Rather, it is the intent that those notices be given pursuant to G.S. 108A-54.1A(f), rather than pursuant to both G.S. 108A-54.1A(f) and G.S. 108A-55(c).

**SECTION 12H.21.(d)** This section becomes effective September 1, 2014, and the amendment to G.S. 108A-54.1A(c) applies to State Plan Amendments with effective dates on or after December 1, 2014.

**COMPREHENSIVE PROGRAM INTEGRITY CONTRACT**

**SECTION 12H.22.(a)** No later than June 30, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall issue a request for proposals (RFP) for one contract for the following program integrity functions:

(1) Postpayment reviews.
(2) Data analytics.
(3) Medical necessity reviews.
(4) Investigation.
(5) Recovery Audit Contracts.
(6) Prepayment review.

**SECTION 12H.22.(b)** The RFP required by this section shall request proposals that contain at least all the following information:

(1) Pricing.
(2) Proposed date contract would begin.
(3) The bidder's relevant experience.
(4) The measurable outcomes that would be delivered.
(5) A description of the results achieved in other states.

**SECTION 12H.22.(c)** No later than December 31, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall report to the Joint Legislative Oversight Committee on Health and Human Services detailing the results of the RFP required by this section.

**SECTION 12H.22.(d)** The Department shall not enter into a contract as a result of the RFP required by this section until authorized by an act of the General Assembly.

**SECTION 12H.22.(e)** This section shall not apply to program integrity functions performed by LME/MCOs.

**CLARIFY NOTICE OF EXTRAPOLATED OVERPAYMENTS**

**SECTION 12H.26.(a)** G.S. 108C-5(i) reads as rewritten:

"(i) Prior to extrapolating the results of any audits, the Department shall demonstrate and inform the provider that (i) the provider failed to substantially comply with the requirements of State or federal law or regulation or (ii) the Department has a credible allegation of fraud concerning the provider. Nothing in the subsection shall be construed to prohibit the Department from identifying the extrapolated overpayment amount in the same notice that meets the requirements of this subsection."

**SECTION 12H.26.(b)** G.S. 108C-5 is amended by adding a new subsection to read:

"(i) Nothing in this Chapter shall be construed to prohibit the Department from utilizing a contractor to send notices to providers on behalf of the Department."

**MODIFY MEDICAID APPEALS**

**SECTION 12H.27.(a)** G.S. 108C-12 reads as rewritten:
"(d) Burden of Proof. – The Department petitioner shall have the burden of proof in appeals of Medicaid providers or applicants concerning an adverse determination."

SECTION 12H.27.(b)  G.S. 108A-70.9B reads as rewritten:

"§ 108A-70.9B.  Contested Medicaid cases.

(1) Mediation. – Upon receipt of an appeal request form as provided by G.S. 108A-70.9A(e) or other clear request for a hearing by a Medicaid recipient, OAH shall immediately notify the Mediation Network of North Carolina, which shall contact the recipient within five days to offer mediation in an attempt to resolve the dispute. If mediation is accepted, the mediation must be completed within 25 days of submission of the request for appeal. Upon completion of the mediation, the mediator shall inform OAH and the Department within 24 hours of the resolution by facsimile or electronic messaging. If the parties have resolved matters in the mediation, OAH shall dismiss the case. OAH shall not conduct a hearing of any contested Medicaid case until it has received notice from the mediator assigned that either: (i) the mediation was unsuccessful, or (ii) the petitioner has rejected the offer of mediation, or (iii) the petitioner has failed to appear at a scheduled mediation. Nothing in this subsection shall restrict the right to a contested case hearing. If the recipient accepts an offer of mediation and then fails to attend mediation without good cause, OAH shall dismiss the contested case.

(d) Burden of Proof. – The recipient has the burden of proof to show entitlement to a requested benefit or the propriety of requested agency action when the agency has denied the benefit or refused to take the particular action. The agency has the burden of proof when the appeal is from an agency determination to impose a penalty or to reduce, terminate, or suspend a previously granted benefit. The party with the burden of proof on any issue on all issues submitted to OAH for a Medicaid contested case hearing and has the burden of going forward. The administrative law judge shall not make any ruling on the preponderance of evidence until the close of all evidence.

SECTION 12H.27.(c)  G.S. 108D-15(i) reads as rewritten:

"(i) Mediation. – Upon receipt of an appeal request form as provided by G.S. 108D-15(f) or other clear request for a hearing by an enrollee, OAH shall immediately notify the Mediation Network of North Carolina, which shall contact the enrollee within five days to offer mediation in an attempt to resolve the dispute. If mediation is accepted, the mediation must be completed within 25 days of submission of the request for appeal. Upon completion of the mediation, the mediator shall inform OAH and the LME/MCO within 24 hours of the resolution by facsimile or electronic messaging. If the parties have resolved matters in the mediation, OAH shall dismiss the case. OAH shall not conduct a hearing of any contested case involving a dispute of a managed care action until it has received notice from the mediator assigned that either (i) the mediation was unsuccessful, (ii) the petitioner has rejected the offer of mediation, or (iii) the petitioner has failed to appear at a scheduled mediation. Nothing in this subsection shall restrict the right to a contested case hearing. If the enrollee accepts an offer of mediation and then fails to attend mediation without good cause, OAH shall dismiss the contested case."

SECTION 12H.27.(d)  Subsection (a) of this section is effective when it becomes law and applies to contested cases filed at the Office of Administrative Hearings on or after that date. Subsections (b) and (c) of this section become effective October 1, 2014, and apply to appeals of notices of adverse determination mailed on or after that date and appeals of notices of resolution mailed on or after that date.

RFP FOR IMAGING UTILIZATION MANAGEMENT SERVICES CONTRACT

SECTION 12H.30.(a)  The Department of Health and Human Services, Division of Medical Assistance, shall issue a request for proposals (RFP) for a contract for imaging utilization management services to ascertain whether the State can achieve better savings with
an alternative vendor and, if so, enter into a contract with the alternative vendor. Such an RFP shall incorporate the same requirements as those specified in Section 10.68B of S.L. 2009-451, which was enacted by Section 6 of S.L. 2009-575.

SECTION 12H.30.(b) No later than March 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall report on the results of this section to (i) the House Appropriations Subcommittee on Health and Human Services, (ii) the Senate Appropriations Committee on Health and Human Services, and (iii) the Fiscal Research Division.

AMBULANCE TRANSPORTS TO CRISIS CENTERS

SECTION 12H.32. The Department of Health and Human Services, Division of Medical Assistance, shall study the practice of reimbursing for ambulance transports that divert individuals in mental health crisis from hospital emergency departments to alternative appropriate locations for care. The Department shall study existing pilot programs in North Carolina, as well as other states, and shall specifically study expansion of the Wake County Emergency Medical Services (EMS) Advanced Practice Paramedics pilot program. The study shall do the following:

(1) Propose necessary Medicaid and mental health policy changes.
(2) Identify funding needs.
(3) Identify available funding sources.
(4) Identify any other actions that would be necessary to facilitate implementation.

The Department shall report its findings and recommendations to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services by March 1, 2015.

PARAGARD REIMBURSEMENT

SECTION 12H.33.(a) Beginning July 1, 2014, the Department of Health and Human Services, Division of Medical Assistance, shall reimburse for Paragard using the same reimbursement methodology as is used for Implanon and Mirena.

SECTION 12H.33.(b) Any State plan amendment required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

BOTOX REIMBURSEMENT

SECTION 12H.33A. For the Medicaid and NC Health Choice Programs, the provider reimbursement rate for Botox, when provided in accordance with medical coverage policy, shall be the same as the pharmacy reimbursement rate. This section is effective when it becomes law.

REPORT ON PACE PROGRAM

SECTION 12H.34.(a) By October 1, 2014, the Department of Health and Human Services, Division of Medical Assistance, shall report to the Joint Legislative Oversight Committee on Health and Human Services with the following information on the Program of All-Inclusive Care for the Elderly (PACE):

(1) The number of individuals being served in each of the PACE service areas.
(2) A description of the program enrollment criteria and enrollment process.
(3) Detailed figures showing how funding for the program has been spent during the past two fiscal years.
(4) The per member per month cost of serving individuals through the PACE program compared to the cost of serving individuals in a nursing home.
(5) An estimate of how many PACE participants would enter a nursing home if they were not enrolled with the PACE program.
SECTION 12H.34.(b) By January 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall submit an additional report to the Joint Legislative Oversight Committee on Health and Human Services with the following information on the Program of All-Inclusive Care for the Elderly (PACE):

1. An update on all of the information required by subsection (a) of this section.
2. A comparison of North Carolina’s PACE program to PACE programs in other states.
3. Recommendations for how to make the program sustainable.

MEDICAID COUNTY OF ORIGIN

SECTION 12H.35.(a) The Department of Health and Human Services shall take measures to address issues arising when Medicaid recipients move residence from one county to another county and from one LME/MCO catchment area to another. The measures shall include the following:

1. Reduce administrative burden on intermediate care facilities (ICFs) which contract with more than one LME/MCO.
2. Engage the counties to create a plan to resolve issues related to the county of origin for social services and public assistance programs. The plan shall provide for uniform statewide policies for determining county of residence for Medicaid eligibility as well as for other social services and public assistance programs. The North Carolina Association of County Commissioners shall participate in the development of the plan.

SECTION 12H.35.(b) By February 1, 2015, the Department of Health and Human Services shall report to the House Appropriations Subcommittee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services on the progress of the measures in subsection (a) of this Section. The report shall include the following:

1. For the issues related to intermediate care facilities (ICFs) which contract with more than one LME/MCO:
   a. Identify measures taken to reduce administrative burden.
   b. Describe the adequacy of the measures taken.
   c. Identify any additional measures that need to be taken and provide an expected time line for implementation of additional measures.
2. For the county of origin issues:
   a. Report the plan.
   b. Propose necessary changes to law and policy.
   c. Identify whether programming changes to NC FAST are needed and provide a detailed explanation of any costs associated with needed changes.
   d. Provide an estimated time line for implementing the plan.

ALIGN ANNUAL MEDICAID BASIC BILLING UNIT LIMITS TO FISCAL YEAR

SECTION 12H.37.(a) Beginning July 1, 2015, the Department of Health and Human Services, Division of Medical Assistance, shall require that annual Medicaid billing unit limits for services managed by the LME/MCOs be based upon the fiscal year, provided that this standardization can be accomplished with no net fiscal impact on General Fund appropriations.

SECTION 12H.37.(b) Any State Plan Amendment required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

MEDICAID CONTINGENCY RESERVE

SECTION 12H.38.(a) There is established in the General Fund the Medicaid Contingency Reserve. The Office of the State Controller shall reserve from funds available in...
the General Fund the sum of one hundred eighty-six million three hundred seventy-two thousand six hundred seventy-three dollars ($186,372,673) in recurring funds to the Medicaid Contingency Reserve. Funds in the Medicaid Contingency Reserve shall be used only for budget shortfalls in the Medicaid Program that occur during the 2014-2015 fiscal year. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly.

SECTION 12H.38.(b) It is the intent of the General Assembly to appropriate funds from the Medicaid Contingency Reserve only if:

1. The Director of the Budget, after the State Controller has verified that receipts are being used appropriately, has found that additional funds are needed to cover a shortfall in the Medicaid budget for the State fiscal year.

2. The Department of Health and Human Services has submitted a State plan amendment to the Centers for Medicare and Medicaid Services to delink eligibility for Medicaid from eligibility for State-County Special Assistance, to be effective 90 days after the date of submission of the State plan amendment. At least 45 days prior to submitting that State plan amendment, the Department of Health and Human Services must have submitted a draft of that plan to the Joint Legislative Oversight Committee on Health and Human Services and, if the General Assembly was not in session, must have consulted with the Committee on that draft.

3. The Director of the Budget has reported immediately to the Fiscal Research Division on the amount of the shortfall found in accordance with subdivision (1) of this subsection. This report shall include an analysis of the causes of the shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii) unanticipated growth or utilization within particular service areas, (iii) errors in the data or analysis used to project the Medicaid budget, (iv) the failure of the program to achieve budgeted savings, (v) other factors and market trends that have impacted the price of or spending for services, (vi) variations in receipts from prior years or from assumptions used to prepare the Medicaid budget for the current fiscal year, or (vii) other factors. The report shall also include data in an electronic format that is adequate for the Fiscal Research Division to confirm the amount of the shortfall and its causes.

SECTION 12H.38.(c) Effective 90 days after the State plan amendment is submitted to the Centers for Medicare and Medicaid Services (CMS) or when CMS approves the State plan amendment, whichever occurs later, eligibility for Medicaid coverage is delinked from eligibility for State-County Special Assistance and recipients of State-County Special Assistance no longer automatically qualify for Medicaid coverage solely because of their receipt of State-County Special Assistance.

SECTION 12H.38.(d) Nothing in this section shall be construed to limit the authority of the Governor to carry out his duties under the Constitution.

SUBPART XII-I. MISCELLANEOUS

CONTROL OF DATA DISCLOSED TO THE NORTH CAROLINA HEALTH INFORMATION EXCHANGE BY REQUIRED PARTICIPANTS

SECTION 12I.1.(a) G.S. 90-413.3A(b) reads as rewritten:

"(b) Any hospital, as defined in G.S. 131E-76(3), G.S. 131E-76(3) that has an electronic health record system shall connect to the NC HIE Network and submit individual patient demographic and clinical data on services paid for with Medicaid funds, based upon the findings set forth in subsection (a) of this section and notwithstanding the voluntary nature of the NC HIE under G.S. 90-413.2. The NC HIE shall give the Department of Health and Human Services real-time access to data and information contained in the NC HIE disclosed through the HIE Network. At the request of the Director of the Fiscal Research, Bill Drafting, Research,
or Program Evaluation Divisions of the General Assembly, the NC HIE shall provide the professional staff of these Divisions with data and information responsive to the Director's request. Prior to providing the General Assembly's staff with any data or information disclosed through the HIE Network pursuant to this subsection, the NC HIE shall redact any personal identifying information in a manner consistent with the standards specified for de-identification of health information under the HIPAA Privacy Rule, 45 C.F.R. 164.15, as amended."

SECTION 12I.1.(b) G.S. 90-413.3A is amended by adding a new subsection to read:

"(c) Any data disclosed through the HIE Network pursuant to subsection (b) of this section shall be and will remain the sole property of the State. Any data or product derived from the data disclosed to the HIE Network pursuant to subsection (b) of this section, including a consolidation or analysis of the data, shall be and will remain the sole property of the State. The NC HIE shall not allow proprietary information it receives pursuant to this section to be used by any person or entity for commercial purposes."

SECTION 12I.1.(c) In order to ensure the successful, uninterrupted operation of the statewide health information exchange network (HIE Network), the Department of Health and Human Services (Department) shall develop a transition plan for transferring the responsibilities imposed on the NC HIE under Article 29A of the General Statutes to another entity in the event the NC HIE is unable or unwilling to continue overseeing and administering the HIE Network. The Department shall develop the plan in consultation with the Office of Information Technology Services and the NC HIE and submit the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than February 1, 2015.

ESTABLISHMENT OF TRAUMATIC BRAIN INJURY SUBCOMMITTEE OF THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES

SECTION 12I.2.(a) Notwithstanding G.S. 120-208.2(d), the cochairs of the Joint Legislative Oversight Committee on Health and Human Services shall establish a Traumatic Brain Injury (TBI) Subcommittee for the purpose of examining all of the following issues:

1. Existing TBI services and any deficiencies in service array, quality of services, accessibility, and availability of services across each age group of persons with TBI regardless of the age at which the trauma occurred.
2. Current inventory, availability, and accessibility of residential facilities specifically designed to service individuals with TBI.
3. Existing TBI-specific service definitions for children and adults who receive services through federally funded programs, including Medicaid, federal block grants, and the Veterans Administration; through State-funded programs, including the Traumatic Brain Injury Trust Fund; through county-funded programs; and through other funding sources, as well as the need for additional or revised service definitions to meet the specific needs of those with TBI.
4. Current reimbursement rates tied to settings that treat adults with TBI and the adequacy of these reimbursement rates.
5. Current accessibility to TBI services, service information, educational materials, and family resources; and any deficiencies that need to be addressed.
6. Current status of TBI-specific screening, assessment, triage, and service referrals for children, adults, and veterans; and any deficiencies that need to be addressed.
7. This State's current organizational model for providing comprehensive needs assessment, information management, policy development, service delivery, monitoring, and quality assurance for children and adults with TBI as
compared to TBI organizational structures in other states; and specific organizational models to manage services for persons with TBI that are well coordinated for all citizens, including veterans.

(8) Any other matters related to TBI services for children, adults, veterans, and their families.

SECTION 12I.2.(b) The cochairs of the Joint Legislative Oversight Committee on Health and Human Services shall appoint members to the Traumatic Brain Injury Subcommittee established pursuant to subsection (a) of this section from members of the Joint Legislative Oversight Committee on Health and Human Services.

SECTION 12I.2.(c) The Traumatic Brain Injury Subcommittee established pursuant to subsection (a) of this section shall submit a final report of its findings and recommendations, including any proposed legislation, to the Joint Legislative Oversight Committee on Health and Human Services no later than December 15, 2014. The Subcommittee shall terminate upon the filing of its final report.

PED STUDY CONCERNING ALCOHOL AND SUBSTANCE ABUSE EDUCATION AND PREVENTION INITIATIVE TO BE FUNDED BY LOCAL ALCOHOLIC BEVERAGE CONTROL BOARDS.

SECTION 12I.3.(a) The Joint Legislative Program Evaluation Oversight Committee shall consider including in the 2014-2015 Work Plan for the Program Evaluation Division of the General Assembly a study of the benefits and disadvantages to the State of requiring local Alcoholic Beverage Control boards to (i) cease payments effective July 1, 2015, to the Department of Health and Human Services under G.S. 18B-805(b)(3) for alcoholism or substance abuse research, treatment, or education and (ii) redirect these payments to the North Carolina Alcoholic Beverage Control Commission, effective July 1, 2015, for an alcohol and substance abuse education and prevention initiative.

SECTION 12I.3.(b) If the Joint Legislative Program Evaluation Oversight Committee adds the study described in subsection (a) to its 2014-2015 Work Plan, the Program Evaluation Division shall submit its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and the Fiscal Research Division no later than February 1, 2015.

REINSTATEMENT OF HOSPITAL SETOFF DEBT COLLECTION AGAINST TAX REFUNDS AND LOTTERY PRIZES

SECTION 12I.4.(a) G.S. 105A-2(2) reads as rewritten:

“(2) Debt. – Any of the following, except as limited in subdivision (f.) of this subdivision:

a. A sum owed to a claimant agency that has accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for the sum.

b. A sum a claimant agency is authorized or required by law to collect, such as child support payments collectible under Title IV, Part D of the Social Security Act.

c. A sum owed as a result of an intentional program violation or a violation due to inadvertent household error under the Food and Nutrition Services Program enabled by Part 5 of Article 2 of Chapter 108A of the General Statutes.

d. Reserved for future codification purposes.

e. A sum owed as a result of having obtained public assistance payments under any of the following programs through an intentional false statement, intentional misrepresentation, intentional failure to disclose a material fact, or inadvertent household error:
2. The State-County Special Assistance Program enabled by Part 3 of Article 2 of Chapter 108A of the General Statutes.
3. A successor program of one of these programs.

f. For any school of medicine, clinical program, facility, or practice affiliated with one of the constituent institutions of The University of North Carolina that provides medical care to the general public and for The University of North Carolina Health Care System and other persons or entities affiliated with or under the control of The University of North Carolina Health Care System, the term "debt" is limited to the sum owed to one of these entities by law or by contract following adjudication of a claim resulting from an individual's receipt of hospital or medical services at a time when the individual was covered by commercial insurance, Medicaid, Health Choice, Medicare, Medicare Advantage, a Medicare supplement plan, or any other government insurance.”

SECTION 12I.4.(b)  G.S. 105A-2(9) reads as rewritten:
"(9) State agency. – Any of the following:

a. A unit of the executive, legislative, or judicial branch of State government, except for the following:
   1. Any school of medicine, clinical program, facility, or practice affiliated with one of the constituent institutions of The University of North Carolina that provides medical care to the general public.
   2. The University of North Carolina Health Care System and other persons or entities affiliated with or under the control of The University of North Carolina Health Care System.

b. A local agency, to the extent it administers a program supervised by the Department of Health and Human Services or it operates a Child Support Enforcement Program, enabled by Chapter 110, Article 9, and Title IV, Part D of the Social Security Act.

c. A community college.”

SECTION 12I.4.(c) Notwithstanding any other provision of law, (i) the registration required under G.S. 105A-3 of any agency reauthorized to utilize the collection remedy of debt setoff under this section is not affected by the repeal of the authority under Section 12.1 of S.L. 2013-382 and (ii) the priority of the agency under G.S. 105A-12 is determined based on the registration date of the agency under the initial statutory authority to utilize the collection remedy of debt setoff.

SECTION 12I.4.(d) This section is effective when it becomes law and applies to tax refunds determined by the Department of Revenue on or after that date and to lottery prizes determined by the Lottery Commission on or after that date.

SUBPART XII-J. DHHS BLOCK GRANTS

REVISE DHHS BLOCK GRANTS

SECTION 12J.1.  Section 12J.1 of S.L. 2013-360 reads as rewritten:
"DHHS BLOCK GRANTS

"SECTION 12J.1.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2015, according to the following schedule:
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS

Local Program Expenditures

<table>
<thead>
<tr>
<th>Division of Social Services</th>
<th>FY2013-2014</th>
<th>FY2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Work First Family Assistance</td>
<td>$ 60,285,413</td>
<td>$ 60,285,413</td>
</tr>
<tr>
<td>02. Work First County Block Grants</td>
<td>82,485,495</td>
<td>82,485,495</td>
</tr>
<tr>
<td>03. Work First Electing Counties</td>
<td>2,352,521</td>
<td>2,352,521</td>
</tr>
<tr>
<td>04. Adoption Services – Special Children Adoption Fund</td>
<td>2,026,877</td>
<td>2,026,877</td>
</tr>
<tr>
<td>05. Child Protective Services – Child Welfare Workers for Local DSS</td>
<td>9,412,391</td>
<td>9,412,391</td>
</tr>
<tr>
<td>06. Child Welfare Collaborative</td>
<td>632,416</td>
<td>632,416</td>
</tr>
<tr>
<td>06A. Foster Care Services</td>
<td>1,385,152</td>
<td></td>
</tr>
</tbody>
</table>

Division of Child Development and Early Education

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>07. Subsidized Child Care Program</td>
<td>57,172,097</td>
</tr>
<tr>
<td>08. Swap Child Care Subsidy</td>
<td>6,352,644</td>
</tr>
<tr>
<td>08A. Pre-K Swap Out</td>
<td>7,195,807</td>
</tr>
</tbody>
</table>

Division of Public Health

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>09. Teen Pregnancy Initiatives</td>
<td>2,500,000</td>
</tr>
</tbody>
</table>

DHHS Administration

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Division of Social Services</td>
<td>2,482,260</td>
</tr>
<tr>
<td>11. Office of the Secretary</td>
<td>34,042</td>
</tr>
</tbody>
</table>

Transfers to Other Block Grants

<table>
<thead>
<tr>
<th>Division of Child Development and Early Education</th>
<th>FY2013-2014</th>
<th>FY2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Transfer to the Child Care and Development Fund</td>
<td>71,773,001</td>
<td>71,773,001</td>
</tr>
</tbody>
</table>

Division of Social Services

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Transfer to Social Services Block Grant for Child Protective Services – Child Welfare Training in Counties</td>
<td>1,300,000</td>
</tr>
</tbody>
</table>
14. Transfer to Social Services Block
   Grant for Child Protective Services 5,040,000 5,040,000

15. Transfer to Social Services Block
   Grant for County Departments of
   Social Services for Children's Services 4,148,001 4,148,001

TOTAL TEMPORARY ASSISTANCE TO
NEEDY FAMILIES (TANF) FUNDS $307,997,158 $306,234,756 $313,460,826

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)
EMERGENCY CONTINGENCY FUNDS

Local Program Expenditures

Division of Social Services

01. Work First County Block Grants $ 5,580,925 $ 5,580,925

02. Work First Electing Counties 25,692 25,692

Division of Child Development and Early Education

03. Subsidized Child Care 6,549,469 6,549,469 11,679,394

04. Pre-K Swap Out 12,646,527

TOTAL TEMPORARY ASSISTANCE TO
NEEDY FAMILIES (TANF) EMERGENCY
CONTINGENCY FUNDS $12,156,086 $12,156,086 $29,932,538

SOCIAL SERVICES BLOCK GRANT

Local Program Expenditures

Divisions of Social Services and Aging and Adult Services

01. County Departments of Social Services
   (Transfer from TANF $4,148,001) $ 29,422,137 $ 29,422,137 $ 27,427,015

02. Child Protective Services
   (Transfer from TANF) 5,040,000 5,040,000

03. State In-Home Services Fund 1,943,950 1,943,950

04. Adult Protective Services 1,245,363 1,245,363

05. State Adult Day Care Fund 1,994,084 1,994,084

06. Child Protective Services/CPS
   Investigative Services – Child Medical
   Evaluation Program 563,868 563,868
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Pre-2014 Expenditure</th>
<th>Post-2014 Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>07.</td>
<td>Special Children Adoption Incentive Fund</td>
<td>462,600</td>
<td>462,600</td>
</tr>
<tr>
<td>08.</td>
<td>Child Protective Services – Child Welfare Training for Counties (Transfer from TANF)</td>
<td>1,300,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>09.</td>
<td>Home and Community Care Block Grant (HCCBG)</td>
<td>1,696,888</td>
<td>1,696,888</td>
</tr>
<tr>
<td>10.</td>
<td>Child Advocacy Centers</td>
<td>375,000</td>
<td>375,000</td>
</tr>
<tr>
<td>11.</td>
<td>Guardianship</td>
<td>3,978,360</td>
<td>3,978,360</td>
</tr>
<tr>
<td>12.</td>
<td>UNC Cares Contract</td>
<td>229,376</td>
<td>229,376</td>
</tr>
<tr>
<td>13.</td>
<td>Foster Care Services</td>
<td>1,385,152</td>
<td>1,385,152</td>
</tr>
</tbody>
</table>

Division of Central Management and Support

| 14. | DHHS Competitive Block Grants for Nonprofits                               | 3,852,500             | 3,852,500             |

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

| 15. | Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult | 4,030,730             | 4,030,730             |

DHHS Program Expenditures

Division of Services for the Blind

| 16. | Independent Living Program                                                  | 3,361,323             | 3,361,323             |

Division of Health Service Regulation

| 17. | Adult Care Licensure Program                                                | 381,087               | 381,087               |
| 18. | Mental Health Licensure and Certification Program                          | 190,284               | 190,284               |

DHHS Administration

| 19. | Division of Aging and Adult Services                                        | 577,745               | 577,745               |
| 20. | Division of Social Services                                                  | 559,109               | 559,109               |
| 21. | Office of the Secretary/Controller's Office                                 | 127,731               | 127,731               |
| 22. | Division of Child Development                                                | 13,878                | 13,878                |
| 23. | Division of Mental Health, Developmental Disabilities, and Substance Abuse Services | 27,446                | 27,446                |
24. Division of Health Service Regulation 118,946 118,946

**TOTAL SOCIAL SERVICES BLOCK GRANT**  $62,877,557 $62,877,557 59,325,251

**LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT**

Local Program Expenditures
Division of Social Services

<table>
<thead>
<tr>
<th>Code</th>
<th>Program Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Low-Income Energy Assistance Program (LIEAP)</td>
<td>$50,876,440</td>
<td>$50,876,440</td>
</tr>
<tr>
<td>02.</td>
<td>Crisis Intervention Program (CIP)</td>
<td>33,866,195</td>
<td>33,866,195</td>
</tr>
</tbody>
</table>

Local Administration
Division of Social Services

<table>
<thead>
<tr>
<th>Code</th>
<th>Program Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>03.</td>
<td>County DSS Administration</td>
<td>6,757,731</td>
<td>6,757,731</td>
</tr>
</tbody>
</table>

DHHS Administration

<table>
<thead>
<tr>
<th>Code</th>
<th>Program Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>04.</td>
<td>Office of the Secretary/DIRM</td>
<td>412,488</td>
<td>412,488</td>
</tr>
<tr>
<td>05.</td>
<td>Office of the Secretary/Controller's Office</td>
<td>18,378</td>
<td>18,378</td>
</tr>
</tbody>
</table>

Transfers to Other State Agencies
Department of Environment and Natural Resources (DENR)

<table>
<thead>
<tr>
<th>Code</th>
<th>Program Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>06.</td>
<td>Heating Air Repair and Replacement Program (HARRP)</td>
<td>7,193,873</td>
<td>7,193,871 636,633</td>
</tr>
<tr>
<td>08.</td>
<td>Local Residential Energy Efficiency Service Providers – Weatherization</td>
<td>37,257</td>
<td>37,257692,950</td>
</tr>
<tr>
<td>09.</td>
<td>Local Residential Energy Efficiency Service Providers – HARRP</td>
<td>338,352</td>
<td>338,352312,227</td>
</tr>
<tr>
<td>10.</td>
<td>DENR Administration – Weatherization</td>
<td>37,257</td>
<td>37,257692,950</td>
</tr>
<tr>
<td>11.</td>
<td>DENR Administration – HARRP</td>
<td>338,352</td>
<td>338,352312,226</td>
</tr>
</tbody>
</table>

Department of Administration

<table>
<thead>
<tr>
<th>Code</th>
<th>Program Description</th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>N.C. Commission on Indian Affairs</td>
<td>87,736</td>
<td>87,736</td>
</tr>
</tbody>
</table>

**TOTAL LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT**  $114,911,848 $114,911,848 113,139,044
### CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

**Local Program Expenditures**

#### Division of Child Development and Early Education

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Child Care Services (Smart Start $7,000,000)</td>
<td>$156,566,345</td>
<td>$158,328,747</td>
<td>$168,536,136</td>
</tr>
<tr>
<td>02. Electronic Tracking System</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td></td>
</tr>
<tr>
<td>03. Transfer from TANF Block Grant for Child Care Subsidies</td>
<td>$71,773,001</td>
<td>$71,773,001</td>
<td></td>
</tr>
<tr>
<td>04. Quality and Availability Initiatives (TEACH Program $3,800,000)</td>
<td>$24,262,402</td>
<td>$22,500,000</td>
<td>$24,168,551</td>
</tr>
</tbody>
</table>

#### DHHS Administration

#### Division of Child Development and Early Education

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>05. DCDEE Administrative Expenses</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
<td>$7,677,977</td>
</tr>
</tbody>
</table>

#### Division of Social Services

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>06. Local Subsidized Child Care Services Support</td>
<td>$13,274,413</td>
<td>$13,274,413</td>
<td></td>
</tr>
</tbody>
</table>

#### Division of Central Administration

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>07. DHHS Central Administration – DIRM Technical Services</td>
<td>$775,000</td>
<td>$775,000</td>
<td></td>
</tr>
<tr>
<td>08. Central Regional Maintenance</td>
<td>$202,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT**

$275,651,161

### MENTAL HEALTH SERVICES BLOCK GRANT

**Local Program Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Mental Health Services – Adult</td>
<td>$10,717,607</td>
<td>$10,717,607</td>
<td></td>
</tr>
<tr>
<td>02. Mental Health Services – Child</td>
<td>$5,121,991</td>
<td>$5,121,991</td>
<td>$3,619,833</td>
</tr>
<tr>
<td>03. Administration</td>
<td>$200,000</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>04. Mental Health Services – Adult/Child</td>
<td>$12,398,643</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05. Crisis Solutions Initiative – Critical Time Intervention</td>
<td>$750,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL MENTAL HEALTH SERVICES BLOCK GRANT**

$16,039,598

445
### SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

Local Program Expenditures

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

| 01. | Substance Abuse Services – Adult | $14,960,371 | $14,960,371 |
| 02. | Substance Abuse Treatment Alternative for Women | 6,050,300 | 6,050,300 |
| 03. | Substance Abuse – HIV and IV Drug | 3,919,723 | 3,919,723 |
| 04. | Substance Abuse Prevention – Child | 7,186,857 | 7,186,857 |
| 04A. | Substance Abuse Prevention | 8,669,284 |
| 05. | Substance Abuse Services – Child | 4,190,500 | 4,190,500 |
| 05A. | Substance Abuse Services – Treatment for Children/Adults | 29,519,883 |
| 05B. | Crisis Solutions Initiatives – Walk-In Crisis Centers | 420,000 |
| 05C. | Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery | 1,085,000 |
| 05D. | Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management | 60,000 |
| 05E. | Crisis Solutions Initiatives – Innovative Technologies | 41,000 |
| 05F. | Crisis Solutions Initiatives – Veterans Crisis | 250,000 |
| 06. | Administration | 454,000 | 454,000 |

Division of Public Health

| 07. | Risk Reduction Projects | 575,654 | 575,654 |
| 08. | Aid-to-Counties | 190,295 | 190,295 |
| 08A. | HIV Testing for Individuals in Substance Abuse Treatment | 765,949 |

**TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**  
$37,527,700  
$37,527,700

$45,184,839

### MATERNAL AND CHILD HEALTH BLOCK GRANT

Local Program Expenditures

Division of Public Health
01. Children's Health Services
   (Safe Sleep Campaign $445,000; Prevent Blindness $560,837) $ 8,042,531 $ 8,042,531 $ 7,574,703

02. Women's Health
   (March of Dimes $350,000; Teen Pregnancy Prevention Initiatives $650,000; Perinatal Quality Collaborative $350,000; 17P Project $52,000; Carolina Pregnancy Care Fellowship $250,000; Nurse-Family Partnership $509,018) 8,532,935 8,532,935 8,532,935

03. Oral Health 44,901 44,901

DHHS Program Expenditures

   Division of Public Health

   04. Children's Health Services 1,301,504 1,301,504 1,300,578

   05. Women's Health – Maternal Health 105,419 105,419 105,361

   06. State Center for Health Statistics 164,487 164,487 156,230

   07. Health Promotion – Injury and Violence Prevention 89,374 89,374 89,374

DHHS Administration

   Division of Public Health

   08. Division of Public Health Administration 573,108 573,108 552,571

TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT $ 18,854,259 $ 18,854,259 $ 17,914,411

PREVENTIVE HEALTH SERVICES BLOCK GRANT

Local Program Expenditures

   01. Physical Activity and Prevention $ 1,186,142 $ 1,186,142 $ 2,034,060

   02. Injury and Violence Prevention (Services to Rape Victims – Set-Aside) 169,730 169,730 169,730

DHHS Program Expenditures

   Division of Public Health

   03. HIV/STD Prevention and Community Planning 145,819 145,819

   04. Oral Health Preventive Services 46,302 46,302
<table>
<thead>
<tr>
<th>Program Area</th>
<th>State Fiscal Year</th>
<th>Federal Fiscal Year</th>
<th>Total Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>05. Laboratory Services – Testing, Training, and Consultation</td>
<td>10,980</td>
<td>10,980</td>
<td>10,980</td>
</tr>
<tr>
<td>06. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)</td>
<td>199,634</td>
<td>199,634</td>
<td>199,634</td>
</tr>
<tr>
<td>06A. State Laboratory Services – Testing, Training, and Consultation</td>
<td>199,634</td>
<td></td>
<td>199,634</td>
</tr>
<tr>
<td>07. Heart Disease and Stroke Prevention</td>
<td>162,249</td>
<td>162,249</td>
<td>162,249</td>
</tr>
<tr>
<td>08. Performance Improvement and Accountability</td>
<td>213,971</td>
<td>213,971</td>
<td>213,971</td>
</tr>
<tr>
<td>09. Physical Activity and Nutrition</td>
<td>38,000</td>
<td>38,000</td>
<td>38,000</td>
</tr>
<tr>
<td>10. State Center for Health Statistics</td>
<td>61,406</td>
<td>61,406</td>
<td>61,406</td>
</tr>
<tr>
<td><strong>TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT</strong></td>
<td>$2,234,233</td>
<td>$2,234,233</td>
<td>$3,921,778</td>
</tr>
</tbody>
</table>

**COMMUNITY SERVICES BLOCK GRANT**

Local Program Expenditures

Office of Economic Opportunity

<table>
<thead>
<tr>
<th>Program Area</th>
<th>State Fiscal Year</th>
<th>Federal Fiscal Year</th>
<th>Total Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Community Action Agencies</td>
<td>$22,402,724</td>
<td>$22,402,724</td>
<td>$24,168,417</td>
</tr>
<tr>
<td>02. Limited Purpose Agencies</td>
<td>1,244,596</td>
<td>1,244,596</td>
<td>1,342,690</td>
</tr>
<tr>
<td><strong>TOTAL COMMUNITY SERVICES BLOCK GRANT</strong></td>
<td>$24,891,916</td>
<td>$24,891,916</td>
<td>$26,853,797</td>
</tr>
</tbody>
</table>

"GENERAL PROVISIONS"

"SECTION 12J.1.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

1. A delineation of the proposed allocations by program or activity, including State and federal match requirements.
2. A delineation of the proposed State and local administrative expenditures.
3. An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.
4. A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.
5. A projection of current year expenditures by program or activity.
6. A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years."
"SECTION 12J.1.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the block grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2013-2014 and 2014-2015, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star rated facilities for four-year-old children and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division.

"SECTION 12J.1.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2015, according to the schedule enacted for State fiscal years 2013-2014 and 2014-2015 or until a new schedule is enacted by the General Assembly.

"SECTION 12J.1.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management and the Office of State Budget and Management shall consult with the Joint Legislative Commission on Governmental Operations for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

"SECTION 12J.1.(e1) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance to Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

"TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

"SECTION 12J.1.(f) The sum of eighty-two million four hundred eighty-five thousand four hundred ninety-five dollars ($82,485,495) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for each year of the 2013-2015 fiscal biennium shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures.
"SECTION 12J.1.(g) The sum of two million four hundred eighty-two thousand two hundred sixty dollars ($2,482,260) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for each year of the 2013-2015 fiscal biennium shall be used to support administration of TANF-funded programs.

"SECTION 12J.1.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for each year of the 2013-2015 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2013-2014 and 2014-2015 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

"SECTION 12J.1.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each year of the 2013-2015 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

"SECTION 12J.1.(j) The sum of six hundred thirty-two thousand four hundred sixteen dollars ($632,416) appropriated in this section to the Department of Health and Human Services in TANF funds for each year of the 2013-2015 fiscal biennium shall be used to continue support for the Child Welfare Collaborative.

"SOCIAL SERVICES BLOCK GRANT

"SECTION 12J.1.(k) The sum of twenty-nine million four hundred twenty-two thousand one hundred thirty-seven dollars ($29,422,137) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each year of the 2013-2015 fiscal biennium the 2013-2014 fiscal year and the sum of twenty-seven million four hundred twenty-seven thousand fifteen dollars ($27,427,015) appropriated in this section in the Social Services Block Grant for the 2014-2015 fiscal year shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures.

"SECTION 12J.1.(l) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each year of the 2013-2015 fiscal biennium shall be used to support various child welfare training projects as follows:

(1) Provide a regional training center in southeastern North Carolina.
(2) Provide training for residential child caring facilities.
(3) Provide for various other child welfare training initiatives.

"SECTION 12J.1.(m) The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social
Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

"SECTION 12J.1.(n) Social Services Block Grant funds appropriated for the Special Childrens Adoption Incentive Fund will require a fifty percent (50%) local match.

"SECTION 12J.1.(o) The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each year of the 2013-2015 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services to replace the loss of Child Protective Services State funds that are currently used by county government to pay for Child Protective Services staff at the local level. These funds shall be used to maintain the number of Child Protective Services workers throughout the State. These Social Services Block Grant funds shall be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

"SECTION 12J.1.(p) The sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Central Management and Support, shall be used for DHHS competitive block grants pursuant to Section 12A.2 of this act for each year of the 2013-2015 fiscal biennium. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

"SECTION 12J.1.(q) The sum of three hundred seventy-five thousand dollars ($375,000) appropriated in this section in the Social Services Block Grant for each year of the 2013-2015 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used to continue support for the Child Advocacy Centers and are exempt from the provisions of 10A NCAC 71R .0201(3).

"SECTION 12J.1.(r) The sum of three million nine hundred seventy-eight thousand three hundred sixty dollars ($3,978,360) appropriated in this section in the Social Services Block Grant for each year of the 2013-2015 fiscal biennium to the Department of Health and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may expend funds appropriated in this section to support (i) existing corporate guardianship contracts during the 2013-2014 and 2014-2015 fiscal years and (ii) guardianship contracts transferred to the State from local management entities or managed care organizations during the 2013-2014 and 2014-2015 fiscal years.

"LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT

"SECTION 12J.1.(s) Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Commission on Governmental Operations. Additional funds received shall be reported to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Commission on Governmental Operations.

"SECTION 12J.1.(t) The sum of fifty million eight hundred seventy-six thousand four hundred forty dollars ($50,876,440) appropriated in this section in the Low-Income Home Energy Assistance Block Grant for each year of the 2013-2015 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used for energy assistance payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.
County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

1. Ensure that eligible households are made aware of the available assistance with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.

2. Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to:
   (i) offer the opportunity to provide outreach and
   (ii) receive applications for energy assistance.

3. Be approved by the local board of social services or human services board prior to submission.

"CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT"

"SECTION 12J.1.(u) Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

"SECTION 12J.1.(v) If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

"SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT"

"SECTION 12J.1.(v1) The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2014-2015 fiscal year shall be allocated to the Department of Administration, Division of Veterans Affairs, to establish a call-in center to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the Division of Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

"MATERNAL AND CHILD HEALTH BLOCK GRANT"

"SECTION 12J.1.(w) If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2013-2014 fiscal year or the 2014-2015 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

"SECTION 12J.1.(x) The Department of Health and Human Services shall ensure that there will be follow-up testing in the Newborn Screening Program."

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

PLANT SCIENCES RESEARCH AND INNOVATION INITIATIVE

"SECTION 13.1.(a) The funds appropriated by this act to the Department of Agriculture and Consumer Services for the Plant Sciences Research initiative shall be used by the Commissioner to develop jointly with the College of Agriculture and Life Sciences at North Carolina State University and other stakeholders a formal proposal and economic needs
assessment for establishment of a public/private partnership between the University, other academic institutions, private companies in the agribusiness and bioscience sectors, the Department, and other State regulatory agencies for the following amounts and purposes: (i) the sum of three hundred fifty thousand dollars ($350,000) for a partnership to be known as the "Plant Sciences Research and Innovation Initiative" and (ii) the sum of two hundred fifty thousand dollars ($250,000) for a partnership to be known as the "Food Processing Initiative."

SECTION 13.1.(b) The Department and North Carolina State University shall jointly submit a copy of the proposal and report on the results of the economic needs assessment to the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, the Agriculture and Forestry Awareness Study Commission, and the Fiscal Research Division by January 1, 2015.

BEDDING LAW ACCOUNT FUND
SECTION 13.1A. The Department of Agriculture and Consumer Services may use funds from the Bedding Law Account not transferred pursuant to Section 2.2 of this act for the information technology needs of the Structural Pest Control & Pesticides Division of the Department. Any information technology project undertaken by the Department under the authorization granted by this section shall comply with Article 3D of Chapter 147 of the General Statutes. By February 1, 2015, and more frequently as requested, the Department shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division regarding the implementation of any information technology project undertaken by or on behalf of the Structural Pest Control & Pesticides Division.

STATE FAIR ADMISSION
SECTION 13.2.(a) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

(26) The Board of Agriculture in the Department of Agriculture and Consumer Services with respect to annual admission fees for the State Fair. The Board shall annually post the admission fee schedule on its Web site and provide notice of the fee schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d)."

SECTION 13.2.(b) This section is effective when it becomes law.

FARMLAND PRESERVATION TRUST FUND
SECTION 13.2A. Funds appropriated by this act to the North Carolina Agricultural Development and Farmland Preservation Trust Fund for protection of military buffers may only be used to match funding from the federal government for that purpose on at least an equal basis and shall otherwise revert as set forth in G.S. 143C-1-2.

AGRICULTURAL WELL DEVELOPMENT AS CRITERIA FOR AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM FUNDING
SECTION 13.3.(a) G.S. 139-60(c)(3) reads as rewritten:

"(3) Establish criteria to allocate funds to local soil and water conservation districts. The criteria shall include the development of agricultural wells."

SECTION 13.3.(b) This section is effective when it becomes law.

"GOT TO BE NC" MARKETING CAMPAIGN TO BE THE OFFICIAL AGRICULTURAL MARKETING CAMPAIGN FOR THE STATE
SECTION 13.4. G.S. 106-550 reads as rewritten:

453
§ 106-550. Policy as to promotion of use of, and markets for, farm products.

(a) It is declared to be in the interest of the public welfare that the North Carolina farmers who are producers of livestock, poultry, seafood, field crops and other agricultural products, including cattle, sheep, broilers, turkeys, commercial eggs, peanuts, cotton, potatoes, sweet potatoes, peaches, apples, berries, vegetables and other fruits of all kinds, as well as bulbs and flowers and other agricultural products having a domestic or foreign market, shall be permitted and encouraged to act jointly and in cooperation with growers, handlers, dealers and processors of such products in promoting and stimulating, by advertising and other methods, the increased production, use and sale, domestic and foreign, of any and all of such agricultural commodities. The provisions of this Article, however, shall not include the agricultural products of tobacco, strawberries, strawberry plants, porcine animals, or equines, with respect to which separate provisions have been made.

(b) The "Got to be NC" marketing campaign of the Department of Agriculture and Consumer Services shall be the official agricultural marketing campaign for the State.

DACS RESEARCH STATIONS

SECTION 13.8. G.S. 106-6.3 reads as rewritten:

§ 106-6.3. Create special revenue fund for research stations.

The Research Stations Fund is established as a special revenue fund within the Department of Agriculture and Consumer Services, Division of Research Stations. This Fund shall consist of receipts from the sale of commodities produced on the Department's research stations and any gifts, bequests, or grants for the benefit of this Fund. No General Fund appropriations shall be credited to this Fund. Any balance exceeding one million dollars ($1,000,000) remaining in this Fund at the end of any fiscal year shall not revert to the General Fund. The Department may use this Fund only to develop, improve, repair, maintain, operate, or otherwise invest in research stations operated by the Department's Research Stations Division.

CERTIFICATION OF PRIVATE PESTICIDE APPLICATORS

SECTION 13.10.(a) G.S. 143-440(b) reads as rewritten:

"(b) The Board may include in any such restricted use regulation the time and conditions of sale, distribution, or use of such restricted use pesticides, may prohibit the use of any restricted use pesticide for designated purposes or at designated times; may require the purchaser or user to certify that restricted use pesticides will be used only as labeled or as further restricted by regulation; may require the certification and recertification of private applicators, and charge a fee of up to ten dollars ($10.00), with the fee set at a level to make the certification/recertification program self-supporting, and, after opportunity for a hearing, may suspend, revoke or modify the certification for violation of any provision of this Article, or any rule or regulation adopted thereunder; may adopt rules to classify private applicators; and may, if it deems it necessary to carry out the provisions of this Part, require that any or all restricted use pesticides shall be purchased, possessed, or used only under permit of the Board and under its direct supervision in certain areas and/or under certain conditions or in certain quantities or concentrations except that any person licensed to sell such pesticides may purchase and possess such pesticides without a permit. The Board may require all persons issued such permits to maintain records as to the use of the restricted use pesticides. The Board may authorize the use of restricted use pesticides by persons licensed under the North Carolina Structural Pest Control Act without a permit. A nonrefundable fee of ten dollars ($10.00) shall be charged for each examination required by this section. This examination fee is in addition to the certification or recertification fee, and any other fee authorized pursuant to any other provision of Article 4C of Chapter 106 of the General Statutes."

SECTION 13.10.(b) The Structural Pest Control Committee shall adopt rules regarding ancillary activities that may be performed in association with the control of...
wood-destroying organisms or household pests as regulated by Article 4C of Chapter 106 of the General Statutes. The rules shall include, at a minimum, the following:

1. Specification of the categories of ancillary activities that may be exempted from structural pest control licensing requirements or may be performed by unlicensed persons acting under the direct supervision of a structural pest control licensee. These categories shall include, but not be limited to, the moving of furniture or bedding, as defined in G.S. 106-65.95, and the cleaning, maintenance, or repair of property.

2. Provisions allowing persons engaged in exempt ancillary activities or performing ancillary activities under the direct supervision of a certified applicator to be engaged in such activities, whether as an employee, independent contractor, or otherwise, for one or more structural pest control licensees.

SECTION 13.10.(c) The Structural Pest Control Committee may issue rules pursuant to subsection (b) of this section without complying with the requirements of Article 2A of Chapter 150B of the General Statutes. The Committee shall post proposed rules on its Web site within two weeks of the date this act becomes law and provide notice of the rules, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d). The authority to adopt rules without complying with the requirements of Article 2A of Chapter 150B of the General Statutes shall expire on July 1, 2016, and the Department shall adopt permanent rules to implement subsection (b) of this section by that date.

INCREASE FEES ASSOCIATED WITH NATIONAL POULTRY IMPROVEMENT PLAN

SECTION 13.11.(a) G.S. 106-543 reads as rewritten:

"§ 106-543. Requirements of national poultry improvement plan—National Poultry Improvement Plan must be met.

(a) All baby chicks, turkey poults and hatching eggs produced, sold or offered for sale shall originate in flocks that meet the requirements of the national poultry improvement plan National Poultry Improvement Plan as administered by the North Carolina Department of Agriculture and Consumer Services and the regulations issued by authority of this Article for the control of pullorum disease and other infectious diseases provided that nothing in this Article shall require any hatchery to adopt the national poultry improvement plan National Poultry Improvement Plan.

(b) The Department of Agriculture and Consumer Services shall charge the following fees for certification in the National Poultry Improvement Plan to cover the costs of pullorum testing:

(1) An initial certification fee of fifty dollars ($50.00), plus ten cents (10¢) per bird.

(2) An annual recertification fee of ten dollars ($10.00), plus ten cents (10¢) per bird."

SECTION 13.11.(b) This section is effective when it becomes law and applies to certifications or recertifications issued on or after that date.

FEES FOR FOREST MANAGEMENT PLANS

SECTION 13.13.(a) Article 82 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ 106-1004. Fees for forest management plans.

The Board of Agriculture shall establish by rule a schedule of fees for the preparation of forest management plans developed pursuant to Article 83 of this Chapter. The fees established by the Board shall not exceed the amount necessary to offset the costs of the Department of Agriculture and Consumer Services to prepare forest management plans."
SECTION 13.13.(b) The Board of Agriculture may set fees to implement this section without complying with the requirements of Article 2A of Chapter 150B of the General Statutes. When this act becomes law, the Board shall post the fee schedule on its Web site and provide notice of the fee schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d). The authority to adopt fees without complying with the requirements of Article 2A of Chapter 150B of the General Statutes shall expire on July 1, 2016, and the Department shall adopt permanent rules to implement this section by that date.

TVA SETTLEMENT FUNDS

SECTION 13.15. Section 13.3 of S.L. 2013-360 reads as rewritten:

"SECTION 13.3.(a) In each fiscal year of the 2013-2015 biennium, the Department of Agriculture and Consumer Services shall apply for two million two hundred forty thousand dollars ($2,240,000) from the Tennessee Valley Authority Settlement Agreement in compliance with the requirements of paragraphs 122 through 128 of the Consent Decree entered into by the State in State of Alabama et al. v. Tennessee Valley Authority, Civil Action 3:11-cv-00170 in the United States District Court for the Eastern District of Tennessee, and Appendix C to the Compliance Agreement. The funds received by the State under this section shall be allocated as follows:

(1) Five hundred thousand dollars ($500,000) for each fiscal year of the 2013-2015 biennium to award grants for “Environmental Mitigation Projects” of the types specified in paragraph 128 of the Consent Decree in the following counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, Yancey.

(2) Five hundred thousand dollars ($500,000) for each fiscal year of the 2013-2015 biennium to the North Carolina Agricultural Water Resources Assistance Program to fund projects in the following counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, Yancey.

(2a) Five hundred thousand dollars ($500,000) for the 2014-2015 fiscal year to WNC Communities to fund lighting efficiency projects for public schools in areas served by the organization. Of the funds allocated in this subdivision, WNC Communities may use up to fifty thousand dollars ($50,000) for administrative expenses.

(3) One million dollars ($1,000,000) for each fiscal year of the 2013-2015 biennium to North Carolina Agricultural Development and Farmland Preservation Trust Fund to be used, notwithstanding G.S. 106-744, to award funds in the following counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, Yancey.

(4) Two hundred forty thousand dollars ($240,000) for each fiscal year of the 2013-2015 biennium to the Appalachian Energy Center at Appalachian State University.

"SECTION 13.3.(b) Funds allocated under subdivision (1) of subsection (a) of this section shall not be used to acquire land or purchase conservation easements."

PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AGENCIES REPORT ON FEDERAL GRANTS

SECTION 14.1. The Department of Environment and Natural Resources, the Wildlife Resources Commission, the Department of Labor, the Department of Commerce, and
the Department of Agriculture and Consumer Services shall review every active federal grant received by the respective departments and report no later than February 1, 2015, to the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division regarding the source and amount of the grant, the match or maintenance of effort required for the grant from State funds, and any conditions, limitations, restrictions, or additional actions or programs the department is required to fulfill or undertake as a result of accepting the grant.

NER FACILITIES AND ADMINISTRATIVE FEES

SECTION 14.2. The Department of Agriculture and Consumer Services, the Department of Commerce, the North Carolina Biotechnology Center, and the Department of Environment and Natural Resources shall negotiate indirect cost waivers with every constituent institution of The University of North Carolina performing State-funded research for the Center or the respective Departments. The waivers shall provide that the Center or the Departments pay facilities and administrative costs at a rate no greater than the lowest rate paid by any other State agency, department, or commission for research at that constituent institution.

EFFICIENCIES REPORTING BY NER AGENCIES

SECTION 14.2A.(a) The Wildlife Resources Commission and the Departments of Environment and Natural Resources, Labor, Commerce, and Agriculture and Consumer Services that have, within the current biennium, as defined in G.S. 143C-1-1, undergone reorganizations, modifications to assignments or duties, or transfers of departmental functions or positions between fund codes shall submit a report as provided in this section. The report shall address the rationale for the reorganization or other administrative modifications, the efficiencies achieved, and the cost-savings resulting from the reorganization or other administrative modifications, including, at a minimum, the following:

(1) Positions eliminated.
(2) Positions transferred among divisions, sections, or programs.
(3) New divisions, sections, and programs established.
(4) A comparison of the organizational charts before and after the reorganizations or other administrative modifications with each structural change clearly identified.
(5) A list of divisions, sections, and programs that were unaffected by the reorganizations or other administrative modifications.
(6) Resulting cost-savings, itemized by funding source.
(7) An explanation of improvements in the administrative capability of the department to manage its programs and carry out its mission.
(8) An identification of any obsolete or overlapping activities.


AQUARIUM FUND FEE TRANSFERS

SECTION 14.2C. G.S. 143B-289.44 reads as rewritten:

"§ 143B-289.44. North Carolina Aquariums; fees; fund.
(a) Fees. – The Secretary of Environment and Natural Resources may adopt a schedule of fees for the aquariums and piers operated by the North Carolina Aquariums, including:
(1) Gate admission fees.
(2) Facility rental fees.
(3) Educational programs."
(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special and nonreverting fund. The North Carolina Aquariums Fund shall be used for repair, renovation, expansion, maintenance, educational exhibit construction, and operational expenses at existing aquariums, to pay the debt service and lease payments related to the financing of expansions of aquariums, and to match private funds that are raised for these purposes.

c) Disposition of Fees. – All entrance fee receipts shall be credited to the North Carolina Aquariums Fund. Receipts so credited that are necessary to support the personnel and operational expenses of the aquariums shall be transferred to the aquariums' General Fund operating budget on a monthly basis.

HOUSING PROGRAMS STUDY

SECTION 14.3(a) The Office of State Budget and Management shall study the various programs related to housing conducted by State departments, agencies, and commissions, including the weatherization program of the Department of Environment and Natural Resources. The Office shall include examinations of the following in the study:

1. Overlap or duplication between programs and the possible cost-savings or other benefits from the merger of certain housing programs.
2. Unmet needs or gaps in the State's housing programs, when compared to services or programs offered by other states.
3. Any recommendations for changes in housing program governance for programs that are outside or only marginally within the core mission of their governing department, agency, or commission.

SECTION 14.3(b) No later than February 1, 2015, the Office of State Budget and Management shall submit its findings and recommendations to the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

COASTAL AND ESTUARINE WATER BEACH ACCESS PROGRAM

SECTION 14.4(a) Funds transferred from the Parks and Recreation Trust Fund to the Division of Coastal Management pursuant to G.S. 113-44.15(b)(3) for the Coastal and Estuarine Water Beach Access Program shall be deposited in a noninterest-bearing special fund to be titled Coastal and Estuarine Water Beach Access Fund. The Fund shall be a special revenue fund consisting of gifts and grants to the Fund and other monies appropriated to the Fund by the General Assembly.

SECTION 14.4(b) Funds previously transferred from the Parks and Recreation Trust Fund to the Division of Coastal Management for the Coastal and Estuarine Water Beach Access Program that were deposited in capital funds shall be transferred to the Coastal and Estuarine Water Beach Access Fund established by subsection (a) of this section no later than September 30, 2014.

CAROLINA BEACH STATE PARK MARINA

SECTION 14.5(a) The Department of Environment and Natural Resources, Division of Parks and Recreation, shall issue a request for information (RFI) to solicit proposals for a sublease to private parties for the operation of the State-owned marina at Carolina Beach State Park. The RFI shall contain sufficient detail to address the following:

1. The services to be performed by the private party and performance expectations.
2. Payment and record-keeping requirements.
3. Compliance with State parks system rules and regulations and standards of the Division of Coastal Management's Clean Marina program.

458
SECTION 14.5.(b) The Division of Parks and Recreation shall report to the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division no later than February 1, 2015, on the results of the RFI and whether it is more cost-effective to have a private party manage the marina than internal management.

OREGON INLET

SECTION 14.7.(a) Acquisition Agreement. – Notwithstanding Chapter 146 of the General Statutes or any other provision of law, the Department of Administration, on behalf of the State, shall seek to initiate negotiations with the appropriate agency of the federal government for an agreement to acquire the federally owned property described in subsection (f) of this section from the federal government in exchange for State-owned real property.

SECTION 14.7.(b) Terms. – The Secretary of the Department of Administration shall have the authority to negotiate the terms of the acquisition agreement. The agreement (i) shall provide for the acquisition of interests in real property described in subsection (h) of this section and no other; (ii) shall provide that the conveyances described in the agreement become effective as soon as practicable; and (iii) shall incorporate the relevant terms of this act.

SECTION 14.7.(c) Execution of Deeds. – Within 30 days of the acquisition becoming effective, the Attorney General shall execute any documents or deeds necessary to effectuate the acquisition under the exact terms set forth in the acquisition agreement. All State agencies and officials shall cooperate to the fullest extent possible in effectuating the acquisition agreement.

SECTION 14.7.(d) Reporting. – Within 30 days after an agreement is entered into pursuant to this section, the Secretary of the Department of Administration shall report to the Joint Legislative Commission on Governmental Operations on the terms of the agreement.

SECTION 14.7.(e) Creation of Oregon Inlet State Park. – If the real property described in subsection (h) of this section is acquired by the State, then together with any other real property owned by the State within the area described in subsection (f) of this section, the General Assembly authorizes the Department of Environment and Natural Resources to add Oregon Inlet State Park, which shall consist of at least these properties, to the State Parks System as provided in G.S. 113-44.14(b).

SECTION 14.7.(f) Federal Property to Be Conveyed. – The federally owned property to be conveyed shall include all of the federal government's right, title, and interest in (i) some or all of the subaerial real property located within the area described by connecting the following latitude and longitude points and (ii) all of the submerged real property located within the area described by connecting the following latitude and longitude points:

<table>
<thead>
<tr>
<th>Latitude</th>
<th>Longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.7809956390</td>
<td>-75.52953510600</td>
</tr>
<tr>
<td>35.7817852850</td>
<td>-75.52513394400</td>
</tr>
<tr>
<td>35.78141354400</td>
<td>-75.52334019100</td>
</tr>
<tr>
<td>35.7788739070</td>
<td>-75.52025162500</td>
</tr>
<tr>
<td>35.7785743650</td>
<td>-75.51969654900</td>
</tr>
<tr>
<td>35.7778129080</td>
<td>-75.51900873900</td>
</tr>
<tr>
<td>35.7773489340</td>
<td>-75.51884305500</td>
</tr>
<tr>
<td>35.7771000940</td>
<td>-75.51641608800</td>
</tr>
<tr>
<td>35.7663356800</td>
<td>-75.51356516200</td>
</tr>
<tr>
<td>35.7611625850</td>
<td>-75.51036495800</td>
</tr>
<tr>
<td>35.7575149610</td>
<td>-75.50801176500</td>
</tr>
<tr>
<td>35.7560865160</td>
<td>-75.51228522200</td>
</tr>
<tr>
<td>35.7577748030</td>
<td>-75.51379949200</td>
</tr>
<tr>
<td>35.7586059690</td>
<td>-75.51451482100</td>
</tr>
<tr>
<td>35.7596048470</td>
<td>-75.51540263600</td>
</tr>
<tr>
<td>Latitude</td>
<td>Longitude</td>
</tr>
<tr>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>35.76100414</td>
<td>-75.51665469</td>
</tr>
<tr>
<td>35.76173514</td>
<td>-75.51681019</td>
</tr>
<tr>
<td>35.76212523</td>
<td>-75.51767780</td>
</tr>
<tr>
<td>35.76287562</td>
<td>-75.51836186</td>
</tr>
<tr>
<td>35.76316770</td>
<td>-75.51862812</td>
</tr>
<tr>
<td>35.76381492</td>
<td>-75.51921814</td>
</tr>
<tr>
<td>35.76415098</td>
<td>-75.51955669</td>
</tr>
<tr>
<td>35.76445468</td>
<td>-75.51995078</td>
</tr>
<tr>
<td>35.76485826</td>
<td>-75.52059025</td>
</tr>
<tr>
<td>35.76505577</td>
<td>-75.52094720</td>
</tr>
<tr>
<td>35.76528160</td>
<td>-75.52142243</td>
</tr>
<tr>
<td>35.76548548</td>
<td>-75.52198988</td>
</tr>
<tr>
<td>35.76556743</td>
<td>-75.52341266</td>
</tr>
<tr>
<td>35.76566877</td>
<td>-75.52523906</td>
</tr>
<tr>
<td>35.76454632</td>
<td>-75.52902085</td>
</tr>
<tr>
<td>35.76357138</td>
<td>-75.53246190</td>
</tr>
<tr>
<td>35.76337226</td>
<td>-75.53339196</td>
</tr>
<tr>
<td>35.76333441</td>
<td>-75.53364756</td>
</tr>
<tr>
<td>35.76332909</td>
<td>-75.53390869</td>
</tr>
<tr>
<td>35.76335819</td>
<td>-75.53458675</td>
</tr>
<tr>
<td>35.76341367</td>
<td>-75.53498082</td>
</tr>
<tr>
<td>35.76354478</td>
<td>-75.53535025</td>
</tr>
<tr>
<td>35.76361737</td>
<td>-75.53547511</td>
</tr>
<tr>
<td>35.76383009</td>
<td>-75.53584104</td>
</tr>
<tr>
<td>35.76425804</td>
<td>-75.53655388</td>
</tr>
<tr>
<td>35.76471137</td>
<td>-75.53740635</td>
</tr>
<tr>
<td>35.76502225</td>
<td>-75.53875413</td>
</tr>
<tr>
<td>35.76521060</td>
<td>-75.54081681</td>
</tr>
<tr>
<td>35.76523404</td>
<td>-75.54194712</td>
</tr>
<tr>
<td>35.76525043</td>
<td>-75.54273796</td>
</tr>
<tr>
<td>35.76526768</td>
<td>-75.54353888</td>
</tr>
<tr>
<td>35.76532715</td>
<td>-75.54394387</td>
</tr>
<tr>
<td>35.76541340</td>
<td>-75.54428520</td>
</tr>
<tr>
<td>35.76550080</td>
<td>-75.54463107</td>
</tr>
<tr>
<td>35.76577010</td>
<td>-75.54534161</td>
</tr>
<tr>
<td>35.76597248</td>
<td>-75.54579049</td>
</tr>
<tr>
<td>35.76632062</td>
<td>-75.54620555</td>
</tr>
<tr>
<td>35.76655164</td>
<td>-75.54635947</td>
</tr>
<tr>
<td>35.76725670</td>
<td>-75.54660030</td>
</tr>
<tr>
<td>35.76764041</td>
<td>-75.54670534</td>
</tr>
<tr>
<td>35.76795847</td>
<td>-75.54670661</td>
</tr>
<tr>
<td>35.77077784</td>
<td>-75.54629895</td>
</tr>
<tr>
<td>35.77115918</td>
<td>-75.54624921</td>
</tr>
<tr>
<td>35.77148150</td>
<td>-75.54619720</td>
</tr>
<tr>
<td>35.77234520</td>
<td>-75.54605784</td>
</tr>
<tr>
<td>35.77377517</td>
<td>-75.54582711</td>
</tr>
<tr>
<td>35.77469339</td>
<td>-75.54566942</td>
</tr>
<tr>
<td>35.77590248</td>
<td>-75.54531166</td>
</tr>
<tr>
<td>35.77673545</td>
<td>-75.54571296</td>
</tr>
<tr>
<td>35.77711645</td>
<td>-75.54582301</td>
</tr>
<tr>
<td>35.77742981</td>
<td>-75.54581293</td>
</tr>
<tr>
<td>35.77771608</td>
<td>-75.54572387</td>
</tr>
<tr>
<td>35.77791539</td>
<td>-75.54559449</td>
</tr>
</tbody>
</table>
SECTION 14.7.(g)  Condemnation Authority. – On July 1, 2015, the Department of Administration shall, in accordance with applicable law and terms reserved in any relevant deeds, commence condemnation proceedings on all federally owned property that are necessary to manage existing and future transportation corridors on the Outer Banks, as determined pursuant to subsection (h) of this section. The Department of Administration shall report the commencement of condemnation proceedings to the General Assembly, as follows:

(1) If the General Assembly is in session, the Department shall report to the Chairs of the House of Representatives Appropriations Committee, the Chairs of the Senate Appropriations Committee, and the Fiscal Research Division.

(2) If the General Assembly is not in session, the Department shall report to the Chairs of the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

SECTION 14.7.(h)  Identification of Outer Banks Transportation Corridor. – No later than November 30, 2014, the Department of Transportation shall identify federally owned property that is necessary to construct or to manage existing and future transportation corridors on the Outer Banks and shall report this information to the Chairs of the Joint Legislative Transportation Oversight Committee, to the Secretary of the Department of Administration, and to the Fiscal Research Division.

SECTION 14.7.(i)  G.S. 166A-19.30(a) reads as rewritten:
(a) In addition to any other powers conferred upon the Governor by law, during a gubernatorially or legislatively declared state of emergency, the Governor shall have the following powers:

(1) To utilize all available State resources as reasonably necessary to cope with an emergency, including the transfer and direction of personnel or functions of State agencies or units thereof for the purpose of performing or facilitating emergency services.
(2) To take such action and give such directions to State and local law enforcement officers and agencies as may be reasonable and necessary for the purpose of securing compliance with the provisions of this Article and with the orders, rules, and regulations made pursuant thereto.

(3) To take steps to assure that measures, including the installation of public utilities, are taken when necessary to qualify for temporary housing assistance from the federal government when that assistance is required to protect the public health, welfare, and safety.

(4) Subject to the provisions of the State Constitution to relieve any public official having administrative responsibilities under this Article of such responsibilities for willful failure to obey an order, rule, or regulation adopted pursuant to this Article.

(5) Through issuance of an executive order to waive requirements for an environmental document or permit issued under Articles 1, 4, and 7 of Chapter 113A of the General Statutes for the repair, protection, safety enhancement, or replacement of a component of the State highway system that provides the sole road access to an incorporated municipality or an unincorporated inhabited area bordering the Atlantic Ocean or any coastal sound where bridge or road conditions as a result of the events leading to the declaration of the state of emergency pose a substantial risk to public health, safety, or welfare. The executive order shall list the duration of the waiver and the activities to which the waiver applies. For purposes of this subdivision, "coastal sound" shall have the definition set forth in G.S. 113A-103, and "replacement" shall not be interpreted to exclude a replacement that increases size or capacity or that is located in a different location than the component that is replaced."

SECTION 14.7.(j) G.S. 113A-12 is amended by adding a new subdivision to read:

"(7) The issuance of an executive order under G.S. 166A-19.30(a)(5) waiving the requirement for an environmental document."

SECTION 14.7.(k) G.S. 113A-52.01 reads as rewritten:

"§ 113A-52.01. Applicability of this Article.

This Article shall not apply to the following land-disturbing activities:

…

(4) For the duration of an emergency, activities essential to protect human life, including activities specified in an executive order issued under G.S. 166A-19.30(a)(5)."

SECTION 14.7.(l) G.S. 113A-103(5)b.1. reads as rewritten:

"§ 113A-103. Definitions.

As used in this Article:

…

(5) a. "Development" means any activity in a duly designated area of environmental concern (except as provided in paragraph b of this subdivision) involving, requiring, or consisting of the construction or enlargement of a structure; excavation; dredging; filling; dumping; removal of clay, silt, sand, gravel or minerals; bulkheading, driving of pilings; clearing or alteration of land as an adjunct of construction; alteration or removal of sand dunes; alteration of the shore, bank, or bottom of the Atlantic Ocean or any sound, bay, river, creek, stream, lake, or canal; or placement of a floating structure in an area of environmental concern identified in G.S. 113A-113(b)(2) or (b)(5).

b. The following activities including the normal and incidental operations associated therewith shall not be deemed to be development under this section:

462
1. Work by a highway or road agency for the maintenance of an existing road, if the work is carried out on land within the boundaries of the existing right-of-way, or for emergency repairs and safety enhancements of an existing road as described in an executive order issued under G.S. 166A-19.30(a)(5).”

SECTION 14.7.(m) Notwithstanding the provisions of Chapter 146 of the General Statutes, Article 9A of Chapter 113A of the General Statutes, or any other provision of law, neither the Governor nor the Council of State shall be required to approve any conveyance, exchange, or condemnation made pursuant to this section. Notwithstanding any other provision of law, consultation with or reporting to the Joint Legislative Commission on Governmental Operations shall not be required prior to the conveyance, exchange, or condemnation, except as set forth in subsection (h) of this section.

TECHNICAL CORRECTIONS: CWMTF

SECTION 14.8.(a) G.S. 113A-251 reads as rewritten:

"§ 113A-251. Purpose.

The General Assembly recognizes that a critical need exists in this State to clean up pollution in the State's surface waters and to protect, preserve, and conserve those waters that are not yet polluted. The task of cleaning up polluted waters and protecting and enhancing the State's water resources is multifaceted and requires different approaches, including innovative pilot projects, that take into account the problems, the type of pollution, the geographical area, and the recognition that the hydrological and ecological values of each resource sought to be upgraded, conserved, and protected are unique.

It is the intent of the General Assembly that moneys from the Fund created under this Article shall be used to help finance projects that enhance or restore degraded surface waters; protect and conserve surface waters, including drinking supplies; and contribute toward a network of riparian buffers and greenways for environmental, educational, and recreational benefits; provide buffers around military bases to protect the military mission; acquire land that represents the ecological diversity of North Carolina; and acquire land that contributes to the development of a balanced State program of historic properties, specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and protecting, preserving, and conserving unpolluted surface waters, including enhancement or development of drinking water supplies. It is the further intent of the General Assembly that moneys from the Fund also be used to build a network of riparian buffers and greenways for environmental, educational, and recreational benefits. It is lastly the intent of the General Assembly that moneys from the Fund also be used to preserve lands that could be used for water supply reservoirs. While the purpose of this Article is to focus on the cleanup and prevention of pollution of the State's surface waters, the establishment of a network of riparian buffers and greenways, and the preservation of property for establishing clean water supplies, the General Assembly believes that the results of these efforts will also be beneficial to wildlife and marine fisheries habitats."

SECTION 14.8.(b) G.S. 113A-252 reads as rewritten:


The following definitions apply in this Article:

(1) Council. – The advisory council for the Clean Water Management Trust Fund.

(2) Economically distressed local government unit. – An economically distressed county, as defined in G.S. 143B-437.01, or a local government unit located in that county.

(3) Fund. – The Clean Water Management Trust Fund created pursuant to this Article.
(4) Land. – Real property and any interest in, easement in, or restriction on real property.
(4a) Local government unit. – Defined in G.S. 159G-20.
(4b) Stormwater quality project. – Defined in G.S. 159G-20.
(5) Trustees. – The trustees of the Clean Water Management Trust Fund.
(7) Wastewater treatment works. – Defined in G.S. 159G-20.

SECTION 14.8.(c) G.S. 113A-254 reads as rewritten:

"§ 113A-254. Grant requirements.
(a) Eligible Applicants. – Any of the following are eligible to apply for a grant from the Fund for the purpose of protecting and enhancing water quality:

(1) A State agency.
(2) A local government unit.
(3) A nonprofit corporation whose primary purpose is the conservation, preservation, and or restoration of our State's environmental and natural cultural, environmental, or natural resources.

(a1) Criteria. – The criteria developed by the Trustees under G.S. 113A-256 apply to grants made under this Article. The common criteria for water projects set in G.S. 159G-23 and the criteria set out in this section also apply to wastewater collection system projects, wastewater treatment works projects, and stormwater quality projects. An application for a wastewater collection system project or a wastewater treatment works project that serves an economically distressed local government unit has priority.

(d) Wastewater Limits. – A wastewater collection system project or a wastewater treatment works project is eligible for a grant under this Article only if it is a high-unit-cost project, as defined in G.S. 159G-20. A planning grant or a technical assistance grant for a regional wastewater collection system or a regional wastewater treatment works is not subject to the high-unit-cost threshold. A grant made under this Article for a wastewater collection system project or a wastewater treatment works project is subject to the cost limits and recipient limits set in G.S. 159G-36 for a grant awarded from the Wastewater Reserve.

(e) Stormwater Limits. – The amount of a grant awarded under this Article for a stormwater quality project may not exceed the construction costs of the project. The total amount of grants awarded under this Article to the same recipient for stormwater quality projects for a fiscal year may not exceed the limit set in G.S. 159G-36(c)(1) for grants to the same recipient from the Wastewater Reserve.

SECTION 14.8.(d) G.S. 113A-255(b1) is amended by adding a new subdivision to read:

"(b1) Qualifications. – The office of Trustee is declared to be an office that may be held concurrently with any other executive or appointive office, under the authority of Article VI, Section 9, of the North Carolina Constitution. When appointing members of the Authority, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall give consideration to adequate representation from the various regions of the State and shall give consideration to the appointment of members who are knowledgeable in any of the following areas:

(5) Historic preservation."

SECTION 14.8.(e) G.S. 113A-256(b) reads as rewritten:

"(b) Develop Grant Criteria. – The Trustees shall develop criteria for awarding grants under this Article. The criteria developed shall include consideration of the following:

(2) The objectives of the various basinwide management plans for the State's river basins and watersheds."
SECTION 14.8.(f) G.S. 113A-259 reads as rewritten:

There is established the Clean Water Management Trust Fund Advisory Council. The Council shall advise the Trustees with regard to allocations made from the Fund, and other issues as requested by the Trustees. The Council shall be composed of the following or its designees:

(1) Commissioner of Agriculture.
(2) Chair of the Wildlife Resources Commission.
(3) Secretary of Environment and Natural Resources.
(4) Secretary of the Department of Commerce.
(5) Secretary of the Department of Cultural Resources."

WATER QUALITY REMEDIATION FUNDS
SECTION 14.8A. Of the funds appropriated in this act to the Clean Water Management Trust Fund, the sum of five hundred thousand dollars ($500,000) shall be used for the remediation and mitigation of stormwater impacts to lakes subject to a Nutrient Management Strategy approved by the Environmental Management Commission.

COMMERCIAL FISHING LICENSES
SECTION 14.9.(a) The General Assembly finds that additional funding is necessary to support the Division of Marine Fisheries' At-Sea Observer Program and for the continued viability of the commercial fishing industry in North Carolina.

SECTION 14.9.(b) G.S. 113-168.2 reads as rewritten:
"§ 113-168.2. Standard Commercial Fishing License.

... (e) Fees. – The annual SCFL fee for a resident of this State shall be two hundred fifty dollars ($250.00), four hundred dollars ($400.00). The annual SCFL fee for a person who is not a resident of this State shall be the amount charged to a resident of this State in the nonresident's state. In no event, however, may the fee be less than two hundred fifty dollars ($250.00), four hundred dollars ($400.00). For purposes of this subsection, a "resident of this State" is a person who is a resident within the meaning of:

(1) Sub-divisions a. through d. of G.S. 113-130(4) and who filed a State income tax return as a resident of North Carolina for the previous calendar or tax year, or
(2) G.S. 113-130(4)e.

..."

SECTION 14.9.(c) G.S. 113-168.3(b) reads as rewritten:
"(b) Eligibility; Fees. – Any individual who is 65 years of age or older and who is eligible for a SCFL under G.S. 113-168.2 may apply for either a SCFL or RSCFL. An applicant for a RSCFL shall provide proof of age at the time the application is made. The annual fee for a RSCFL for a resident of this State shall be one hundred twenty-five dollars ($125.00), two hundred dollars ($200.00). The annual fee for a RSCFL for a person who is not a resident of this State shall be one hundred sixty-two dollars and fifty cents ($162.50), two hundred sixty dollars ($260.00). For purposes of this subsection, a "resident of this State" is a person who is a resident within the meaning of:

(1) Sub-divisions a. through d. of G.S. 113-130(4) and who filed a State income tax return as a resident of North Carolina for the previous calendar or tax year, or
(2) G.S. 113-130(4)e."

SECTION 14.9.(d) G.S. 113-169.2 reads as rewritten:
"§ 113-169.2. Shellfish license for North Carolina residents without a SCFL. ..."
(c) Fees. – Shellfish licenses issued under this section shall be issued annually upon payment of a fee of thirty-one dollars and twenty-five cents ($31.25) fifty dollars ($50.00) upon proof that the license applicant is a North Carolina resident.

SECTION 14.9.(e) G.S. 113-169.3 reads as rewritten:
"§ 113-169.3. Licenses for fish dealers.

... (e) Application Fee for New Fish Dealers. – An applicant for a new fish dealer license shall pay a nonrefundable application fee of sixty-two dollars and fifty cents ($62.50) one hundred dollars ($100.00) in addition to the license category fees set forth in this section.

(f) License Category Fees. – Every fish dealer subject to licensing requirements shall secure an annual license at each established location for each of the following activities transacted there, upon payment of the fee set out:

1. Dealing in oysters: $62.50 $100.00.
2. Dealing in scallops: $62.50 $100.00.
3. Dealing in clams: $62.50 $100.00.
4. Dealing in hard or soft crabs: $62.50 $100.00.
5. Dealing in shrimp, including bait: $62.50 $100.00.
6. Dealing in finfish, including bait: $62.50 $100.00.
7. Operating menhaden or other fish-dehydrating or oil-extracting processing plants: $62.50 $100.00.
8. Consolidated license (all categories): $375.00 $600.00.

..."

SECTION 14.9.(f) G.S. 113-169.5(b) reads as rewritten:
"(b) The fee for a land or sell license for a vessel not having its primary situs in North Carolina is two hundred fifty dollars ($250.00), four hundred dollars ($400.00), or an amount equal to the nonresident fee charged by the nonresident's state, whichever is greater. Persons aboard vessels having a primary situs in a jurisdiction that would allow North Carolina vessels without restriction to land or sell their catch, taken outside the jurisdiction, may land or sell their catch in the State without complying with this section if the persons are in possession of a valid license from their state of residence."

SECTION 14.9.(g) G.S. 113-173(f) reads as rewritten:
"(f) Duration; Fees. – The RCGL shall be valid for a one-year period from the date of purchase. The fee for a RCGL for a North Carolina resident shall be four hundred dollars ($400.00). The fee for a RCGL for an individual who is not a North Carolina resident shall be three hundred twelve dollars and fifty cents ($312.50) five hundred dollars ($500.00)."

SECTION 14.9.(h) G.S. 113-210 reads as rewritten:

... (l) Fees. – Under Dock Oyster Culture Permit shall be issued annually upon payment of a fee of one hundred dollars ($100.00).

..."

SECTION 14.9.(i) Article 14A of Chapter 113 of the General Statutes is amended by adding a new section to read:

(a) Establishment. – There is hereby established the North Carolina Commercial Fishing Resources Fund (Fund) as a nonreverting special revenue fund in the office of the State Treasurer. The purpose of the Fund is to provide funding for the development of sustainable commercial fishing in the State. The principal of the Fund shall consist of all of the following:

1. Two hundred dollars ($200.00) from each Standard Commercial Fishing License issued pursuant to G.S. 113-168.2.
(2) One hundred dollars ($100.00) from each Retired Standard Commercial Fishing License issued pursuant to G.S. 113-168.3.

(3) Twenty-five dollars ($25.00) from each shellfish license issued pursuant to G.S. 113-169.2.

(4) Fifty dollars ($50.00) from each fish dealer license issued pursuant to G.S. 113-169.3.

(5) Two hundred dollars ($200.00) from each land or sell license issued pursuant to G.S. 113-169.5.

(6) Thirty-five dollars ($35.00) from each Recreational Commercial Gear License issued pursuant to G.S. 113-173.

The State Treasurer shall hold the Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Fund in accordance with the provisions of G.S. 147-69.2, except that interest and other income received on the fund balance shall be treated as set forth in G.S. 147-69.1(d).

(b) Use of Funds. – The North Carolina Commercial Fishing Resource Fund created by this section shall be used only for the following purposes, in order of priority:

(1) First, the Fund shall fully fund the State's incidental take permits for the commercial fishing industry under the federal Endangered Species Act of 1973 (Public Law 93-205) or the federal Marine Mammal Protection Act of 1972 (Public Law 92-522).

(2) After the priority set forth in subdivision (1) of this section has been fully funded, the Fund may be used for other projects to develop and support sustainable commercial fishing in the State.

(c) Procedure for Fund Disbursements. – With respect to funds used pursuant to subdivision (b)(1) of this section, the State Treasurer shall disburse the principal of the Fund only upon the written direction of the Director of the Division. With respect to funds used pursuant to subdivision (b)(2) of this section, the State Treasurer shall disburse the principal of the Fund only upon the written direction of both the Marine Fisheries Commission and the Funding Committee established by subsection (d) of this section following the procedures set forth in the memorandum of understanding developed under subsection (f) of this section. In the event of a disagreement between the Commission and the Committee, the Secretary of the Department of Environment and Natural Resources shall decide between the directions proposed by the Commission and by the Committee.

(d) Funding Committee. – The Funding Committee for the North Carolina Commercial Fishing Resource Fund (Committee) is established and shall consist of six members who shall serve staggered terms. Each of the following commercial fishing organizations shall appoint one member for an initial term as indicated and provide notice of that appointment in the manner set forth in G.S. 143-47.6:

(1) North Carolina Fisheries Association, Inc., for a term of three years.

(2) North Carolina Watermen United, Inc., for a term of two years.

(3) Ocracoke Working Watermen's Association, for a term of one year.

(4) Brunswick County Fishermen's Association, for a term of three years.

(5) Carteret County Fishermen's Association, for a term of two years.

(6) Albemarle Fishermen's Association, for a term of one year.

Upon the expiration of the terms of the initial Committee members, each member shall be appointed by the appointing organizations designated in subdivisions (1) through (6) of this subsection for a three-year term and shall serve until a successor is appointed and qualified. Members may be reappointed, but no member may serve more than two consecutive full terms. The Committee shall elect annually a chair and other officers as it deems necessary to carry out the purposes of this section, who shall serve a term of one year corresponding to the calendar year.
(e) Vacancies, Meetings, Quorum. – Vacancies in the Committee shall be filled in the same manner as the original appointment. The Committee may meet at any time upon the call of the chair. A quorum of the group shall consist of four members.

(f) Memorandum of Understanding. – The Marine Fisheries Commission and the Committee shall develop and implement a memorandum of understanding setting forth the procedures for agreeing to and authorizing the disbursements from the Fund created in this section for the purposes described by subdivision (b)(2) of this section.

(g) Ethics. – Members of the Committee are public servants as defined in sub-subdivision i. of subdivision (30) of G.S. 138A-3."

SECTION 14.9.(j) Subsections (b), (c), (d), (e), (f), and (g) of this section are effective when they become law and apply to fees collected for the 2015-2016 license year and all succeeding license years.

ADVANCED SALE OF LICENSES

SECTION 14.10. G.S. 113-168.1 reads as rewritten:

"§ 113-168.1. General provisions governing licenses and endorsements.

... (j) Advance Sale of Licenses, License Revenue. – To ensure an orderly transition from one license year to the next, the Division may issue a license or endorsement prior to 1 July of the license year for which the license or endorsement is valid. Revenue that the Division receives for the issuance of a license or endorsement prior to the beginning of a license year shall not revert at the end of the fiscal year in which the revenue is received and shall be credited and available to the Division only for the license year in which the license or endorsement is valid. Any license revenue carried forward from one fiscal year to the next under this subsection that remains unencumbered and unexpended at the end of the fiscal year in which the license or endorsement is valid shall revert to the General Fund."

DIVISION OF MARINE FISHERIES JOINT ENFORCEMENT AGREEMENTS

SECTION 14.11.(a) G.S. 113-224 reads as rewritten:

"§ 113-224. Cooperative agreements by Department.

(a) The Department is empowered to enter into cooperative agreements with public and private agencies and individuals respecting the matters governed in this Subchapter. Pursuant to such agreements the Department may expend funds, assign employees to additional duties within or without the State, assume additional responsibilities, and take other actions that may be required by virtue of such agreements, in the overall best interests of the conservation of marine and estuarine resources.

(b) The Fisheries Director or a designee of the Fisheries Director may enter into an agreement with the National Marine Fisheries Service of the United States Department of Commerce allowing Division of Marine Fisheries inspectors to accept delegation of law enforcement powers over matters within the jurisdiction of the National Marine Fisheries Service."

SECTION 14.11.(b) G.S. 128-1.1 is amended by adding a new subsection to read:

"(c2) Inspectors of the Division of Marine Fisheries of the Department of Environment and Natural Resources may also assume law enforcement powers granted to the National Marine Fisheries Service as set forth in G.S. 113-224(b)."

STUDY COMMERCIAL SHELLFISH LEASING

SECTION 14.12. The University of North Carolina Coastal Studies Institute shall study North Carolina's shellfish lease and franchise program, including (i) the regulatory, statutory, and other obstacles faced by the private mariculture industry in establishing or expanding shellfish cultivation operations; (ii) a summary of shellfish leasing and franchising programs in other states and a comparison of the private mariculture industry in North Carolina compared to other states; and (iii) recommendations for best practices to achieve greater
opportunities for North Carolina’s mariculture industry and greater program efficiencies and outcomes. The Institute shall report its findings and recommendations no later than March 1, 2015, to the Chairs of the Environmental Review Commission, the Chairs of the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

PERMIT ELECTRONIC TRANSMISSION OF RULES

SECTION 14.13. G.S. 113-221 reads as rewritten:

"§ 113-221. Rules.

(b) Upon purchasing a license, each licensee shall be provided access to a copy of the rules concerning the activities authorized by the license. The copy may be in written or electronic form, including by file download over the Internet. A written copy of the rules shall be provided to a licensee upon request.

(c) The Fisheries Director shall notify licensees of a new rule or change to a rule by sending each licensee either a newsletter containing the text of the rule or change or an updated codification of the rules of the Marine Fisheries Commission that contains the new rule or change. The Director may elect to use electronic means rather than mail to notify licensees if electronic means would be more timely and cost-effective. A written copy of any notification produced in accordance with this section shall be provided to a licensee upon request.

NATURAL HERITAGE PROGRAM ONLINE ACCESS FEES

SECTION 14.13A.(a) Article 9A of Chapter 113A of the General Statutes is amended by adding the following new section to read:


(a) The Secretary may establish fees to defray the costs associated with any of the following:

(1) Responding to inquiries requiring customized environmental review services or the costs associated with developing, improving, or maintaining technology that supports an online interface for external users to access Natural Heritage Program data. The Secretary may reduce or waive the fee established under this subsection if the Secretary determines that a waiver or reduction of the fee is in the public interest.

(2) Any activity authorized under G.S. 113A-253(8e), including an inventory of natural areas conducted under the Natural Heritage Program, conservation and protection planning, and informational programs for owners of natural areas, as defined in G.S. 113A-164.3.

(b) Fees collected under this section are receipts of the Department of Environment and Natural Resources and shall be deposited in the Clean Water Management Trust Fund for the purpose of supporting the operations of the Natural Heritage Program."

SECTION 14.13A.(b) G.S. 113A-253(c)(8e) reads as rewritten:

"(8e) To authorize expenditures from the Fund not to exceed the sum of seven hundred fifty thousand dollars ($750,000) and any fees collected under G.S. 113A-164.12 to pay for the inventory of natural areas conducted under the Natural Heritage Program established pursuant to the Nature Preserves Act, Article 9A of Chapter 113A of the General Statutes, and to pay for conservation and protection planning and for informational programs for owners of natural areas, as defined in G.S. 113A-164.3."

CDBG INFRASTRUCTURE ELIGIBLE ACTIVITIES CLARIFICATION

SECTION 14.15. Section 15.14(g) of S.L. 2013-360, as amended by Section 5.16(c) of S.L. 2013-363, reads as rewritten:

469
"SECTION 15.14. (g) For purposes of this section, eligible activities under the category of Infrastructure in subsection (a) of this section are limited to critical public water and wastewater projects and associated connections to the new lines located on private property of eligible homeowners, consistent with federal law. Notwithstanding any State law or rule, eligible activities as defined in this subsection are limited only by applicable HUD regulations and federal law. Notwithstanding the provisions of subsection (e) of this section, funds allocated to the Infrastructure category in subsection (a) of this section shall not be reallocated to any other category."

WATER INFRASTRUCTURE GRANT PRIORITY
SECTION 14.16. The Department of Environment and Natural Resources, Division of Water Infrastructure, and the State Water Infrastructure Authority shall give priority to loan and grant applications received from any local government meeting all of the following criteria:

1. The local government is located in a development tier one area.
2. The application seeks funding for a project that is required to be completed due to an EPA administrative order.
3. The application is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

WATER INFRASTRUCTURE
SECTION 14.17. G.S. 159G-37 reads as rewritten:
"§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water Reserve.
(a) Application. – An application for a loan or grant from the CWSRF, the Wastewater Reserve, the DWSRF, or the Drinking Water Reserve must be filed with the Division of Water Infrastructure of the Department. An application must be submitted on a form prescribed by the Division and must contain the information required by the Division. An applicant must submit to the Division any additional information requested by the Division to enable the Division to make a determination on the application. An application that does not contain information required on the application or requested by the Division is incomplete and is not eligible for consideration. An applicant may submit an application in as many categories as it is eligible for consideration under this Article.

(b) Certification. – The Division of Water Infrastructure shall require all local governments applying for loans or grants for water or wastewater purposes to certify that no funds received from water or wastewater utility operations have been transferred to the local government's general fund for the purpose of supplementing the resources of the general fund. The prohibition in this section shall not be interpreted to include payments made to the local government to reimburse the general fund for expenses paid from that fund that are reasonably allocable to the regular and ongoing operations of the utility, including, but not limited to, rent and shared facility costs, engineering and design work, plan review, and shared personnel costs."

GRANTS TO MUNICIPALITIES IN DEVELOPMENT TIER ONE AND TWO AREAS FOR WATER AND SEWER INFRASTRUCTURE IMPROVEMENTS
SECTION 14.17A. The one million dollars ($1,000,000) appropriated in this act to the Department of Environment and Natural Resources for grants to municipalities in development tier one and development tier two areas, as defined in G.S. 143B-437.08, shall be allocated as follows:

1. The sum of five hundred thousand dollars ($500,000) for grants to local governments in development tier one and development tier two areas for water and sewer infrastructure development projects. Notwithstanding Chapter 159G of the General Statutes or any other provision of law, the
grants shall be used for projects that serve a public purpose related to the
provision of water and sewer service to local government or educational
facilities.

(2) The sum of five hundred thousand dollars ($500,000) for loans and grants to
any local government located in a development tier one area meeting each of
the following criteria:
   a. The application seeks funding for a project that is required to be
      completed due to an EPA administrative order.
   b. The application is deemed complete by the Division and meets the
      minimum requirements for the program from which it is seeking
      funding.

AMEND SHALLOW DRAFT NAVIGATION CHANNEL AND LAKE DREDGING
FUNDING

SECTION 14.18.(a) G.S. 105-449.126 reads as rewritten:

"§ 105-449.126. Distribution of part of Highway Fund allocation to Wildlife Resources
Fund and Shallow Draft Navigation Channel Dredging and Lake Dredging
Maintenance Fund.

(a) The Secretary shall credit to the Wildlife Resources Fund one-sixth of one percent
(1/6 of 1%) of the amount that is allocated to the Highway Fund under G.S. 105-449.125 and is
from the excise tax on motor fuel. Revenue credited to the Wildlife Resources Fund under this
section may be used only for the boating and water safety activities described in G.S. 75A-3(c).
The Secretary must credit revenue to the Wildlife Resources Fund on an annual quarterly
basis. The Secretary must make the distribution within 45 days of the end of each quarter.

(b) The Secretary shall credit to the Shallow Draft Navigation Channel Dredging and
Lake Dredging Maintenance Fund one-sixth of one percent (1/6 of 1%) of the amount that is
allocated to the Highway Fund under G.S. 105-449.125 and is from the excise tax on motor
fuel. Revenue credited to the Shallow Draft Navigation Channel Dredging and Lake Dredging
Maintenance Fund under this section may be used only for the dredging activities described in
G.S. 143-215.73F. The Secretary shall credit revenue to the Shallow Draft Navigation Channel
Dredging and Lake Dredging Maintenance Fund on an annual quarterly basis. The Secretary
must make the distribution within 45 days of the end of each quarter."

SECTION 14.18.(b) Notwithstanding G.S. 105-449.125, the funds credited to the
Wildlife Resources Fund and the Shallow Draft Navigation Channel Dredging and Lake
Maintenance Fund for the first quarter of calendar year 2014 shall be distributed no later than
September 15, 2014. Notwithstanding G.S. 105-449.125, the funds credited to the Wildlife Resources Fund and the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund for the last quarter of calendar year 2014 shall be allocated to the Highway Trust Fund.

SECTION 14.18.(c) Notwithstanding G.S. 105-449.125, in addition to the funds
credited under G.S. 105-449.126, the Secretary of Revenue shall also credit the sum of one
million six hundred seventy-seven thousand one hundred thirty-four dollars ($1,677,134) to the
fiscal year no later than November 15, 2014. The funds distributed shall be from the funds
collected under Article 36C of Chapter 105 of the General Statutes from the effective date of
this act until November 15, 2014.

SECTION 14.18.(d) Section 14.18(a) is effective for quarters beginning on or after
January 1, 2014. The remainder of this section is effective when it becomes law.

AQUATIC WEED CONTROL

SECTION 14.19.(a) G.S. 143-215.73F reads as rewritten:

The Shallow Draft Navigation Channel Dredging and Lake Dredging Maintenance Fund is established as a special revenue fund. The Fund consists of fees credited to it under G.S. 75A-3, 75A-38, and 105-449.126. Revenue in the Fund may only be used to provide the State's share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the state located within lakes navigable and safe, or for aquatic weed control projects in waters of the State located within lakes under Article 15 of Chapter 113A of the General Statutes. Funding for aquatic weed control projects is limited to five hundred thousand dollars ($500,000) in each fiscal year. Any project funded by revenue from the Fund must be cost-shared with non-State dollars on a one-to-one basis, provided that the cost-share for a lake located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of Environment and Natural Resources. The Division of Parks and Recreation may use funds allocated to the State Parks System for capital projects under G.S. 113-44.15 for the cost-share.

For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of 16 feet between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal and other currents flow, or (iii) other interior coastal waterways. "Shallow draft navigation channel" includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, including Oregon Inlet, Masonboro Inlet, New River, New Topsail Inlet, Rodanthe, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor."

SECTION 14.19.(b) G.S. 75A-3(c) reads as rewritten:

"(c) The Boating Account is established within the Wildlife Resources Fund created under G.S. 143-250. Interest and other investment income earned by the Account accrues to the Account. All moneys collected pursuant to the numbering and titling provisions of this Chapter shall be credited to this Account. Motor fuel excise tax revenue is credited to the Account under G.S. 105-449.126. The Commission shall use revenue in the Account, subject to the Executive Budget Act and the Personnel Act, for the administration and enforcement of this Chapter; for activities relating to boating and water safety including education and waterway marking and improvement; and for boating access area acquisition, development, and maintenance. The Commission shall use at least three dollars ($3.00) of each one-year certificate of number fee and at least nine dollars ($9.00) of each three-year certificate of number fee collected under the numbering provisions of G.S. 75A-5 for boating access area acquisition, development, and maintenance. The Commission shall transfer on a quarterly basis fifty percent (50%) of each one-year certificate of number fee and fifty percent (50%) of each three-year certificate of number fee collected under the numbering provisions of G.S. 75A-5 to the Shallow Draft Navigation Channel Dredging and Lake Dredging Maintenance Fund established by G.S. 143-215.73F."

SECTION 14.19.(c) G.S. 75A-38(b) reads as rewritten:

"(b) The Commission shall charge a fee of thirty dollars ($30.00) to issue a new or transfer certificate of title. The Commission shall transfer on a quarterly basis at least ten dollars ($10.00) of each new or transfer certificate of title to the Shallow Draft Navigation Channel Dredging and Lake Dredging Maintenance Fund established by G.S. 143-215.73F. The Commission shall charge a fee of ten dollars ($10.00) for each duplicate title it issues and for the recording of a supplemental lien."

MUSEUM OF FORESTRY CHALLENGE GRANT

SECTION 14.20A. It is the intent of the General Assembly that, if the North Carolina Museum of Forestry (hereinafter "Museum") fails to raise at least one hundred
thousand dollars ($100,000) in non-State funds during the 2014-2015 fiscal year, no State funds after the 2014-2015 fiscal year will be appropriated for the support of the Museum.

REDIRECT INTEREST ON CERTAIN ENVIRONMENTAL FUNDS

SECTION 14.21.(a) G.S. 143B-289.59 reads as rewritten:
"§ 143B-289.59. Conservation Fund; Commission may accept gifts.

(b) The Marine Fisheries Commission is hereby authorized to issue and sell appropriate emblems by which to identify recipients thereof as contributors to a special marine and estuarine resources Conservation Fund that shall be made available to the Marine Fisheries Commission for conservation, protection, enhancement, preservation, and perpetuation of marine and estuarine species that may be endangered or threatened with extinction and for education about these issues. The special Conservation Fund is subject to oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d). Emblems of different sizes, shapes, types, or designs may be used to recognize contributions in different amounts, but no emblem shall be issued for a contribution amounting in value to less than five dollars ($5.00)."

SECTION 14.21.(b) G.S. 113A-253 reads as rewritten:

(b) Fund Earnings, Assets, and Balances. – The State Treasurer shall hold the Fund separate and apart from all other moneys, funds, and accounts. Investment earnings credited to the assets of the Fund shall become part of the Fund. Any balance remaining in the Fund at the end of any fiscal year shall be carried forward in the Fund for the next succeeding fiscal year. Payments from the Fund shall be made on the warrant of the Chair of the Board of Trustees."

SECTION 14.21.(c) G.S. 143-215.104C reads as rewritten:
"§ 143-215.104C. Dry-Cleaning Solvent Cleanup Fund.

(a) Creation. – The Dry-Cleaning Solvent Cleanup Fund is established as a special revenue fund to be administered by the Commission. Accordingly, revenue in the Fund at the end of a fiscal year does not revert. Interest and other investment income earned by the Fund must be credited to it. The Fund is created to provide revenue to implement this Part.

(b) Fund Created. – There is established a Parks and Recreation Trust Fund in the State Treasurer's Office. The Trust Fund shall be a special revenue fund consisting of gifts and grants to the Trust Fund and other monies appropriated to the Trust Fund by the General Assembly. Investment earnings credited to the assets of the Fund shall become part of the Fund.

SECTION 14.21.(d) G.S. 87-98 reads as rewritten:
"§ 87-98. Bernard Allen Memorial Emergency Drinking Water Fund.

(a) The Bernard Allen Memorial Emergency Drinking Water Fund is established under the control and direction of the Department. The Fund shall be a nonreverting, interest-bearing fund consisting of monies appropriated by the General Assembly or made available to the Fund from any other source and investment interest credited to the Fund."

SECTION 14.21.(f) G.S. 90A-42 reads as rewritten:
"§ 90A-42. Fees."

473
The Water Pollution Control System Account is established as a nonreverting account within the Department. Fees collected under this section shall be credited to the Account and applied to the costs of administering this Article. Interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d)."

SECTION 14.21.(g)  G.S. 143-215.94B reads as rewritten:


…
(e) The Commercial Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. G.S. 147-69.3, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d).

..."

SECTION 14.21.(h)  G.S. 143-215.94D reads as rewritten:


…
(e) The Noncommercial Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. G.S. 147-69.3, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d).

..."

SECTION 14.21.(i)  G.S. 130A-310.11 reads as rewritten:

"§ 130A-310.11.  Inactive Hazardous Sites Cleanup Fund created.

(a) There is established under the control and direction of the Department the Inactive Hazardous Sites Cleanup Fund. This fund shall be a revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, taxes, and other monies paid to it or recovered by or on behalf of the Department. The Inactive Hazardous Sites Cleanup Fund shall be treated as a nonreverting special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. G.S. 147-69.3, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d).

..."

SECTION 14.21.(j)  G.S. 130A-310.38 reads as rewritten:


The Brownfields Property Reuse Act Implementation Account is created as a nonreverting interest-bearing account in the Office of the State Treasurer. The Account shall consist of fees and interest collected under G.S. 130A-310.39, monies appropriated to it by the General Assembly, monies received from the federal government, monies contributed by private organizations, and monies received from any other source. Funds in the Account shall be used by the Department to defray the costs of implementing this Part. The Department may contract with a private entity for any services necessary to implement this Part."

I & M AIR POLLUTION CONTROL ACCOUNT

SECTION 14.22.  The Division of Air Quality of the Department of Environment and Natural Resources shall use the cash balance remaining in the I & M Air Pollution Control Account for operations in the 2014-2015 fiscal year related to the development and implementation of air pollution control programs for mobile sources.

WATER AND AIR QUALITY ACCOUNT

SECTION 14.23.  The Division of Air Quality of the Department of Environment and Natural Resources shall use the cash balance remaining in the Water and Air Quality Account to administer its programs in fiscal year 2014-2015.
SOLID WASTE DISPOSAL TAX USES

SECTION 14.24.(a)  G.S. 130A-295.9 reads as rewritten:

It is the intent that the proceeds of the solid waste disposal tax imposed by Article 5G of Chapter 105 of the General Statutes credited to the Inactive Hazardous Sites Cleanup Fund pursuant to G.S. 105-187.63(1) shall be used only for the following purposes:

(1) Funds credited pursuant to G.S. 105-187.63(1) to the Inactive Hazardous Sites Cleanup Fund shall be used by the Department of Environment and Natural Resources to fund the assessment and remediation of pre-1983 landfills, except up to thirteen percent (13%) nineteen percent (19%) of the funds credited under this subdivision may be used to fund administrative expenses related to the assessment and remediation of pre-1983 landfills and other inactive hazardous waste sites, hazardous and solid waste management.

(2) Funds credited pursuant to G.S. 105-187.63(3) to the Solid Waste Management Trust Fund shall be used by the Department of Environment and Natural Resources to fund grants to State agencies and units of local government to initiate or enhance local recycling programs and to provide for the management of difficult to manage solid waste, including abandoned mobile homes and household hazardous waste. Up to seven percent (7%) of the funds credited under this subdivision may be used by the Department to administer this Part."

SECTION 14.24.(b)  This section applies to funds credited to the Inactive Hazardous Sites Cleanup Fund on or after July 1, 2014.

ELIMINATE WASTE MANAGEMENT FEE CAP

SECTION 14.24A.  G.S. 130A-294.11(c) is repealed.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT FLEXIBILITY

SECTION 14.24B.(a)  Notwithstanding S.L. 2013-360 and G.S. 143C-6-4, the Department of Environment and Natural Resources may take the two million dollar ($2,000,000) efficiencies reduction created by consolidating the Divisions of Water Resources and Water Quality from other divisions and programs, subject to the following restrictions:

(1) No State attraction proposed for closure in the Current Operations and Capital Improvements Appropriations Act of 2014, as passed by either the Senate or the House of Representatives but not enacted when that act becomes law, may be included in the reduction by the Department.

(2) No program or item expansion funds appropriated for the 2013-2015 fiscal biennium to the Department shall be used to offset the management flexibility reduction under this section.

SECTION 14.24B.(b)  The Department shall report on the reductions made as required by this section no later than October 1, 2014, to the Chairs of the Senate Appropriations Committee on Natural and Economic Resources, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division.

WILDLIFE LICENSING CHANGES

SECTION 14.25.(a)  G.S. 113-270.3(b)(1b) reads as rewritten:

"(b) The special activity licenses and stamp issued by the Wildlife Resources Commission are as follows:

..."
(1b) Bear Management Stamp – $10.00. This electronically generated stamp must be procured before taking any bear within the State. Notwithstanding any other provision of law, a resident or nonresident individual may not take any bear within the State without procuring this stamp; provided, that those persons who have purchased a lifetime license established by G.S. 113-270.1D(b), 113-270.2(c)(2), or 113-351(c)(3) prior to July 1, 2014, and those persons exempt from the license requirements as set forth in G.S. 113-276(c), G.S. 113-276(d), and G.S. 113-276(n) shall obtain this stamp free of charge. All of the revenue generated by this stamp shall be dedicated to black bear research and management.

SECTION 14.25.(b) G.S. 113-174.2 reads as rewritten:

"§ 113-174.2. Coastal Recreational Fishing License.

... (c) Types of CRFLs; Fees; Duration. – The Wildlife Resources Commission shall issue the following CRFLs:

(1) Annual Resident CRFL. – $15.00. This license is valid for a period of one year from the date of issuance. This license shall be issued only to an individual who is a resident of the State.

(1a) Annual Nonresident CRFL. – $30.00. This license is valid for a period of one year from the date of issuance. This license shall be issued only to an individual who is not a resident of the State.


(4) Ten-Day Resident CRFL. – $5.00. This license is valid for a period of 10 consecutive days, as indicated on the license. This license shall be issued only to an individual who is a resident of the State.

(4a) Ten-Day Nonresident CRFL. – $10.00. This license is valid for a period of 10 consecutive days, as indicated on the license. This license shall be issued only to an individual who is not a resident of the State.


(6) Lifetime CRFLs. – Except as provided in sub-subdivision j. of this subdivision, CRFLs issued under this subdivision are valid for the lifetime of the licensee.


e. Infant Lifetime CRFL. – $100.00. This license shall be issued only to an individual younger than one year of age.

f. Youth Lifetime CRFL. – $150.00. This license shall be issued only to an individual who is one year of age or older but younger than 12 years of age.

g. (Effective until August 1, 2014) Resident Adult Lifetime CRFL. – $250.00. This license shall be issued only to an individual who is 12 years of age or older but younger than 65 years of age and who is a resident of the State.

h. (Effective August 1, 2014) Resident Adult Lifetime CRFL. – $250.00. This license shall be issued only to an individual who is 12 years of age or older but younger than 70 years of age and who is a resident of the State.
h. Nonresident Adult Lifetime CRFL. – $500.00. This license shall be issued only to an individual who is 12 years of age or older and who is not a resident of the State.

i. **(Effective until August 1, 2014)** Resident Age 65 Lifetime CRFL. – $15.00. This license shall be issued only to an individual who is 65 years of age or older and who is a resident of the State.

j. **(Effective August 1, 2014)** Resident Age 70 Lifetime CRFL. – $15.00. This license shall be issued only to an individual who is 70 years of age or older and who is a resident of the State.

k. Resident Disabled Veteran CRFL. – $10.00. This license shall be issued only to an individual who is a resident of the State and who is a fifty percent (50%) or more disabled veteran as determined by the United States Department of Veterans Affairs—or as established by G.S. 113-351(c)(3)(f). This license remains valid for the lifetime of the licensee so long as the licensee remains fifty percent (50%) or more disabled.

l. Resident Totally Disabled CRFL. – $10.00. This license shall be issued only to an individual who is a resident of the State and who is totally and permanently disabled as determined by the Social Security Administration—or as established by G.S. 113-351(c)(3)(g).

---

**SECTION 14.25.(c)** G.S. 113-173 reads as rewritten:

"§ 113-173. Recreational Commercial Gear License.

(f) Duration; Fees. – The RCGL shall be valid for a one-year period from the date of purchase—from the date of issuance for a period of 12 months as defined by G.S. 113-270.1B(b) and G.S. 113-270.1B(c). The fee for a RCGL for a North Carolina resident shall be forty-three dollars and seventy-five cents ($43.75). The fee for a RCGL for an individual who is not a North Carolina resident shall be three hundred twelve dollars and fifty cents ($312.50)."

---

**SECTION 14.25.(d)** G.S. 113-351 reads as rewritten:

"§ 113-351. Unified hunting and fishing licenses; subsistence license waiver.

(a) Definitions. – The definitions set out in G.S. 113-174 apply to this Article.

(b) General Provisions Governing Licenses and Waivers. – The general provisions governing licenses set out in G.S. 113-174.1 apply to licenses and waivers issued under this section.

(c) Types of Unified Hunting and Fishing Licenses; Fees; Duration. – The Wildlife Resources Commission shall issue the following Unified Hunting and Fishing Licenses:

1. Annual Resident Unified Sportsman/Coastal Recreational Fishing License. – $55.00. This license is valid for a period of one year from the date of issuance—from the date of issuance for a period of 12 months as defined by G.S. 113-270.1B(b) and G.S. 113-270.1B(c). This license shall be issued only to an individual who is a resident of the State. This license authorizes the licensee to take all wild animals and wild birds, including waterfowl, by all lawful methods in all open seasons, including the use of game lands; to fish with hook and line for all fish in all inland fishing waters and joint fishing waters, including public mountain trout waters; and to engage in recreational fishing in coastal fishing waters.

2. Annual Resident Unified Inland/Coastal Recreational Fishing License. – $35.00. This license is valid for a period of one year from the date of issuance—from the date of issuance for a period of 12 months as defined by G.S. 113-270.1B(b) and G.S. 113-270.1B(c). This license shall be issued..."
only to an individual who is a resident of the State. This license authorizes the licensee to fish with hook and line for all fish in all inland fishing waters and joint fishing waters, including public mountain trout waters, and to engage in recreational fishing in coastal fishing waters.

...

SECTION 14.25.(e) G.S. 113-270.1D reads as rewritten:
"§ 113-270.1D. Sportsman licenses.

(a) Annual Sportsman License – $50.00. This license shall be issued only to an individual resident of the State and entitles the licensee to take all wild animals and wild birds, including waterfowl, by all lawful methods in all open seasons, including the use of game lands, and to fish with hook and line for all fish in all inland and joint fishing waters, including public mountain trout waters. An annual sportsman license issued under this subsection does not entitle the licensee to engage in recreational fishing in coastal fishing waters that are not joint fishing waters.

(b) Lifetime Sportsman Licenses. Except as provided in subdivision (7) of this subsection, lifetime sportsman licenses are valid for the lifetime of the licensees. Lifetime sportsman licenses entitle the licensees to take all wild animals and wild birds by all lawful methods in all open seasons, including the use of game lands, and to fish with hook and line for all fish in all inland and joint fishing waters, including public mountain trout waters. A lifetime sportsman license issued under this subsection does not entitle the licensee to engage in recreational fishing in coastal fishing waters that are not joint fishing waters. Lifetime sportsman licenses issued by the Wildlife Resources Commission are:

(3) Adult Resident Lifetime Sportsman License – $500.00. This license shall be issued only to an individual resident of the State who is 12 years of age or older but younger than 70 years of age.

(4) Nonresident Lifetime Sportsman License – $1,200. This license shall be issued only to an individual nonresident of the State.

(5) Age 70 Resident Lifetime Sportsman License – $15.00. This license shall be issued only to an individual resident of the State who is at least 70 years of age.


(7) Resident Disabled Veteran Lifetime Sportsman License – $100.00. This license shall be issued only to an individual who is a resident of the State and who is a fifty percent (50%) or more disabled veteran as determined by the United States Department of Veterans Affairs or as established by rules of the Wildlife Resources Commission. This license remains valid for the lifetime of the licensee so long as the licensee remains fifty percent (50%) or more disabled.

(8) Resident Totally Disabled Lifetime Sportsman License – $100.00. This license shall be issued only to an individual who is a resident of the State and who is totally and permanently disabled as determined by the Social Security Administration or as established by rules of the Wildlife Resources Commission.”

SECTION 14.25.(f) Subsections (a) and (e) of this section become effective August 1, 2014.

OVERSIGHT OF CERVIDS

SECTION 14.26.(a) The Wildlife Resources Commission shall not issue a transportation permit for the importation of cervids into the State prior to July 1, 2017.

SECTION 14.26.(b) For purposes of this section, "USDA Standards" means the United States Department of Agriculture's Chronic Wasting Disease Program Standards, May 2014 edition, and subsequent updates, but does not include any authority given to a State to
adopt standards more stringent than those expressly set out in the May 2014 edition or
subsequent updates.

SECTION 14.26.(c) Nothing in this section is intended to limit the issuance by the
Commission of new captivity licenses or permits for cervid facilities containing only cervids
originating within the State from facilities with an existing captivity license or permit that have
achieved certified status.

SECTION 14.26.(d) Except as further limited by subsection (a) of this section, or
as modified by subsection (c) of this section, and notwithstanding any other provision of law or
regulations adopted by the Commission to the contrary, the Commission shall follow the
USDA Standards in carrying out its authority to regulate cervids.

SECTION 14.26.(e) G.S. 113-272.6(a) reads as rewritten:
"(a) The Wildlife Resources Commission shall regulate the transportation, including
importation and exportation, and possession of cervids, including game carcasses and parts of
game carcasses extracted by hunters. The Commission shall allow the sale of antlers, antler
velvet, or hides from captive populations of cervids. The Commission shall adopt rules to
implement this section, including requirements for captivity licenses, captivity permits, and
transportation permits. The rules adopted pursuant to this section shall establish standards of
care for the transportation and possession of cervids, including requirements for fencing,
tagging, record keeping, and inspection of captive cervid facilities. Notwithstanding any other
provision of law, the Commission may charge a fee of up to fifty dollars ($50.00) for the
processing of applications for captivity licenses, captivity permits, and transportation permits,
and the renewal or modification of those licenses and permits. The fees collected shall be
applied to the costs of administering this section."

SECTION 14.26.(f) No later than March 1, 2015, the Wildlife Resources
Commission shall report to the Agriculture and Forestry Awareness Study Commission
regarding differences between the USDA Standards and rules adopted by the Wildlife
Resources Commission under the authority granted by G.S. 113-272.6. The report shall include
a list and brief summary of rules adopted by the Commission in effect immediately prior to the
enactment of this act that are more stringent than the USDA Standards.

INTERSTATE CHEMICALS CLEARINGHOUSE

SECTION 14.27. The Department of Environment and Natural Resources is
authorized to join the Interstate Chemicals Clearinghouse for the purpose of access to key data
necessary to enhance safety in the use of toxic substances.

WATER AND SEWER FUNDS/FOREST CITY

SECTION 14.28. Of the funds appropriated in this act to the Department of
Environment and Natural Resources for grants to local governments for critical needs water
infrastructure development grants, the sum of seventeen thousand five hundred dollars
($17,500) shall be allocated to the town of Forest City for a water line extension.

PART XV. DEPARTMENT OF COMMERCE

ABC COMMISSION/USE OF FUNDS CREDITED TO ABC COMMISSION FUND

SECTION 15.1. G.S. 18B-208 reads as rewritten:
"§ 18B-208. ABC Commission bonds and funds.

... (b) Special Fund. – A special fund in the office of the State Treasurer, the ABC
Commission Fund, is created. On and after November 1, 1982, all moneys derived from the
collection of bailment charges and bailment surcharges shall be deposited in the ABC
Commission Fund for the purpose of carrying out the provisions of this Chapter. The ABC
Commission Fund shall be subject to the provisions of the State Budget Act except that no
unexpended surplus of this fund shall revert to the General Fund. The Commission shall fix the
level of the bailment surcharges at an amount calculated to cover operating expenses of the Commission and the retirement of bonds issued for construction of a Commission warehouse and offices. Upon payment of the bonds issued pursuant to this section, the Commission shall reduce the bailment surcharge to an amount no greater than necessary to pay operating expenses of the Commission as authorized by the General Assembly.

All moneys credited to the ABC Commission Fund shall be used to carry out the intent and purposes of the ABC law in accordance with plans approved by the North Carolina ABC Commission and the Director of the Budget, and all these funds are appropriated, reserved, set aside, and made available until expended for the administration of the ABC law. Budget. The moneys in the Fund shall be expended only upon an appropriation by an act of the General Assembly."

**TRANSFER ABC COMMISSION TO DEPARTMENT OF PUBLIC SAFETY**

**SECTION 15.2A.(a)** The North Carolina Alcoholic Beverage Control Commission is hereby transferred to the Department of Public Safety. This transfer shall have all of the elements of a Type II transfer, as described in G.S. 143A-6, except that the management functions of the ABC Commission shall not be performed under the direction and supervision of the Secretary of the Department of Public Safety.

**SECTION 15.2A.(b)** G.S. 143B-431(a)(2)a. is repealed.

**SECTION 15.2A.(c)** G.S. 143B-433(1)a. is repealed.

**SECTION 15.2A.(d)** G.S. 18B-200(a) reads as rewritten:

(a) Creation of Commission; compensation. – The North Carolina Alcoholic Beverage Control Commission is created to consist of a chairman and two associate members. The Commission shall be administratively located within the Department of Public Safety but shall exercise its powers independently of the Secretary of Public Safety. The chairman shall devote his full time to his official duties and receive a salary fixed by the General Assembly in the Current Operations Appropriations Act. The associate members shall be compensated for per diem, subsistence and travel as provided in Chapter 138 of the General Statutes."

**SECTION 15.2A.(e)** G.S. 143B-600 reads as rewritten:

"§ 143B-600. Organization.
(a) There is established the Department of Public Safety. The head of the Department of Public Safety is the Secretary of Public Safety, who shall be known as the Secretary.
(b) The powers and duties of the deputy secretaries, commissioners, directors, and the divisions of the Department shall be subject to the direction and control of the Secretary of Public Safety, except that the powers and duties of the North Carolina Alcoholic Beverage Control Commission shall be exercised independently of the Secretary, in accordance with G.S. 18B-200."

**SECTION 15.2A.(f)** This section becomes effective October 1, 2014.

**ABC COMMISSION/30-DAY SUSPENSION OF PERMIT FOR CERTAIN CRIMINAL CHARGES**

**SECTION 15.2A1.(a)** G.S. 18B-904(e) is amended by adding a new subdivision to read as follows:

"(d) Notwithstanding G.S. 18B-906, the Commission shall immediately suspend permits issued by it for a period of 30 days if both of the following apply:
(a) Alcohol Law Enforcement agents or local ABC Board officers provide advance notice to the Commission Legal Division staff of the ongoing undercover operation.
(b) Upon execution of the search warrant resulting from the undercover operation, five or more persons are criminally charged with violations of the gambling, disorderly conduct, prostitution, controlled substance, or felony criminal counterfeit trademark laws."
SECTION 15.2A1.(b) This section becomes effective October 1, 2014, and applies to criminal charges filed on or after that date.

SET REGULATORY FEE FOR UTILITIES COMMISSION

SECTION 15.2B. Section 15.1(a) of S.L. 2013-360 reads as rewritten:

"SECTION 15.1.(a) The percentage rate to be used in calculating the public utility regulatory fee under G.S. 62-302(b)(2) is thirty-one-hundredths of one percent (0.31%) for each public utility's North Carolina jurisdictional revenues earned during each quarter that begins on or after July 1, 2013, and on or after July 1, 2014."

COMMERCE FUNDS USED FOR BASE REALIGNMENT AND CLOSURE ACTIVITIES

SECTION 15.4.(a) Funds appropriated to the Department of Commerce for the 2013-2014 fiscal year that are unexpended and unencumbered as of June 30, 2014, shall not revert to the General Fund but shall remain available to the Department until expended for use in the State's preparation for United States Department of Defense Base Realignment and Closure activities.

SECTION 15.4.(b) This section becomes effective June 30, 2014.

SPECIAL FUNDS TRANSFER/OFFSET COMMERCE ADMINISTRATION GENERAL FUND APPROPRIATION

SECTION 15.5.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Commerce, shall transfer the unencumbered cash balances in the following funds as of June 30, 2014, to Commerce Administration (Budget Code 14600-1111):

(1) 24609-2537 – Energy Research Grants
(2) 24609-2535 – NC Green Business Fund
(3) 24609-2562 – One North Carolina Small Business Fund
(4) 24613-2622 – Main Street Solutions

SECTION 15.5.(b) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Commerce, shall transfer the unencumbered cash balance in the Economic Development Reserve (Budget Code 24609-2584) as of June 30, 2014, to Commerce Administration (Budget Code 14600-1111) and, upon the transfer, close the Reserve.

SECTION 15.5.(c) The transfers in subsections (a) and (b) of this section are to offset General Fund appropriations to the Department of Commerce for administration.

COMMON FOLLOW-UP/COSTS SHARED BY STATE AGENCIES & LEAD DEVELOP PLAN TO TRANSFER COMMON FOLLOW-UP DATA AND CAPABILITIES TO GDAC

SECTION 15.6.(a) The Commission on Workforce Development (hereinafter "Commission") shall prescribe a method for calculating the amount each of the agencies listed in this subsection shall contribute to fund the Common Follow-Up System at a cost of five hundred thousand dollars ($500,000) on a nonrecurring basis. In developing the method, the Commission shall consider each agency's proportion of data contribution and System usage. The agencies that shall contribute to fund the Common Follow-Up System are as follows:

(1) Department of Public Safety, Division of Adult Correction.
(2) Department of Public Instruction.
(3) Department of Commerce, Division of Workforce Solutions.
(4) Department of Health and Human Services, Division of Services for the Blind; Division of Social Services; and Division of Vocational Rehabilitation Services.
(5) North Carolina Community College System.
(6) The University of North Carolina.

SECTION 15.6.(b) The agencies listed in subsection (a) of this section shall transfer their share of the funds needed to fund the Common Follow-Up System, which shall be determined using the method prescribed by the Commission, to the Department of Commerce, Labor & Economic Analysis Division, no later than December 31, 2014.

SECTION 15.6.(c) The Department of Commerce, Labor & Economic Analysis Division (LEAD), shall develop a plan to transfer the information in and required capabilities of the Common Follow-Up System to the Government Data Analytics Center (GDAC). By February 1, 2015, the Department shall submit the plan to the Office of the State Chief Information Officer, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

MERGE ACCESS NC & DEMAND DRIVEN DATA DELIVERY SYSTEMS/NC BROADBAND REPORTING REQUIREMENT

SECTION 15.7.(a) Of the funds appropriated in this act to the Department of Commerce, the Department shall use the sum of two hundred fifty thousand dollars ($250,000) in the 2014-2015 fiscal year in nonrecurring funds to merge Access NC and Demand Driven Data Delivery to eliminate the duplication of effort in maintaining multiple economic and labor market data systems. By February 1, 2015, and more frequently as requested, the Department shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the progress of the merger, including whether there are improved efficiencies and cost savings.

SECTION 15.7.(b) By February 1, 2015, and more frequently as requested, the Office of the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on NC Connect activities, including providing an update on how NC Broadband in the Department of Commerce has been incorporated into NC Connect.

ECONOMIC DEVELOPMENT COMPETITIVE GRANT PROGRAM FOR UNDERSERVED AND LIMITED RESOURCE COMMUNITIES

SECTION 15.8. Section 15.10B of S.L. 2013-360 reads as rewritten:

"SECTION 15.10B.(a) Of the funds appropriated in this act to the Department of Commerce (Department), the sum of two million five hundred forty-three thousand twenty-one dollars ($2,543,021) one million two hundred fifty thousand dollars ($1,250,000) in recurring funds for the 2014-2015 fiscal year and the sum of five hundred thousand dollars ($500,000) in nonrecurring funds for the 2014-2015 fiscal year shall be allocated for the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities. The Department shall establish and implement this Program to provide grants to local governments and/or nonprofit organizations to encourage the development of economic development activities, services, and projects that benefit underserved populations and limited resource communities across the State.

"SECTION 15.10B.(b) The Department shall develop guidelines and procedures for the administration and distribution of funds allocated to the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities that include, at a minimum, the following:

(1) Eligible organizations shall be nonprofit organizations and local governments that target underserved populations and/or limited resource communities.
(2) Eligible organizations shall make their application in accordance with procedures established by the Department.
(3) Eligible organizations shall not use funds allocated in this section for renting or purchasing land or buildings or for financing debt.

482
(4) Priority shall be given to eligible organizations that demonstrate established community partnerships and business involvement.

(5) Priority shall be given to eligible organizations that match funds and/or have at least one other significant source of funding.

(6) Priority shall be given to eligible organizations that prioritize independent fundraising to achieve financial sustainability apart from State-funded appropriations."

COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE MATCHING FUNDS

SECTION 15.9.(a) Of the funds appropriated in this act to the Department of Commerce, the sum of six hundred thirty-seven thousand five hundred dollars ($637,500) in recurring funds for the 2014-2015 fiscal year shall be used to meet the State matching funds requirement for Community Development Block Grant (CDBG) funds. All or a portion of these funds shall be used to purchase and install a new grants management software program in the 2014-2015 fiscal year.

SECTION 15.9.(b) Effective July 1, 2014, the Secretary of Commerce shall reduce expenditures in the amount of three hundred eighteen thousand seven hundred fifty dollars ($318,750) in recurring funds for the 2014-2015 fiscal year for the Rural Economic Development Division. However, the Secretary shall not make reductions as provided in this subsection to any grant programs administered by the Rural Economic Development Division.

SECTION 15.9.(c) The Department shall provide the remaining required State match funds in-kind by taking the necessary steps to ensure that positions with salaries equaling the sum of six hundred thirty-seven thousand five hundred dollars ($637,500) in recurring funds for the 2014-2015 fiscal year are dedicated full-time to performing duties related to CDBG activities. To satisfy the in-kind requirement provided for in this subsection, the Department may include positions in the Department of Environment and Natural Resources, CDBG-Infrastructure, that are funded by the General Fund.

SECTION 15.9.(d) By February 1, 2015, the Department shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division regarding (i) the reduction in expenditures required by subsection (b) of this section and (ii) the manner in which the State match will be achieved and how it will be reported to the United States Department of Housing and Urban Development, CDBG Administration.

USE OF DEOBLIGATED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

SECTION 15.9A. The Department of Commerce may use the sum of five million nine hundred eight thousand four hundred ninety-seven dollars ($5,908,497) in deobligated Community Development Block Grant (CDBG) funds as follows:

(1) Four million six hundred fifty-eight thousand four hundred ninety-seven dollars ($4,658,497) for providing public services. The category of public services includes providing substance abuse services and employment services, including job training, to homeless and at-risk veterans in rural areas of the State.

(2) Five hundred thousand dollars ($500,000) for existing CDBG programs that encounter cost overruns.

(3) Seven hundred fifty thousand dollars ($750,000) for providing training and guidance to local governments relative to the CDBG program, its management, and administration requirements.

RURAL ECONOMIC DEVELOPMENT DIVISION/LOANS & GRANTS TO LOCAL GOVERNMENTS TO REUSE OR DEMOLISH BUILDINGS AND PROPERTIES

SECTION 15.10. G.S. 143B-472.127 reads as rewritten:
§ 143B-472.127. Programs administered.
(a) The Rural Economic Development Division shall be responsible for administering the program whereby economic development grants or loans are awarded by the Rural Infrastructure Authority as provided in G.S. 143B-472.128 to local government units. The Rural Infrastructure Authority shall, in awarding economic development grants or loans under the provisions of this subsection, give priority to local government units of the counties that have one of the 80 highest rankings under G.S. 143B-437.08 after the adjustment of that section. The funds available for grants or loans under this program may be used as follows:

(2) To provide matching grants or loans to local government units in an economically distressed county that will productively reuse vacant or demolish buildings and properties or construct or expand rural health care facilities, with priority given to towns or communities with populations of less than 5,000. For purposes of this section, the term "economically distressed county" has the same meaning as in G.S. 143B-437.01.

"...

RURAL ECONOMIC DEVELOPMENT DIVISION/NONRECURRING FUNDS USED FOR GRANTS ONLY
SECTION 15.10A. The Department of Commerce, Rural Economic Development Division, shall use nonrecurring funds appropriated in this act for the 2014-2015 fiscal year only for the purpose of making grants as provided in Part 22 of Article 10 of Chapter 143B of the General Statutes. The Department of Commerce, Rural Economic Development Division, shall not use nonrecurring funds appropriated in this act for the 2014-2015 fiscal year for administrative or any other expenses, but shall use those funds only for the purpose provided for in this section.

COMMERCES STUDY ADJUSTMENTS TO DEVELOPMENT FACTORS USED IN MAKING DEVELOPMENT TIER DESIGNATIONS
SECTION 15.10B.(a) The Department of Commerce (Department) shall study factors that may be used to make an adjustment to a county's development tier designation regardless of the county's actual development factor assigned under G.S. 143B-437.08(b). The adjustment factors considered shall include, at a minimum, events or occurrences that negatively impact a county's rate of unemployment, median household income, percentage growth in population, and assessed value per capita. The Department shall also consider aligning the State's development tier designations with the U.S. Housing and Urban Development entitlement designations.

SECTION 15.10B.(b) By February 1, 2015, the Department of Commerce shall report the findings of its study to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

LIDAR RESERVE/TOPOGRAPHICAL MAPPING OF THE STATE
SECTION 15.12.(a) Part 1 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read as follows:

"§ 143B-603. LiDAR Reserve.
The "LiDAR Reserve" is established in the Department of Public Safety. Funds in the LiDAR Reserve shall only be used for LiDAR topographical mapping of the State."

SECTION 15.12.(b) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Commerce, shall transfer the cash...
balances, as of June 30, 2014, in the following funds to the LiDAR Reserve in the Department of Public Safety:

1. 24602-2959 – Disaster Relief Fund, Small Business Loans (Hurricane Floyd) – ($122,243).

AGRICULTURE GAS EXPANSION FUND

SECTION 15.13.(a) G.S. 143B-437.020 reads as rewritten:

“§ 143B-437.020. Utilization of economic development incentive programs to support new and expanded natural gas service and to support propane gas service for agricultural projects. Natural gas and propane gas for agricultural projects.

(a) Definitions. –

(1) Agriculture. – Activities defined in G.S. 106-581.1, whether performed on or off the farm.
(2) Economic development incentive programs. – All economic development incentives set forth in G.S. 143B-437.07(c).
(3) Eligible project. – A discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas or propane gas service.
(4) Excess infrastructure costs. – Any project carrying costs incurred by a natural gas local distribution company to provide new or expanded natural gas service to an eligible project that exceed the income the infrastructure generates for the local natural gas distribution company, including any standard rates, special contract rates, minimum margin agreements, and contributions in aid of construction collected by the natural gas local distribution company.
(5) Project carrying costs. – All costs, including depreciation, taxes, operation and maintenance expenses, and, for a natural gas local distribution company, a return on investment equal to the rate of return approved by the Utilities Commission in the natural gas local distribution company's most recent general rate case under G.S. 62-133.
(6) Secretary. – The Secretary of Commerce.

(a1) Establishment. – The Expanded Gas Products Service to Agriculture Fund is established as a special revenue fund in the Department of Commerce.

(b) Facilitation of New and Expanded Natural Gas Service to Agricultural Projects. – Economic development incentive programs may utilize funds for agricultural projects. The Secretary may disburse moneys in the Expanded Gas Products Service to Agriculture Fund for the following purposes:

(1) To allow the owner of an eligible project to pay for excess infrastructure costs associated with the eligible project.
(2) To allow the owner of an eligible project to pay for cost-effective alternatives that would reduce excess infrastructure costs, including:
   a. Relocating equipment that uses natural gas to a different location on the property nearer existing natural gas lines to reduce or eliminate the project carrying costs.
   b. Adding supplemental uses of natural gas to increase annual volume throughput and enhance the feasibility of new natural gas service, including fuel for tractors and equipment, greenhouses, plant or animal production, feed grain drying, and natural gas powered irrigation pumps.

(c) Facilitation of New and Expanded Propane Gas Service to Agricultural Production. – Economic development incentive programs may utilize funds for agricultural projects.
Secretary may disburse moneys in the Expanded Gas Products Service to Agriculture Fund to allow the owner of an eligible project to pay for cost-effective alternatives that would do any of the following:

1. reduce infrastructure costs or reduce energy costs.
2. increase energy efficiency or reduce energy consumption.
3. increase annual volume throughput, reduce energy consumption, or reduce energy costs.
4. enhance the feasibility of the project or the provision of propane gas service by adding supplemental uses of propane gas to increase annual volume throughput, including (i) convert or repower tractors, trucks, vehicles, and mowers to use propane gas, or (ii) provide propane gas powered tractors, equipment, appliances, irrigation pumps, and dryers to service agricultural production facilities or operations, or (iii) provide a dispensing station for the project owner's use.

(d) Use of Incentive Funds. – Incentive funds utilized in accordance with subsections (b) and (c) of this section shall be paid directly to the owner of the eligible project.

(e) Termination. – Incentive funds utilized in accordance with subsection (b) of this section shall terminate when there are no longer excess infrastructure costs.

(f) Reimbursement. – The owner of an eligible project who receives incentive funds in accordance with subsections (b) or (c) of this section shall be responsible for reimbursing the incentive funds if, for any reason, the eligible project does not maintain business operations for a period of at least five years from the date of the initial utilization of incentive funds. Forfeiture. – An owner of an eligible project who receives a disbursement pursuant to subsection (b) or (c) of this section forfeits the amount disbursed if the owner fails to maintain business operations for a period of at least five years from the date of initial utilization of the disbursement. An owner that forfeits amounts disbursed under this section is liable for the amount disbursed plus interest at the rate established under G.S. 105-241.21, computed from the date of the disbursement.

(g) Limits on Eligible Project Incentive Allocation of Funds. – Total incentive funds for all eligible projects under subsections (b) and (c) of this section shall not cumulatively exceed five million dollars ($5,000,000) per biennium. The managers of economic development incentive programs shall promptly report payments made in accordance with subsections (b) and (c) of this section to the Department of Commerce, and the Department of Commerce shall promptly notify the managers of economic development incentive programs when the limitation provided by this subsection has been reached for the biennium. The Secretary shall transfer from the Utility Account to the Expanded Gas Products Service to Agriculture Fund at least five million dollars ($5,000,000) per biennium, as defined in G.S. 143C-1-1. If funds appropriated for the Job Development Investment Grant Program, the One North Carolina Fund, or a combination of these programs remain unexpended and unencumbered at the end of the fiscal year, those unexpended and unencumbered funds shall be used to reimburse the Utility Account for transfers made during the fiscal year pursuant to this section, notwithstanding job creation or other statutory requirements otherwise applicable to the programs or funds.

(h) Mechanism not Exclusive. – The utilization of incentive funds in accordance with subsections (b) or (c) of this section is intended to supplement other available mechanisms for the extension of service to new or expanding customers and may be used in conjunction with special contract arrangements, minimum margin agreements, and contributions in aid of construction.
(i) **Reporting Requirement.** – The Secretary shall publish a report each quarter on the program, including a list of the eligible projects that have applied for funding, a list of the eligible projects that have received funding, the amount of funds allocated to the program, and the amount of funds allocated to eligible projects. The Secretary must make the report available to the public and must submit the report to the Joint Legislative Commission on Energy Policy.

(ii) **Department of Commerce.** – The Department of Commerce shall develop guidelines related to the administration of the Expanded Gas Products Service to Agriculture Fund and to the selection of projects to receive allocations from the Fund. At least 20 days before the effective date of any guidelines or nontechnical amendments to guidelines, the Department of Commerce must publish the proposed guidelines on the Department's Web site and provide notice to persons who have requested notice of proposed guidelines. In addition, the Department must accept oral and written comments on the proposed guidelines during the 15 business days beginning on the first day that the Department has completed these notifications. For the purpose of this section, a technical amendment is either of the following:

1. An amendment that corrects a spelling or grammatical error.
2. An amendment that makes a clarification based on public comment and could have been anticipated by the public notice that immediately preceded the public comment.

**SECTION 15.13.(b)** G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

(18) The Department of Commerce and the Economic Investment Committee in developing criteria and administering the Job Maintenance and Capital Development Fund under G.S. 143B-437.012.

(18a) The Department of Commerce in developing criteria and administering the Expanded Gas Products Service to Agriculture Fund under G.S. 143B-437.020.

..."

**SECTION 15.13.(c)** This section becomes effective July 1, 2014. The Department of Commerce shall begin developing the guidelines for the administration of the program when this act becomes law.

**FUND ONE NC SMALL BUSINESS FUND**

**SECTION 15.14.** Of the funds remaining in the One North Carolina Fund established in G.S. 143B-437.71 at the end of fiscal year 2013-2014, an amount equal to two million five hundred thousand dollars ($2,500,000) shall be transferred to the One North Carolina Small Business Fund and used for the North Carolina SBIR/STTR Incentive Program and the North Carolina SBIR/STTR Matching Funds Program.

**MAIN STREET SOLUTIONS FUNDING**

**SECTION 15.14A.** Of the funds unexpended and unencumbered in the Industrial Development Fund Utility Account, the sum of one million dollars ($1,000,000) shall be transferred to the Main Street Solutions Fund to supplement the program for the 2014-2015 fiscal year.

**FILM AND ENTERTAINMENT GRANT FUND**

**SECTION 15.14B.(a)** Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-437.02A. The Film and Entertainment Grant Fund.

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special, nonreverting account to be known as the Film and Entertainment Grant Fund to
provide funds to encourage the production of motion pictures, television shows, and commercials and to develop the filmmaking industry within the State. The Department of Commerce shall adopt guidelines providing for the administration of the program. Those guidelines may provide for the Secretary to award the grant proceeds over a period of time, not to exceed three years. Those guidelines shall include the following provisions, which shall apply to each grant from the account:

1. The funds are reserved for a production on which the production company has qualifying expenses of at least the following:
   a. For a feature-length film, five million dollars ($5,000,000).
   b. For a video or television series, two hundred fifty thousand dollars ($250,000) per episode.
   c. For a commercial for theatrical or television viewing, two hundred fifty thousand dollars ($250,000).

2. The funds are not used to provide a grant in excess of any of the following:
   a. An amount more than twenty-five percent (25%) of the qualifying expenses for the production.
   b. An amount more than five million dollars ($5,000,000) for a feature-length film, more than five million dollars ($5,000,000) for a television or video series, or two hundred fifty thousand dollars ($250,000) for a commercial for theatrical or television viewing.

3. The funds are not used to provide a grant to more than one production company for a single production.

4. The funds are not used to provide a grant for a production that meets one or more of the following:
   a. It contains material that is “obscene,” as defined in G.S. 14-190.1, or that is “harmful to minors,” as defined in G.S. 14-190.13.
   b. It has the primary purpose of political advertising, fundraising, or marketing, other than by commercial, a product, or service.
   c. News programming, including weather, financial market, and current events reporting.
   d. Live sporting event programming, including pre-event and post-event coverage and scripted sports entertainment. For purposes of this exception, a live sporting event is a scheduled sporting competition, game, or race that is originated solely by an amateur, collegiate, or professional organization, institution, or association for live or tape-delayed television or satellite broadcast. The term does not include commercial advertising, an episodic television series, a television pilot, a music video, a motion picture, or a documentary production in which sporting events are presented through archived historical footage or similar footage taken at least 30 days before it is used.
   e. Radio productions.
   f. It is a talk, game, or awards show or other gala event. For purposes of this exception, an awards show is television programming involving the filming of a ceremony in which individuals, groups, or organizations are given an award.
   g. It fails to contain, in the end credits of the production, a statement that the production was "Filmed in North Carolina," a logo provided by the North Carolina Film Office, and an acknowledgement of the regional film office responsible for the geographic area in which the filming of the production occurred. Additionally, the production company will offer marketing opportunities to be evaluated by the
North Carolina Film Office to ensure that they offer promotional value to the State.

(5) Priority for the use of funds shall be given to productions that are reasonably anticipated to maximize the benefit to the State, in consideration of at least the following factors:

a. Percentage of employees that are permanent residents in the State.

b. The extent to which the production features identifiable attractions or State locales in a manner that would be reasonably expected to induce visitation by nonresidents of the State to the attraction or locale.

c. The extent to which the production invests in permanent improvements to open public spaces, commercial districts, traditional downtown areas, public landmarks, residential areas, or similar properties or areas.

d. The extent to which the production will be filmed in an economically distressed county or area of the State.

e. The duration of production activities in the State.

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

(1) Department. – The Department of Commerce.

(2) Employee. – A person who is employed for consideration for at least 35 hours a week and whose wages are subject to withholding under Article 4A of Chapter 105 of the General Statutes.

(3) Highly compensated individual. – An individual who directly or indirectly receives compensation in excess of one million dollars ($1,000,000) for personal services with respect to a single production. An individual receives compensation indirectly when a production company pays a personal service company or an employee leasing company that pays the individual.

(4) Loan-out company. – A personal service corporation that employs an individual who is hired by a film or digital media production company.

(5) Production. – Any of the following:

a. A motion picture intended for commercial distribution to a motion picture theater or directly to the consumer viewing market that has a running time of at least 75 minutes.

b. A video or television series or a commercial for theatrical or television viewing. For video and television series, a production is all of the episodes of the series produced for a single season.

(6) Production company. – Defined in G.S. 105-164.3.

(7) Qualifying expenses. – The sum of the amounts listed in this subdivision, substantiated pursuant to subsection (d) of this section, and spent in this State by a production company in connection with a production, less the amount paid in excess of one million dollars ($1,000,000) to a highly compensated individual.

a. Goods and services leased or purchased. For goods with a purchase price of twenty-five thousand dollars ($25,000) or more, the amount included in qualifying expenses is the purchase price less the fair market value of the good at the time the production is completed. Goods and services includes the costs of tangible and intangible property used for, and services performed primarily and customarily in, production, including preproduction and postproduction and other direct costs of producing the project in accordance with generally accepted entertainment industry practices. Goods and services exclude costs for development, marketing, and distribution; costs of financing for the production, of bonding related to the production, of
production-related insurance coverage obtained on the production; and expenses for insurance coverage purchased from a related member.

b. Compensation and wages and payments on which withholding payments are remitted to the Department of Revenue under Article 4A of Chapter 105 of the General Statutes. Payments made to a loan-out company for services provided in North Carolina shall be subject to gross income tax withholding at the applicable rate under the Article 4 of Chapter 105 of the General Statutes.

c. Employee fringe contributions, including health, pension, and welfare contributions.

d. Per diems, stipends, and living allowances paid for work being performed in this State.

(8) Related member. – Defined in G.S. 105-130.7A.

(9) Secretary. – The Secretary of Commerce.

c. Application. – A production company shall apply, under oath, to the Secretary for a grant on a form prescribed by the Secretary. The Secretary shall evaluate the applications to ensure the production's content is created for entertainment purposes. The application shall include all documentation and information the Secretary deems necessary to evaluate the grant application.

d. Substantiation. – The Secretary shall work with the North Carolina Film Office to adopt guidelines to provide a process to verify the actual qualifying expenses of a certified production. The Secretary may not release grant funds until the substantiation process required by this subsection is complete and the final verified amount of qualified expenses is determined. The process shall require each of the following:

(1) The production company shall submit all the qualifying expenses for the production and data substantiating the qualifying expenses, including documentation on the net expenditure on equipment and other tangible personal property to an independent certified public accountant licensed in this State.

(2) The accountant shall conduct a compliance audit, at the certified production's expense, pursuant to guidelines established by the Secretary and submit the results as a report, along with the required substantiating data, to the production company and the North Carolina Film Office.

(3) The North Carolina Film Office shall review the report and advise the Department on the final verified amount of qualifying expenses made by the certified production.

c. Report. – The Department shall provide to the Department of Revenue, and the Department of Revenue must include in the economic incentives report required by G.S. 105-256, the following information, itemized by production company:

(1) The location of sites used in a production for which a grant was awarded.

(2) The qualifying expenses, classified by whether the expenses were for goods, services, or compensation paid by the production company.

(3) The number of people employed in the State with respect to grants awarded, including the number of residents of the State employed.

(4) The total cost of the grants awarded.

(f) NC Film Office. – To claim a grant under this section, a production company must notify the Division of Tourism, Film, and Sports Development in the Department of Commerce of its intent to apply for a grant. The notification must include the title of the production, the name of the production company, a financial contact for the production company, the proposed dates on which the production company plans to begin filming the production, and any other information required by the Division.
(g) Guidelines. – The Department of Commerce shall develop guidelines related to the administration of the Film and Entertainment Grant Fund and to the selection of productions that will receive grants from the Fund. At least 20 days before the effective date of any guidelines or nontechnical amendments to the guidelines, the Department of Commerce shall publish the proposed guidelines on the Department's Web site and provide notice to persons who have requested notice of proposed guidelines. In addition, the Department must accept oral and written comments on the proposed guidelines during the 15 business days beginning on the first day that the Department has completed these notifications."

SECTION 15.14B.(b) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

..."  

(18) The Department of Commerce and the Economic Investment Committee in developing criteria and administering the Job Maintenance and Capital Development Fund under G.S. 143B-437.012.

(18a) The Department of Commerce in administering the Film and Entertainment Grant Fund under G.S. 143B-437.02A.

..."

SECTION 15.14B.(c) This section becomes effective January 1, 2015, and expires July 1, 2020. The Secretary shall not award a grant for any qualifying expenses for which a taxpayer receives a tax credit under G.S. 105-130.47 or G.S. 105-151.29.

EMPLOYMENT SECURITY RESERVE FUND

SECTION 15.15. Section 15.4(a) of S.L. 2013-360 reads as rewritten:

"SECTION 15.4.(a) There is appropriated from the Employment Security Reserve Fund to the Department of Commerce, Division of Employment Security, the amount needed for the 2013-20142014-2015 fiscal year to fund the interest payment due to the federal government for the debt owed to the U.S. Treasury for unemployment benefits."

APPOINTMENT OF DEPUTY COMMISSIONERS FOR INDUSTRIAL COMMISSION

SECTION 15.16.(a) G.S. 97-79(b) reads as rewritten:

"(b) The Chair of the Commission may appoint deputies who deputy commissioners to serve a term of six years. No person may serve more than two terms as a deputy commissioner. In calculating the number of terms served, a partial term of less than two years shall not be included. Deputy commissioners shall have the same power as members of the Commission pursuant to G.S. 97-80 and the same power to take evidence and enter orders, opinions, and awards based thereon as is possessed by the members of the Commission. The deputies shall be subject to the State Personnel System During the term, the deputy commissioner may only be removed from office pursuant to G.S. 97-78.1. Upon the expiration of each term, the deputy commissioner's employment shall be separated unless reappointed by the Chair of the Commission."

SECTION 15.16.(b) G.S. 126-5 reads as rewritten:

"§ 126-5. Employees subject to Chapter; exemptions.

... (c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

... (2) Officers and employees of the Judicial Department.

(2a) Deputy commissioners appointed pursuant to G.S. 97-79.

..."

(d) ...
(7) Hearing Officers. – Except for deputy commissioners appointed pursuant to G.S. 97-79 and as otherwise specifically provided by this section, no employee, by whatever title, whose primary duties include the power to conduct hearings, take evidence, and enter a decision based on findings of fact and conclusions of law based on statutes and legal precedents shall be designated as exempt. This subdivision shall apply beginning July 1, 1985, and no list submitted after that date shall designate as exempt any employee described in this subdivision.

SECTION 15.16.(c) As of August 1, 2014, the terms of all current deputy commissioners are as follows:

1. The seven deputy commissioners with the least time of service shall each serve a term of six months expiring February 1, 2015.
2. The seven deputy commissioners with the next least time of service shall each serve a term of 12 months expiring August 1, 2015.
3. The remaining deputy commissioners not covered under subdivision (1) or (2) of this subsection shall each serve a term of 18 months expiring February 1, 2016.
4. Time of service shall be calculated beginning with the hire date of the person as a deputy commissioner.
5. Nothing in this section shall prohibit a current deputy commissioner from being eligible for reappointment to a six-year term, as provided by subsection (a) of this section.

SECTION 15.16.(d) Section 60(b) of S.L. 2013-413 is repealed.

SECTION 15.16.(e) This section is effective when it becomes law.

WORKERS' COMPENSATION/REIMBURSEMENT FOR PRESCRIPTION DRUGS AND PROFESSIONAL PHARMACEUTICAL SERVICES

SECTION 15.16A.(a) Article 1 of Chapter 97 of the General Statutes is amended by adding a new section to read as follows:

"§ 97-26.2. Reimbursement for prescription drugs and professional pharmaceutical services.
(a) The reimbursement for prescription drugs and professional pharmaceutical services shall be limited to ninety-five percent (95%) of the average wholesale price (AWP) of the product, calculated on a per unit basis, as of the date of dispensing.
(b) All of the following shall apply to the reimbursement for prescription drugs and professional pharmaceutical services:
1. A health care provider seeking reimbursement for drugs dispensed by a physician shall include the original manufacturer's National Drug Code (NDC) number, as assigned by the United States Food and Drug Administration, on the bills and reports required by this section.
2. In no event may a physician receive reimbursement in excess of ninety-five percent (95%) of the AWP of the drugs dispensed by a physician, as determined by reference to the original manufacturer's NDC number.
3. A repackaged NDC number may not be used and will not be considered the original manufacturer's NDC number. If a health care provider seeking reimbursement for drugs dispensed by a physician does not include the original manufacturer's NDC number on the bills and reports required by this section, reimbursement shall be limited to one hundred percent (100%) of the AWP of the least expensive clinically equivalent drug, calculated on a per unit basis.
4. No outpatient provider, other than a licensed pharmacy, may receive reimbursement for a Schedule II controlled substance, as defined in
G.S. 90-90, or a Schedule III controlled substance, as defined in G.S. 90-91, dispensed in excess of an initial five-day supply, commencing upon the employee's initial treatment following injury. Reimbursement under this subdivision shall be made for the five-day supply at the rates provided in this section.

(5) For purposes of this section, the term "clinically equivalent" means a drug has chemical equivalents which, when administered in the same amounts, will provide essentially the same therapeutic effect as measured by the control of a symptom or disease.”

SECTION 15.16A.(b) This section is effective when it becomes law.

INDUSTRIAL COMMISSION FEES
SECTION 15.16B.(a) G.S. 97-73 reads as rewritten:

"§ 97-73. Fees.
(a) Claims. – The Industrial Commission may establish by rule a schedule of fees for examinations conducted, reports made, documents filed, and agreements reviewed under this Article. The fees shall be collected in accordance with rules adopted by the Industrial Commission.
(b), (c) Repealed by Session Laws 2003-284, s. 10.33(d), effective July 1, 2003.
(d) Safety. – A fee in the amount set by the Industrial Commission is imposed on an employer for whom the Industrial Commission provides an educational training program on how to prevent or reduce accidents or injuries that result in workers' compensation claims or a person for whom the Industrial Commission provides other educational services. The fees are departmental receipts.
(e) Exceptions. – Notwithstanding subsection (a) of this section, the Industrial Commission may not charge fees for any of the following:
(1) A hearing before a Deputy Commissioner under this Chapter.
(2) A hearing before the full Commission under this Chapter.
(3) Processing of an agreement for compensation of disability, an employer's admission of employee's right to permanent partial disability, or a supplemental agreement as to payment of compensation.”

SECTION 15.16B.(b) This section becomes effective July 1, 2015.

NC BIOTECHNOLOGY CENTER
SECTION 15.17. Section 15.30 of S.L. 2013-360 reads as rewritten:

"SECTION 15.30.(a) Of the funds appropriated in this act to the North Carolina Biotechnology Center (hereinafter "Center"), the sum of twelve million six hundred thousand three hundred thirty-eight dollars ($12,600,338) for each fiscal year in the 2013-2015 biennium shall be allocated as follows:
(1) Job Creation: Ag Biotech Initiative, Economic and Industrial Development, and related activities – $2,709,073;
(2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – $8,165,019; and
(3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – $1,726,246.
"SECTION 15.30.(a1) The Center shall prioritize funding and distribution of loans over existing funding and distribution of grants.
"SECTION 15.30.(b) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center.

493
"SECTION 15.30.(c) The Center shall comply with the following reporting requirements:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations 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 Fiscal Research Division a copy of the Center's annual audited financial statement within 30 days of issuance of the statement.

"SECTION 15.30.(d) Of the funds appropriated in this act to the Center, the sum of one million dollars ($1,000,000) in nonrecurring funds for the 2014-2015 fiscal year shall be allocated as follows:

(1) Continued efforts growing the Ag Biotech sector – $250,000.

(2) Concentrated attention on biodefense cluster effort – $750,000."

RESEARCH TRIANGLE INSTITUTE ENERGY RESEARCH

SECTION 15.18. The Research Triangle Institute shall share with the State Energy Office any research supported wholly or partially through funds appropriated by this act that pertains to energy or energy efficiency.

GRASSROOTS SCIENCE PROGRAM

SECTION 15.19. Section 15.25A of S.L. 2013-360 reads as rewritten:

"SECTION 15.25A.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of two million three hundred forty-seven thousand seven hundred eighty-two dollars ($2,347,782) for the 2013-2014 fiscal year and the sum of two million four hundred forty-eight thousand four hundred twenty-nine dollars ($2,448,429) for the 2014-2015 fiscal year are allocated as grants-in-aid for each fiscal year as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aurora Fossil Museum</td>
<td>$61,821</td>
</tr>
<tr>
<td>Cape Fear Museum</td>
<td>$85,248</td>
</tr>
<tr>
<td>Carolina Raptor Center</td>
<td>$74,916</td>
</tr>
<tr>
<td>Catawba Science Center</td>
<td>$93,041</td>
</tr>
<tr>
<td>Colburn Earth Science Museum, Inc.</td>
<td>$62,547</td>
</tr>
<tr>
<td>Cowan Museum of History and Science</td>
<td></td>
</tr>
<tr>
<td>Core Sound Waterfowl Museum</td>
<td>$67,395</td>
</tr>
<tr>
<td>Discovery Place</td>
<td>$261,617</td>
</tr>
<tr>
<td>Eastern NC Regional Science Center</td>
<td>$59,587</td>
</tr>
<tr>
<td>Fascinate-U</td>
<td>$65,616</td>
</tr>
<tr>
<td>Granville County Museum Commission, Inc.–Harris Gallery</td>
<td>$60,651</td>
</tr>
<tr>
<td>Greensboro Children's Museum</td>
<td>$83,575</td>
</tr>
<tr>
<td>Hands On! – A Child's Gallery</td>
<td></td>
</tr>
<tr>
<td>The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.</td>
<td>$73,352</td>
</tr>
<tr>
<td>Highlands Nature Center</td>
<td>$62,816</td>
</tr>
<tr>
<td>Imagination Station</td>
<td>$67,588</td>
</tr>
<tr>
<td>The Iredell Museums, Inc.</td>
<td>$61,013</td>
</tr>
<tr>
<td>Kidsenses</td>
<td>$65,233</td>
</tr>
<tr>
<td>Marbles Kids Museum</td>
<td></td>
</tr>
<tr>
<td>Museum of Coastal Carolina</td>
<td>$65,454</td>
</tr>
<tr>
<td>The Natural Science Center of Greensboro, Inc.</td>
<td>$116,532</td>
</tr>
</tbody>
</table>
### North Carolina Estuarium
- Amount: $58,000
- Prior Year: $58,000
- Current Year: $62,359

### North Carolina Museum of Life and Science
- Amount: $203,545
- Prior Year: $203,545
- Current Year: $197,983

### Pisgah Astronomical Research Institute
- Amount: $74,925
- Prior Year: $74,925
- Current Year: $83,281

### Port Discover: Northeastern North Carolina's Center for Hands-On Science, Inc.
- Amount: $60,610
- Prior Year: $60,610
- Current Year: $60,248

### Rocky Mount Children's Museum
- Amount: $66,463
- Prior Year: $66,463
- Current Year: $67,464

### Schiele Museum of Natural History and Planetarium, Inc.
- Amount: $100,990
- Prior Year: $100,990
- Current Year: $107,868

### Sci Works Science Center and Environmental Park of Forsyth County
- Amount: $83,725
- Prior Year: $83,725
- Current Year: $84,336

### Sylvan Heights Waterfowl Park and Eco-Center
- Amount: $69,864
- Prior Year: $69,864
- Current Year: $68,981

### Western North Carolina Nature Center
- Amount: $74,973
- Prior Year: $74,973
- Current Year: $72,400

### Wilmington Children's Museum
- Amount: $66,684
- Prior Year: $66,684
- Current Year: $69,274

**Total**
- Amount: $2,347,782
- Prior Year: $2,347,782
- Current Year: $2,448,429

---

**SECTION 15.25A.(f) -** Each museum listed in subsection (a) of this section shall do the following:

1. By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations 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 Fiscal Research Division a copy of the organization's annual audited financial statement within 30 days of issuance of the statement.

---

**STUDY FUTURE USE OF BROUGHTON HOSPITAL FACILITIES**

**SECTION 15.20.(a) -** Upon the Department of Commerce's raising the sum of two hundred thousand dollars ($200,000) in non-State funds for the study described in subsection (b) of this section, the Department shall use those funds, together with the sum of two hundred thousand dollars ($200,000) in nonrecurring funds appropriated in this act to the Department of Commerce for the 2014-2015 fiscal year, to conduct the study described in subsection (b) of this section.

**SECTION 15.20.(b) -** The Department of Commerce shall, in conjunction with the Department of Health and Human Services, the Department of Administration, the City of Morganton, and the County of Burke, use the funds described in subsection (a) of this section to study potential uses for vacated Broughton Hospital facilities and potential development or redevelopment of adjoining State-owned properties to ascertain the economic benefits of use, development, and redevelopment. The study required by this section shall examine all of the following:

1. Potential uses of vacated Broughton Hospital facilities and development or redevelopment of adjoining State-owned properties.
2. Benefits to the State, local governments, and the private sector of each potential use identified in the study.
3. Costs to the State, to the City of Morganton, to the County of Burke, and to the private sector of each potential use identified in the study.
4. Opportunities to use the properties for public-private partnerships.
5. Any other matters that the Department of Administration deems relevant to this study of potential economic benefits in the use of vacated Broughton Hospital facilities and properties.
SECTION 15.20.(c) No later than December 31, 2014, the Department of Commerce shall submit an interim report on the study to the Chairs of the Joint Legislative Oversight Committee on Health and Human Services, to the Chairs of the Joint Legislative Committee on Economic Development and Global Engagement, and to the Chairs of the Joint Legislative Commission on Governmental Operations. No later than June 30, 2015, the Department of Administration shall submit a final report on the results of the study to the Chairs of the same committees.

SECTION 15.20.(d) The Department of Administration shall cooperate fully with the performance of the study required by this section and shall provide timely information about the facilities and other properties being evaluated as part of the study to the Department of Commerce.

FUNDS FOR THE EARL SCRUGGS CENTER

SECTION 15.20.(a) Of the funds appropriated in this act to the Department of Commerce for State Aid, the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2014-2015 fiscal year shall be allocated to Destination Cleveland County, Inc., for the Earl Scruggs Center to support the Center's activities related to the history and cultural traditions of Cleveland County and the surrounding region.

SECTION 15.20.(b) Destination Cleveland County, Inc., shall do the following:
(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the Center's prior State fiscal year activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
(2) Provide to the Fiscal Research Division a copy of the Center's annual audited financial statement within 30 days of issuance of the statement.

PART XVI. DEPARTMENT OF PUBLIC SAFETY

SUBPART XVI-A. GENERAL PROVISIONS

GOVERNOR'S CRIME COMMISSION

SECTION 16A.2. G.S. 143B-1101(b) reads as rewritten:
"(b) The Governor's Crime Commission shall review the level of gang activity throughout the State and assess the progress and accomplishments of the State, and of local governments, in preventing the proliferation of gangs and addressing the needs of juveniles who have been identified as being associated with gang activity.

The Governor's Crime Commission shall develop recommendations concerning the establishment of priorities and needed improvements with respect to gang prevention to the General Assembly and shall report those recommendations to the Chairs of the Senate Appropriations Committee on Justice and Public Safety, the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety, and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each year."

LIMITED AUTHORITY TO RECLASSIFY AND ELIMINATE CERTAIN POSITIONS

SECTION 16A.3. Notwithstanding any other provision of law, subject to the approval of the Director of the Budget, the Secretary of the Department of Public Safety may reclassify or eliminate existing positions in the Division of Administration that are not specifically addressed in this act as needed for the efficient operation of the Department. No position shall be reclassified pursuant to this section solely for the purpose of providing a person in that position with a salary increase. The Secretary of the Department of Public Safety shall report any position reclassification undertaken pursuant to this section to the Chairs of the
House of Representatives Appropriations Subcommittee on Justice and Public Safety, the Chairs of the Senate Appropriations Committee on Justice and Public Safety, and the Fiscal Research Division within 30 days of the reclassification. The report shall include the position number, original title, original fund code, original budgeted salary, new title, new fund code, and new budgeted salary for each reclassified position.

SUBPART XVI-B. DIVISION OF LAW ENFORCEMENT

COMPLIANCE WITH CJIS DATA SECURITY STANDARDS

SECTION 16B.1. The Department of Public Safety shall use funds available to the Division of Law Enforcement to ensure compliance with applicable Federal Bureau of Investigation security standards relating to the access of data in its Criminal Justice Information System. The Department is encouraged to use funds transferred to the State from federal asset forfeiture programs for this purpose.

ABC PERMIT FEE INCREASE

SECTION 16B.2.(a) G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

(b) Renewal. – Application for renewal of an ABC permit shall be on a form provided by the Commission. An application for renewal shall be accompanied by an application fee of twenty-five percent (25%) of the original application fee set in G.S. 18B-902. The application fee shall be the same amount as the initial fee set in G.S. 18B-902, except that the renewal application fee for each wine shop permit shall be five hundred dollars ($500.00), and the renewal application fee for each mixed beverages permit and each guest room cabinet permit shall be seven hundred fifty dollars ($750.00). A renewal fee shall not be refundable.

(b1) Registration. – Each person holding a malt beverage, fortified wine, or unfortified wine permit issued pursuant to G.S. 18B-902(d)(1) through G.S. 18B-902(d)(6) shall register by May 1 of each year on a form provided by the Commission, in order to provide information needed by the State in enforcing this Chapter and to support the costs of that enforcement. The registration required by this subsection shall be accompanied by an annual registration and inspection fee of two hundred dollars ($200.00) for each permit held. The fee shall be paid by May 1 of each year. A registration fee shall not be refundable. Failure to pay the annual registration and inspection fee shall result in revocation of the permit.

..."

SECTION 16B.2.(b) This section applies to fees assessed or collected for permits issued or renewed on or after July 1, 2014.

ESTABLISH HAZARDOUS MATERIALS FACILITY FEE/NEW HAZMAT RESPONSE TEAM

SECTION 16B.3.(a) G.S. 166A-21 reads as rewritten:


As used in this Article: The following definitions apply in this Article:

(1) Department. – The Department of Public Safety.

(2) Division. – The Division of Emergency Management.

(3) Hazardous materials emergency response team or hazmat team. – An organized group of persons specially trained and equipped to respond to and control actual or potential leaks or spills of hazardous materials.

(4) Hazardous material. – Any material defined as a hazardous substance under 29 Code of Federal Regulations §1910.120(a).
“Hazardous materials incident” or “hazardous materials emergency” means an uncontrolled release or threatened release of a hazardous substance requiring outside assistance by a local fire department or hazmat team to contain and control.

“Regional response team” means a Regional response team. – A hazmat team under contract with the State to provide response to hazardous materials emergencies occurring outside the hazmat team’s local jurisdiction at the direction of the Department of Public Safety, Division of Emergency Management.

“Secretary” means the Secretary. – The Secretary of the Department of Public Safety.

“Technician-level entry capability” means the Technician-level entry capability. – The capacity of a hazmat team, in terms of training and equipment as specified in 29 Code of Federal Regulations § 1910.120, to respond to a hazardous materials incident requiring affirmative measures, such as patching, plugging, or other action necessary to stop and contain the release of a hazardous substance at its source.

“Terrorist incident” means activities – Activities that occur within the territorial jurisdiction of the United States, involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any state, and are intended to do one of the following:

a. Intimidate or coerce a civilian population.
b. Influence the policy of a government by intimidation or coercion.
c. Affect the conduct of a government by mass destruction, assassination, or kidnapping.”

SECTION 16B.3.(b) Article 2 of Chapter 166A of the General Statutes is amended by adding a new section to read:

§ 166A-29.1. Hazardous materials facility fee.

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


(2) Hazardous chemical. – As defined in 29 C.F.R. 1910.1200(c), except that the term does not include any of the following:

a. Any food, food additive, color additive, drug, or cosmetic regulated by the Food and Drug Administration.
b. Any substance present as a solid in any manufactured item to the extent exposure to the substance does not occur under normal conditions of use.

c. Any substance to the extent that it is used for personal, family, or household purposes or is present in the same form and concentration as a product packaged for distribution and use by the public.

d. Any substance to the extent that it is used in a research laboratory or a hospital or other medical facility under the direct supervision of a technically qualified individual.

e. Any substance to the extent that it is used in routine agricultural operations or is a fertilizer held for sale by a retailer to the ultimate consumer.

(3) Extremely hazardous substance. – Any substance, regardless of its state, set forth in 40 C.F.R. Part 355, Appendix A or B.

(b) Annual Fee Shall Be Charged. – A person required under Section 302 or 312 of EPCRA to submit a notification or an annual inventory form to the Division shall be required to pay to the Department an annual fee in the amount set forth in subsection (c) of this section.
(c) Amount of Fee. – The amount of the annual fee charged pursuant to subsection (b) of this section shall be calculated in accordance with the following, up to a maximum annual amount of five thousand dollars ($5,000):

1. A fee of fifty dollars ($50.00) shall be assessed for each substance reported by a facility that is classified as a hazardous chemical.
2. A fee of ninety dollars ($90.00) shall be assessed for each substance reported by a facility that is classified as an extremely hazardous substance.

(d) Late Fees. – The Division may impose a late fee for failure to submit a report or filing that substantially complies with the requirements of EPCRA by the federal filing deadline or for failure to pay any fee, including a late fee. This fee shall be in addition to the fee imposed pursuant to subsection (c) of this section. Prior to imposing a late fee, the Division shall provide the person who will be assessed the late fee with written notice that identifies the specific requirements that have not been met and informs the person of its intent to assess a late fee. The assessment of a late fee shall be subject to the following limitations:

1. If the report filing or fee is submitted within 30 days after receipt of the Division's notice that it intends to assess a late fee, no late fee shall be assessed.
2. If the report filing or fee has not been submitted by the end of the period set forth in subdivision (1) of this subsection, the Division may impose a late fee in an amount equal to the amount of the fee charged pursuant to subsection (c) of this section.

(e) Exemptions. – No fee shall be charged under this section to any of the following:

1. An owner or operator of a family farm enterprise, a facility owned by a State or local government, or a nonprofit corporation.
2. An owner or operator of a facility where motor vehicle fuels are stored and from which such fuels are offered for retail sale. However, hazardous chemicals or extremely hazardous substances at such a facility, other than motor vehicle fuels for retail sale, shall not be subject to this exemption.
3. A motor vehicle dealer, as that term is defined in G.S. 20-286(11).

(f) Use of Fee Proceeds. – The proceeds of fees assessed pursuant to this section shall be used for the following:

1. To pay costs associated with the maintenance of a hazardous materials database.
2. To support the operations of the regional response program for hazardous materials emergencies and terrorist incidents.
3. To provide grants to counties for hazardous materials emergency response planning, training, and related exercises.

SECTION 16B.3.(c) The Department of Public Safety may establish and operate an additional hazmat team to serve Lee and Moore Counties and shall use proceeds from fees assessed and collected pursuant to G.S. 166A-29.1 to ensure that the hazardous materials emergency response capabilities in Moore and Lee Counties are sufficient to respond to any hazardous materials emergencies occurring in those counties as a result of natural gas exploration and extraction.

SECTION 16B.3.(d) G.S. 166A-22 reads as rewritten:


(a) The Secretary shall adopt rules establishing a regional response program for hazardous materials emergencies and terrorist incidents, to be administered by the Division of Emergency Management. To the extent possible, the regional response program shall be coordinated with other emergency planning activities of the State. The regional response program shall include at least six seven hazmat teams located strategically across the State that are available to provide regional response to hazardous materials or terrorist incidents requiring technician-level entry capability and 24-hour dispatch and communications capability at the
Division of Emergency Management Operations Center. The rules for the program shall include:

SECTION 16B.3.(e) This section applies to fees assessed on or after July 1, 2014.

MOBILE VIPER RADIOS FOR THE STATE HIGHWAY PATROL

SECTION 16B.5. The Department of Public Safety shall use the sum of two million eight hundred ninety-four thousand one hundred eighty-eight dollars ($2,894,188) of funds available to the Division of Law Enforcement to purchase mobile VIPER radios for the State Highway Patrol. The Department is encouraged to use funds transferred to the State from federal asset forfeiture programs for this purpose.

STATE CAPITOL POLICE/RECEIPT-SUPPORTED POSITIONS

SECTION 16B.6.(a) The State Capitol Police may contract with State agencies for the creation of receipt-supported positions to provide security services to the buildings occupied by those agencies.

SECTION 16B.6.(b) The State Capitol Police shall report the creation of any position pursuant to this section to the Chairs of the House Appropriations Subcommittee on Justice and Public Safety, to the Chairs of the Senate Appropriations Committee on Justice and Public Safety, and to the Fiscal Research Division within 30 days of the position's creation.

AUTHORIZE ADDITIONAL ASSISTANT ADJUTANT GENERAL POSITION

SECTION 16B.7. G.S. 127A-19 reads as rewritten:


The military head of the militia shall be the Adjutant General who shall hold the rank of major general. The Adjutant General shall be appointed by the Governor in the Governor's capacity as commander in chief of the militia, in consultation with the Secretary of Public Safety, and shall serve at the pleasure of the Governor. No person shall be appointed as Adjutant General who has less than five years' commissioned service in an active status in any component of the Armed Forces of the United States. The Adjutant General, while holding this office, may be a member of the active North Carolina National Guard or naval militia.

Subject to the approval of the Governor and in consultation with the Secretary of Public Safety, the Adjutant General may appoint (i) a deputy adjutant general who may hold the rank of major general, and (ii) an assistant adjutant general for Army National Guard, and an assistant adjutant general for Air National Guard, each of whom may hold the rank of brigadier general and who shall serve at the pleasure of the Governor. The Adjutant General may also employ staff members and other personnel as authorized by the Secretary and funded."

SUBPART XVI-C. DIVISION OF ADULT CORRECTION

ALL MISDEMEANANTS TO SERVE SENTENCES IN LOCAL CONFINEMENT FACILITIES

SECTION 16C.1.(a) G.S. 15A-1351(a) reads as rewritten:

"(a) The judge may sentence to special probation a defendant convicted of a criminal offense other than impaired driving under G.S. 20-138.1, if based on the defendant's prior record or conviction level as found pursuant to Article 81B of this Chapter, an intermediate punishment is authorized for the class of offense of which the defendant has been convicted. A defendant convicted of impaired driving under G.S. 20-138.1 may also be sentenced to special probation. Under a sentence of special probation, the court may suspend the term of imprisonment and place the defendant on probation as provided in Article 82, Probation, and in addition require that the defendant submit to a period or periods of imprisonment in the custody of the Division of Adult Correction of the Department of Public Safety or a designated local
For probationary sentences for misdemeanors, including impaired driving under G.S. 20-138.1, all imprisonment under this subsection shall be in a designated local confinement or treatment facility. In addition to any other conditions of probation which the court may impose, the court shall impose, when imposing a period or periods of imprisonment as a condition of special probation, the condition that the defendant obey the Rules and Regulations of the Division of Adult Correction of the Department of Public Safety governing conduct of inmates, and this condition shall apply to the defendant whether or not the court imposes it as a part of the written order.

For probationary sentences for misdemeanors, including impaired driving under G.S. 20-138.1, if imprisonment is for continuous periods, the confinement may be in the custody of either the Division of Adult Correction of the Department of Public Safety or a local confinement facility. Noncontinuous periods of imprisonment under special probation may only be served in a designated local confinement or treatment facility. Except for probationary sentences of impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, may not exceed one-fourth the maximum sentence of imprisonment imposed for the offense, and no confinement other than an activated suspended sentence may be required beyond two years of conviction. For probationary sentences for impaired driving under G.S. 20-138.1, the total of all periods of confinement imposed as an incident of special probation, but not including an activated suspended sentence, shall not exceed one-fourth the maximum penalty allowed by law. In imposing a sentence of special probation, the judge may credit any time spent committed or confined, as a result of the charge, to either the suspended sentence or to the imprisonment required for special probation. The original period of probation, including the period of imprisonment required for special probation, shall be as specified in G.S. 15A-1343.2(d), but may not exceed a maximum of five years, except as provided by G.S. 15A-1342(a). The court may revoke, modify, or terminate special probation as otherwise provided for probationary sentences."

SECTION 16C.1.(b) G.S. 15A-1352 reads as rewritten:

"§ 15A-1352. Commitment to Division of Adult Correction of the Department of Public Safety or local confinement facility.

(a) Except as provided in subsection (f) of this section, a person sentenced to imprisonment for a misdemeanor under this Article or for nonpayment of a fine for conviction of a misdemeanor under Article 84 of this Chapter shall be committed for the term designated by the court to the custody of the Division of Adult Correction of the Department of Public Safety or to a local confinement facility. If the sentence imposed for a misdemeanor is for a period of 90 days or less, the commitment must be to a facility other than one maintained by the Division of Adult Correction of the Department of Public Safety, except as provided in G.S. 148-32.1(b). If the sentence or sentences imposed require confinement for more than 180 days, the commitment must be to the custody of the Division of Adult Correction of the Department of Public Safety, Statewide Misdemeanant Confinement Program as provided in G.S. 148-32.1 or, if the period is for 90 days or less, to a local confinement facility, except as provided for in G.S. 148-32.1(b).

If a person is sentenced to imprisonment for a misdemeanor under this Article or for nonpayment of a fine under Article 84 of this Chapter, the sentencing judge shall make a finding of fact as to whether the person would be suitable for placement in a county satellite jail/work release unit operated pursuant to G.S. 153A-230.3. If the sentencing judge makes a finding of fact that the person would be suitable for placement in a county satellite jail/work release unit and the person meets the requirements listed in G.S. 153A-230.3(a)(1), then the custodian of the local confinement facility may transfer the misdemeanant to a county satellite jail/work release unit.

(b) A person sentenced to imprisonment for a felony under this Article or for nonpayment of a fine for conviction of a felony under Article 84 of this Chapter shall be
committed for the term designated by the court to the custody of the Division of Adult Correction of the Department of Public Safety.

(c) A person sentenced to imprisonment for nonpayment of a fine under Article 84, Fines, shall be committed for the term designated by the court:

1. To the custody of the Division of Adult Correction of the Department of Public Safety if the person was fined for conviction of a felony;
2. To the custody of the Division of Adult Correction of the Department of Public Safety or to a local confinement facility if the person was fined for conviction of a misdemeanor, provided that (i) if the sentence imposed is for a period of 90 days or less, the commitment shall be to a facility other than one maintained by the Division of Adult Correction of the Department of Public Safety, except as provided in G.S. 148-32.1(b) and (ii) if the sentence or sentences imposed require confinement for more than 180 days, the commitment must be to the custody of the Division of Adult Correction of the Department of Public Safety.

(d) Notwithstanding any other provision of law, when the sentencing court, with the consent of the person sentenced, orders that a person convicted of a misdemeanor be granted work release, the court may commit the person to a specific prison facility or local confinement facility or satellite jail/work release unit within the county of the sentencing court in order to facilitate the work release arrangement. When appropriate to facilitate the work release arrangement, the sentencing court may, with the consent of the sheriff or board of commissioners, commit the person to a specific local confinement facility or satellite jail/work release unit in another county, or, with the consent of the Division of Adult Correction of the Department of Public Safety, commit the person to a specific prison facility in another county. The Division of Adult Correction of the Department of Public Safety may transfer a prisoner committed to a specific prison facility to a different facility when necessary to alleviate overcrowding or for other administrative purposes.

(e) A person sentenced for a misdemeanor who has a sentence imposed that requires confinement for a period of more than 90 days and up to 180 days, except for those serving sentences for an impaired driving offense under G.S. 20-138.1 under this Article or for nonpayment of a fine under Article 84 of this Chapter, shall be committed for the term designated by the court to confinement pursuant to the Statewide Misdemeanant Confinement Program established by G.S. 148-32.1.

(f) A person sentenced to imprisonment of any duration for impaired driving under G.S. 20-138.1, other than imprisonment required as a condition of special probation under G.S. 15A-1351(a) or G.S. 15A-1344(e), shall be committed to the Statewide Misdemeanant Confinement Program established under G.S. 148-32.1."

SECTION 16C.1.(c) G.S. 20-176(c1) is repealed.

SECTION 16C.1.(d) G.S. 20-179(f3) reads as rewritten:

"(f3) Aggravated Level One Punishment. – A defendant subject to Aggravated Level One punishment may be fined up to ten thousand dollars ($10,000) and shall be sentenced to a term of imprisonment that includes a minimum term of not less than 12 months and a maximum term of not more than 36 months. Notwithstanding G.S. 15A-1371, a defendant sentenced to a term of imprisonment pursuant to this subsection shall not be eligible for parole. However, the defendant shall be released from the Division of Adult Correction of the Department of Public Safety Statewide Misdemeanant Confinement Program on the date equivalent to the defendant's maximum imposed term of imprisonment less four months and shall be supervised by the Section of Prison Community Supervision of the Division of Adult Correction under and subject to the provisions of Article 84A of Chapter 15A of the General Statutes and shall also be required to abstain from alcohol consumption for the four-month period of supervision as verified by a continuous alcohol monitoring system. For purposes of revocation, violation of the requirement to abstain from alcohol or comply with the use of a continuous alcohol monitoring system shall be deemed a controlling condition under G.S. 15A-1368.4."
The term of imprisonment may be suspended only if a condition of special probation is imposed to require the defendant to serve a term of imprisonment of at least 120 days. If the defendant is placed on probation, the judge shall impose as requirements that the defendant (i) abstain from alcohol consumption for a minimum of 120 days to a maximum of the term of probation, as verified by a continuous alcohol monitoring system pursuant to subsections (h1) and (h3) of this section, and (ii) obtain a substance abuse assessment and the education or treatment required by G.S. 20-17.6 for the restoration of a drivers license and as a condition of probation. The judge may impose any other lawful condition of probation."

SECTION 16C.1.(e) G.S. 148-13 reads as rewritten:

§ 148-13. Regulations as to custody grades, privileges, gain time credit, etc.

(a) The Secretary of Public Safety may issue regulations regarding the grades of custody in which State prisoners are kept, the privileges and restrictions applicable to each custody grade, and the amount of cash, clothing, etc., to be awarded to State prisoners after their discharge or parole. The amount of cash awarded to a prisoner upon discharge or parole after being incarcerated for two years or longer shall be at least forty-five dollars ($45.00).

(a1) The Secretary of Public Safety shall adopt rules to specify the rates at, and circumstances under, which earned time authorized by G.S. 15A-1340.13(d) and G.S. 15A-1340.20(d) may be earned or forfeited by persons serving activated sentences of imprisonment for felony or misdemeanor convictions.

(b) With respect to prisoners who are serving prison or jail terms sentences for impaired driving offenses under G.S. 20-138.1, the Secretary of Public Safety may, in his discretion, issue regulations regarding deductions of time from the terms of such prisoners for good behavior, meritorious conduct, work or study, participation in rehabilitation programs, and the like.

(c), (d) Repealed by Session Laws 1993, c. 538, s. 32, effective January 1, 1995.

(e) The Secretary's regulations concerning earned time and good time credits authorized by this section shall be distributed to and followed by local jail administrators with regard to sentenced jail prisoners.

(f) The provisions of this section do not apply to persons sentenced to a term of special probation under G.S. 15A-1344(e) or G.S. 15A-1351(a)."

SECTION 16C.1.(f) G.S. 148-32.1 reads as rewritten:

§ 148-32.1. Local confinement, costs, alternate facilities, parole, work release.

(a) Repealed by Session Laws 2009-451, s. 19.22A, effective July 1, 2009.

(b) In the event that the custodian of the local confinement facility certifies in writing to the clerk of the superior court in the county in which the local confinement facility is located that the local confinement facility is filled to capacity, or that the facility cannot reasonably accommodate any more prisoners due to segregation requirements for particular prisoners, or that the custodian anticipates, in light of local experiences, an influx of temporary prisoners at that time, or if the local confinement facility does not meet the minimum standards published pursuant to G.S. 153A-221, any judge of the district court in the district court district as defined in G.S. 7A-133 where the facility is located, or any superior court judge who has jurisdiction pursuant to G.S. 7A-47.1 or G.S. 7A-48 in a district or set of districts as defined in G.S. 7A-41.1 where the facility is located may order that a prisoner not housed pursuant to the Statewide Misdemeanant Confinement Program established in subsection (b2) of this section be transferred to any other qualified local confinement facility within that district or within another such district where space is available, including a satellite jail unit operated pursuant to G.S. 153A-230.3 if the prisoner is a non-violent misdemeanor, which local facility shall accept the transferred prisoner.

If no other local confinement facility is available and the reason for the requested transfer is that the local confinement facility that would be required to house the prisoner cannot reasonably accommodate any more prisoners due to segregation requirements for particular prisoners or the local facility does not meet the minimum standards published pursuant to G.S. 153A-221, then the judge may order that a prisoner not housed pursuant to the Statewide
Misdemeanant Confinement Program established in subsection (b2) of this section be transferred to a facility operated by the Division of Adult Correction of the Department of Public Safety as designated by the Division of Adult Correction. In no event, however, shall a prisoner whose term of imprisonment is less than 30 days be assigned or ordered transferred to a facility operated by the Division of Adult Correction.

(b1) It is the intent of the General Assembly to authorize the Division of Adult Correction to enter into voluntary agreements with counties to provide housing for misdemeanants serving periods of confinement of more than 90 days and up to 180 days and for all sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. It is further the intent of the General Assembly that the Division of Adult Correction, in conjunction with the North Carolina Sheriffs' Association, Inc., establish a program for housing misdemeanants serving periods of confinement of more than 90 days and up to 180 days, except for those serving sentences for an impaired driving offense and for all sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. It is also the intent of the General Assembly that the Division of Adult Correction contract with the North Carolina Sheriffs' Association, Inc., to provide a service that identifies space in local confinement facilities that is available for housing these misdemeanants.

The General Assembly intends that the cost of housing and caring for these misdemeanants, including, but not limited to, care, supervision, transportation, medical, and any other related costs, be covered by State funds and not be imposed as a local cost. Therefore, the General Assembly intends that the funds in the Statewide Misdemeanant Confinement Fund established in G.S. 148-10.4 be used to provide funding to cover the costs of managing a system for providing that housing of misdemeanants in local confinement facilities as well as reimbursing the counties for housing and related expenses for those misdemeanants.

(b2) The Statewide Misdemeanant Confinement Program is established. The Program shall provide for the housing of misdemeanants from all counties serving sentences imposed for a period of more than 90 days and up to 180 days, except for those serving sentences for an impaired driving offense under G.S. 20-138.1 and for all sentences imposed for impaired driving under G.S. 20-138.1, regardless of length. Those misdemeanants shall be confined in local confinement facilities except as provided in subsections (b3) and (b4) of this section. The Program shall address methods for the placement and transportation of inmates and reimbursement to counties for the housing of those inmates. Any county that voluntarily agrees to house misdemeanants from that county or from other counties pursuant to the Program may enter into a written agreement with the Division of Adult Correction to do so.

This Program shall only operate as long as sufficient State funds are available through the Statewide Misdemeanant Confinement Fund established in G.S. 148-10.4(c).

SECTION 16C.1.(g) This section becomes effective October 1, 2014, and applies to (i) persons placed on probation or sentenced to imprisonment for impaired driving under G.S. 20-138.1 on or after January 1, 2015, and (ii) persons placed on probation or sentenced to imprisonment for all other misdemeanors other than impaired driving under G.S. 20-138.1 on or after October 1, 2014.

REMOVE LIMITATION ON COMMUNITY WORK CREW FEE

SECTION 16C.2. G.S. 148-32.2 reads as rewritten:

"§ 148-32.2. Community work crew fee.

The Division of Adult Correction of the Department of Public Safety may charge a fee to any unit of local government to which it provides, upon request, a community work crew. The amount of the fee shall be no more than the cost to the Division to provide the crew to the unit of local government, not to exceed a daily rate of one hundred fifty dollars ($150.00) per work crew-government."
INMATE LABOR CONTRACT

SECTION 16C.3. The Division of Adult Correction of the Department of Public Safety shall prioritize inmate labor contracts in areas where prisons were closed during the 2013-2014 fiscal year. The Division shall charge a transportation fee equivalent to the mileage cost of transporting inmates to and from the contract site. The Division shall also charge an administrative fee as part of the inmate labor contract that reflects the other costs associated with providing the inmate labor.

EVALUATION OF ELECTRICAL DEVICES, APPLIANCES, AND EQUIPMENT USED BY THE DIVISION OF ADULT CORRECTION

SECTION 16C.4. G.S. 66-25(b) reads as rewritten:

"(b) Electrical devices, appliances, or equipment used by the Division of Adult Correction of the Department of Public Safety shall be evaluated for safety and suitability by the Central Engineering Section of the Department of Public Safety. The evaluation shall be conducted in accordance with nationally recognized standards. Electrical devices, appliances, and equipment used by the Division that are not evaluated by the Central Engineering Section as provided by this subsection are subject to the evaluation requirement of subsection (a) of this section."

MAINTENANCE OF PRISONS

SECTION 16C.5. Section 1.1 of S.L. 2011-412, as amended by Section 1.2 of S.L. 2011-412, reads as rewritten:

"SECTION 1.1. The Department of Public Safety shall study the potential benefits and costs of contracting for maintenance services at prison facilities and report its findings to the 2013 Session of the General Assembly. The Department may expand private maintenance contracts to additional prison facilities if it determines that savings can be realized by doing so and that safety can be maintained at those facilities. The Department shall report to the Joint Legislative Commission on Governmental Operations on the anticipated savings and on safety considerations prior to entering any prison maintenance contract under this section."

ADULT AND JUVENILE INMATE MEDICAL COSTS

SECTION 16C.6.(a) Section 16C.4(a) of S.L. 2013-360 reads as rewritten:

"SECTION 16C.4.(a) The Department of Public Safety shall reimburse those providers and facilities providing approved inmate medical services outside the correctional or juvenile facility the lesser amount of either a rate of seventy percent (70%) of the provider's then-current prevailing charge or two times the then-current Medicaid rate for any given service. The Department shall have the right to audit any given provider to determine the actual prevailing charge to ensure compliance with this provision. This section does apply to vendors providing services that are not billed on a fee-for-service basis, such as temporary staffing. Nothing in this section shall preclude the Department from contracting with a provider for services at rates that provide greater documentable cost avoidance for the State than do the rates contained in this section or at rates that are less favorable to the State but that will ensure the continued access to care."

SECTION 16C.6.(b) Section 19.6(c) of S.L. 2010-31 reads as rewritten:

"SECTION 19.6.(c) The Department of Correction shall consult with the Division of Medical Assistance in the Department of Health and Human Services to develop protocols for prisoners and juveniles committed to the Department who would be eligible for Medicaid if they were not incarcerated to access Medicaid while in custody or under extended limits of confinement, or committed to the Department. The Department shall seek reimbursement from Medicaid for those health care costs incurred by the Department in those instances when an
inmate's the Medicaid eligibility of an inmate or of a juvenile held in secure custody or committed to the Department has been temporarily reinstated due to a hospitalization. The Department of Correction shall also work with the Division of Medical Assistance to determine the feasibility of applying for a Medicaid waiver to cover the inmate population.”

REPORT ON TREATMENT FOR EFFECTIVE COMMUNITY SUPERVISION PROGRAM

SECTION 16C.7.(a) Section 16C.12 of S.L. 2013-360 is repealed.

SECTION 16C.7.(b) G.S. 143B-1155(c) reads as rewritten:

The Division of Adult Correction shall report by March 1 of each year to the Chairs of the Senate and House of Representatives Appropriations Committees, the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety, and the Joint Legislative Oversight Committee on Justice and Public Safety on the status of the Treatment for Effective Community Supervision Program. The report shall include the following information:

1. The dollar amount and purpose of funds provided on a contractual basis to service providers for the previous fiscal year and the amount of any funds carried over from the previous fiscal year.

2. An analysis of offender participation data received, including the following:
   a. The number of people on probation and post-release supervision that are in the priority population that received services.
   b. The number of people on probation and post-release supervision that are in the priority population that did not receive services.
   c. The number of people on probation and post-release supervision outside of the priority population that received services.
   d. The type of services provided to these populations, including data on each program's utilization, capacity, and completion rates.
   e. The rate of revocations and successful completions and the educational progress and employment status of people who received services.
   f. Other measures as determined appropriate.

3. The dollar amount needed to provide additional services to meet the needs of the priority population in the upcoming budget year.

4. Details of personnel, travel, contractual, operating, and equipment expenditures for each program type.”

CLARIFY THE IMPOSITION OF CONFINEMENT IN RESPONSE TO VIOLATIONS

SECTION 16C.8.(a) G.S. 15A-1344(d2) reads as rewritten:

"(d2) Confinement in Response to Violation. – When a defendant under supervision for a felony conviction has violated a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a), the court may impose a period of confinement of 90 consecutive days to be served in the custody of the Division of Adult Correction of the Department of Public Safety. The court may not revoke probation unless the defendant has previously received a total of two periods of confinement under this subsection. A defendant may receive only two periods of confinement under this subsection. If the 90-day term of confinement ordered under this subsection for a felony shall not be reduced by credit for time already served in the case. Any such credit shall instead be applied to the suspended sentence. However, if the time remaining on the maximum imposed sentence on a defendant under supervision for a felony conviction is 90 days or less, then the term of confinement is for the remaining period of the sentence. Confinement under this section shall be credited pursuant to G.S. 15-196.1.

When a defendant under supervision for a misdemeanor conviction has violated a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a), the court may impose a
period of confinement of up to 90 consecutive days to be served where the defendant would have served an active sentence. The court may not revoke probation unless the defendant has previously received a total of two periods of confinement under this subsection. A defendant may receive only two periods of confinement under this subsection. Confinement under this section shall be credited pursuant to G.S. 15-196.1.

If a defendant is arrested for violation of a condition of probation and is lawfully confined to await a hearing for the violation, then the judge shall first credit any confinement time spent awaiting the hearing to any confinement imposed under this subsection; any excess time shall be credited to the activated sentence. The period of confinement imposed under this subsection on a defendant who is on probation for multiple offenses shall run concurrently on all cases related to the violation. Confinement shall be immediate unless otherwise specified by the court.

A defendant shall serve any confinement imposed under this subsection in the correctional facility where the defendant would have served an active sentence."

SECTION 16C.8.(b) This section becomes effective October 1, 2014, and applies to probation violations occurring on or after that date.

DETER INMATE ACCESS TO CELL PHONES

SECTION 16C.9. The Department of Public Safety, Division of Adult Correction, may use funds available to fund enhanced prison security technology to deter illegal access of cell phones by inmates in the State's prison system. The Division of Adult Correction is encouraged to identify non-General Fund sources of funds, including federal and foundation grants and other receipts, to achieve this purpose.

USE OF CLOSED FACILITIES

SECTION 16C.10. Section 16A.3 of S.L. 2013-360 reads as rewritten: "SECTION 16A.3. In conjunction with the closing of prison facilities, youth detention centers, and youth development centers, the Department of Public Safety shall consult with the county or municipality in which the facility is located, with the elected State and local officials, and with State and federal agencies about the possibility of converting that facility to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the facility to other use. In developing a proposal for future use of each facility, the Department shall give priority to converting the facility to other criminal justice use. Consistent with existing law and the future needs of the Department of Public Safety, the State may provide for the transfer or the lease of any of these facilities to counties, municipalities, State agencies, federal agencies, or private firms wishing to convert them to other use. The Department of Public Safety may also consider converting some of the facilities recommended for closing from one security custody level to another, where that conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Health and Human Services pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system. In addition, the Department of Public Safety may use available funds to reopen and convert closed facilities for use as treatment and behavior modification facilities for offenders serving a period of confinement in response to violation pursuant to G.S. 15A-1344(d2)."

JUSTICE REINVESTMENT ACT/LIMITED AUTHORITY TO RECLASSIFY VACANT POSITIONS

SECTION 16C.11. Section 16C.13 of S.L. 2013-360 reads as rewritten: "SECTION 16C.13.(a) Notwithstanding any other provision of law, subject to the approval of the Director of the Budget, the Secretary of Public Safety may reclassify vacant positions within the Department to create up to 30 new field services specialist or chief
probation/parole officer positions in order to meet the increasing caseloads resulting from the implementation of the Justice Reinvestment Act of 2011, S.L. 2011-192, as amended. However, no position shall be reclassified pursuant to this section solely for the purpose of providing a person in that position with a salary increase.

"SECTION 16C.13.(b) The Department of Public Safety shall report to the Chairs of the Senate Appropriations Committee on Justice and Public Safety and the House Appropriations Subcommittee on Justice and Public Safety by March 1, 2014, March 1, 2015, on the following:

1. The position number, position type, salary, and position location of each new position created under the authority of this section.
2. The position number, position type, fund code, and position location of each vacant position used to create new positions under the authority of this section."

STATE COMMUNITY CORRECTIONS ADVISORY BOARD APPOINTMENT

SECTION 16C.12. G.S. 143B-1157 reads as rewritten:

"§ 143B-1157. State Community Corrections Advisory Board.
(a) The State Board shall act as an advisory body to the Secretary with regard to this Subpart. The State Board shall consist of 23 members as follows, to be appointed as provided in subsection (b) of this section:

1. A member of the Senate.
2. A member of the House of Representatives.
3. A judge of the superior court.
4. A judge of the district court.
5. A district attorney.
6. A criminal defense attorney.
7. A county sheriff.
8. A chief of a city police department.
9. Two county commissioners, one from a predominantly urban county and one from a predominantly rural county.
10. A representative of an existing community-based corrections program.
11. A member of the public who has been the victim of a crime.
12. Two rehabilitated ex-offenders.
13. A member of the business community.
14. Three members of the general public, one of whom is a person recovering from chemical dependency or who is a previous consumer of substance abuse treatment services.
15. A victim service provider.
16. A member selected from each of the following service areas: mental health, substance abuse, and employment and training.
17. A clerk of superior court.

(b) The membership of the State Board shall be selected as follows:

1. The Governor shall appoint the following members: the county sheriff, the chief of a city police department, the member of the public who has been the victim of a crime, a rehabilitated ex-offender, and the members selected from each of the service areas.
2. The Lieutenant Governor shall appoint the following members: the member of the business community, one member of the general public who is a person recovering from chemical dependency or who is a previous consumer of substance abuse treatment services, and the victim service provider.
3. The Chief Justice of the North Carolina Supreme Court shall appoint the following members: the superior court judge, the district court judge, the
district attorney, the clerk of superior court, the criminal defense attorney, and the representative of an existing community-based corrections program.

(4) The President Pro Tempore of the Senate shall appoint the following members: the member of the Senate, the county commissioner from a predominantly urban county, and one member of the general public.

(5) The Speaker of the House of Representatives shall appoint the following members: the member of the House of Representatives, the county commissioner from a predominantly rural county, and one member of the general public.

In appointing the members of the State Board, the appointing authorities shall make every effort to ensure fair geographic representation of the State Board membership and to ensure that minority persons and women are fairly represented.

(c) The initial members shall serve staggered terms; one-third shall be appointed for a term of one year, one-third shall be appointed for a term of two years, and one-third shall be appointed for a term of three years. The members identified in subdivisions (1) through (7) of subsection (a) of this section shall be appointed initially for a term of one year. The members identified in subdivisions (8) through (13) in subsection (a) of this section shall be appointed initially for a term of two years. The members identified in subdivisions (14) through (16) of subsection (a) of this section shall each be appointed for a term of three years. The additional member identified in subdivision (17) in subsection (a) of this section shall be appointed initially for a term of three years.

At the end of their respective terms of office their successors shall be appointed for terms of three years. A vacancy occurring before the expiration of the term of office shall be filled in the same manner as original appointments for the remainder of the term. Members may be reappointed without limitation.

(d) Each appointing authority shall have the power to remove a member it appointed from the State Board for misfeasance, malfeasance, or nonfeasance.

(e) The members of the State Board shall, within 30 days after the last initial appointment is made, meet and elect one member as Chair and one member as Vice-Chair.

(f) The State Board shall meet at least quarterly and may also hold special meetings at the call of the Chair. For purposes of transacting business, a majority of the membership shall constitute a quorum.

(g) Any member who has an interest in a governmental agency or unit or private nonprofit agency which is applying for a Treatment for Effective Community Supervision Program contract or which has received a contract and which is the subject of an inquiry or vote by a contract oversight committee, shall publicly disclose that interest on the record and shall take no part in discussion or have any vote in regard to any matter directly affecting that particular grant applicant or grantee. "Interest" in a grant applicant or grantee means a formal and direct connection to the entity, including, but not limited to, employment, partnership, serving as an elected official, board member, director, officer, or trustee, or being an immediate family member of someone who has such a connection to the grant applicant or grantee.

(h) The members of the State Board shall serve without compensation but shall be reimbursed for necessary travel and subsistence expenses.”

STUDY 340B DRUG PRICING OPPORTUNITIES

SECTION 16C.13. The Department of Public Safety, Division of Adult Correction, shall study opportunities for the State to obtain savings under the federal 340B Drug Pricing Program on drugs provided to prisoners in State correctional facilities. The Division shall conduct this study in conjunction with the University of North Carolina Health Care System. The Department shall report the results of this study by December 1, 2014, to the chairs of (i) the Joint Legislative Oversight Committee on Justice and Public Safety, (ii) the House Appropriations Subcommittee on Justice and Public Safety, and (iii) the Senate Appropriations Committee on Justice and Public Safety.
SUBPART XVI-D. RESERVED

PART XVII. DEPARTMENT OF JUSTICE

TRANSFER THE SBI AND THE ALCOHOL LAW ENFORCEMENT SECTION

SECTION 17.1.(a) The Division of Criminal Information of the Department of Justice is hereby transferred to the Department of Public Safety. This transfer shall have all of the elements of a Type I transfer, as described in G.S. 143A-6.

SECTION 17.1.(b) The remainder of the State Bureau of Investigation is hereby transferred to the Department of Public Safety as a new section within the Law Enforcement Division. This transfer shall have all of the elements of a Type II transfer, as described in G.S. 143A-6, except as provided in G.S. 143B-927, as enacted by subsection (ttt) of this section.

SBI TRANSFER – CREATION OF STATUTORY SUBPARTS

SECTION 17.1.(c) Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new Subpart to read:
"Subpart A. General Provisions."

SECTION 17.1.(d) Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new Subpart to read:
"Subpart B. State Capitol Police."

SECTION 17.1.(e) Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new Subpart to read:
"Subpart C. State Bureau of Investigation."

SBI TRANSFER – REPEAL OF CERTAIN STATUTES AND RECODIFICATION OF OTHER AFFECTED STATUTES

SECTION 17.1.(f) G.S. 114-13 is repealed.

SECTION 17.1.(g) G.S. 114-2.7 is recodified as G.S. 143B-901 under Subpart A of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (c) of this section.

SECTION 17.1.(h) G.S. 114-10 through G.S. 114-10.1 are recodified as G.S. 143B-902 through G.S. 143B-905 under Subpart A of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (c) of this section.

SECTION 17.1.(i) G.S. 143B-900 is recodified as G.S. 143B-911 under Subpart B of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (d) of this section.

SECTION 17.1.(j) G.S. 114-12 is recodified as G.S. 143B-915 under Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (e) of this section. The following statutes are recodified as G.S. 143B-917 through G.S. 143B-924 under Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (e) of this section: G.S. 114-14 through G.S. 114-15.3 and G.S. 114.14-17 through G.S. 114-18.

SECTION 17.1.(k) G.S. 114-19 is recodified as G.S. 143B-906 under Subpart A of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (c) of this section.

SECTION 17.1.(l) G.S. 114-19.01 is recodified as G.S. 143B-925 under Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes, as created by subsection (e) of this section.

SECTION 17.1.(m) All of Part 2 of Article 4 of Chapter 114 of the General Statutes, other than the section recodified by subsection (l) of this section, is recodified as Subpart D of Part 4 of Article 13 of Chapter 143B of the General Statutes, "Criminal History Record Checks," G.S. 143B-930 through G.S. 143B-981. Statutory sections of the former
statutes that were reserved for future codification shall have corresponding sections that are reserved for future codification in the recodified statutes.


SBI TRANSFER – OTHER CHANGES


SECTION 17.1.(p) The following statutes, as recodified by subsections (f) through (n) of this section, as applicable, are amended by deleting the language "Attorney General" wherever it appears and substituting "Director of the State Bureau of Investigation": G.S. 15A-1475, 58-79-1 through 58-79-15, 58-79-25, 143B-921, and 163-278.

SECTION 17.1.(q) The following statutes, as recodified by subsections (f) through (n) of this section, as applicable, are amended by deleting the language "Division of Criminal Information" and "State Bureau of Investigation's Division of Criminal Information" wherever they appear and substituting "Department of Public Safety": G.S. 15A-1340.14, 15A-1340.21, 20-26, 85B-3.2, 122C-80, 143B-935, 143B-943, 143B-954, and 143B-981.

SECTION 17.1.(r) The following statutes are amended by deleting the language "Division" wherever it appears and substituting "Department of Public Safety": G.S. 14-208.7, 14-208.8, 14-208.8A, 14-208.9, 14-208.9A, 14-208.12A, 14-208.15, 14-208.15A, 14-208.22, and 14-208.27. However, no substitution shall be made under this subsection to instances of the word "Division" that appear in the phrase "Division of Adult Correction."

SECTION 17.1.(s) G.S. 7A-349 reads as rewritten:

"§ 7A-349. Criminal history record check; denial of employment, contract, or volunteer opportunity.

The Judicial Department may deny employment, a contract, or a volunteer opportunity to any person who refuses to consent to a criminal history check authorized under G.S. 114-19.19, G.S. 143B-950 and may dismiss a current employee, terminate a contractor, or terminate a volunteer relationship if that employee, contractor, or volunteer refuses to consent to a criminal history record check authorized under G.S. 114-19.19, G.S. 143B-950."

SECTION 17.1.(t) G.S. 7B-1904 reads as rewritten:

"§ 7B-1904. Order for secure or nonsecure custody.

The custody order shall be in writing and shall direct a law enforcement officer or other authorized person to assume custody of the juvenile and to make due return on the order. The official executing the order shall give a copy of the order to the juvenile's parent, guardian, or custodian. If the order is for nonsecure custody, the official executing the order shall also give a copy of the petition and order to the person or agency with whom the juvenile is being placed. If the order is for secure custody, copies of the petition and custody order shall accompany the juvenile to the detention facility or holdover facility of the jail. A message of the Division of Criminal Information, State Bureau of Investigation, the Department of Public Safety stating that a juvenile petition and secure custody order relating to a specified juvenile are on file in a particular county shall be authority to detain the juvenile in secure custody until a copy of the juvenile petition and secure custody order can be forwarded to the juvenile detention facility. The copies of the juvenile petition and secure custody order shall be transmitted to the detention facility no later than 72 hours after the initial detention of the juvenile.

511
An officer receiving an order for custody which is complete and regular on its face may execute it in accordance with its terms and need not inquire into its regularity or continued validity, nor does the officer incur criminal or civil liability for its execution.

SECTION 17.1.(u)  G.S. 8-58.20(c) reads as rewritten:
"(c) The analyst who analyzes the forensic sample and signs the report shall complete an affidavit on a form developed by the State Bureau of Investigation, State Crime Laboratory. In the affidavit, the analyst shall state (i) that the person is qualified by education, training, and experience to perform the analysis, (ii) the name and location of the laboratory where the analysis was performed, and (iii) that performing the analysis is part of that person’s regular duties. The analyst shall also aver in the affidavit that the tests were performed pursuant to the accrediting body's standards for that discipline and that the evidence was handled in accordance with established and accepted procedures while in the custody of the laboratory. The affidavit shall be sufficient to constitute prima facie evidence regarding the person's qualifications. The analyst shall attach the affidavit to the laboratory report and shall provide the affidavit to the investigating officer and the district attorney in the prosecutorial district in which the criminal charges are pending. An affidavit by a forensic analyst sworn to and properly executed before an official authorized to administer oaths is admissible in evidence without further authentication in any criminal proceeding with respect to the forensic analysis administered and the procedures followed."

SECTION 17.1.(v)  G.S. 14-16.9 reads as rewritten:
"§ 14-16.9. Officers-elect to be covered.
Any person who has been elected to any office covered by this Article but has not yet taken the oath of office shall be considered to hold the office for the purpose of this Article and G.S. 114-15.G.S. 143B-919."

SECTION 17.1.(w)  G.S. 14-132(c)(3) reads as rewritten:
"(3) Designated by the Attorney General Director of the State Bureau of Investigation in accordance with G.S. 114-20.1.G.S. 143B-987."

SECTION 17.1.(x)  G.S. 14-208.6 reads as rewritten:
"§ 14-208.6. Definitions.
The following definitions apply in this Article:

(1c) "Division" means the Division of Criminal Information of the Department of Justice, Department of Public Safety.

(8) "Statewide registry" means the central registry compiled by the Division of Criminal Information in accordance with G.S. 14-208.14.

SECTION 17.1.(y)  G.S. 14-208.13 reads as rewritten:
(a) The Division of Criminal Information of the Department of Public Safety shall include the registration information in the Police Criminal Information Network as set forth in G.S. 114-10.1.G.S. 143B-905.
(b) The Division of Criminal Information of the Department of Public Safety shall maintain the registration information permanently even after the registrant's reporting requirement expires."

SECTION 17.1.(z)  G.S. 14-208.14 reads as rewritten:
"§ 14-208.14. Statewide registry; Division of Criminal Statistics Department of Public Safety designated custodian of statewide registry.
(a) The Division of Criminal Statistics Department of Public Safety shall compile and keep current a central statewide sex offender registry. The Division of Criminal Statistics Department is the State agency designated as the custodian of the statewide registry. As custodian the Division of Criminal Statistics Department has the following responsibilities:

(1) To receive from the sheriff or any other law enforcement agency or penal institution all sex offender registrations, changes of address, changes of academic or educational employment status, and prerelease notifications.
required under this Article or under federal law. The Division Department shall also receive notices of any violation of this Article, including a failure to register or a failure to report a change of address.

(2) To provide all need-to-know law enforcement agencies (local, State, campus, federal, and those located in other states) immediately upon receipt by the Division Department of any of the following: registration information, a prerelease notification, a change of address, a change of academic or educational employment status, or notice of a violation of this Article.

(2a) To notify the appropriate law enforcement unit at an institution of higher education as soon as possible upon receipt by the Division Department of relevant information based on registration information or notice of a change of academic or educational employment status. If an institution of higher education does not have a law enforcement unit, then the Division Department shall provide the information to the local law enforcement agency that has jurisdiction for the campus.

(3) To coordinate efforts among law enforcement agencies and penal institutions to ensure that the registration information, changes of address, change of name, prerelease notifications, and notices of failure to register or to report a change of address are conveyed in an appropriate and timely manner.

(4) To provide public access to the statewide registry in accordance with this Article.

(4a) To maintain the system for public access so that a registrant's full name, any aliases, and any legal name changes are cross-referenced and a member of the public may conduct a search of the system for a registrant under any of those names.

(5) To maintain a system allowing an entity to access a list of online identifiers of persons in the central sex offender registry.

(b) The statewide registry shall include the following:

(1) Registration information obtained by a sheriff or penal institution under this Article or from any other local or State law enforcement agency.

(2) Registration information received from a state or local law enforcement agency or penal institution in another state.

(3) Registration information received from a federal law enforcement agency or penal institution."

SECTION 17.1.(aa) G.S. 14-208.31 reads as rewritten:


(a) The Division Department of Public Safety shall include the registration information in the Police-Criminal Information Network as set forth in G.S. 114-101-G.S. 143B-905.

(b) The Division Department of Public Safety shall maintain the registration information permanently even after the registrant's reporting requirement expires; however, the records shall remain confidential in accordance with Article 32 of Chapter 7B of the General Statutes."

SECTION 17.1.(bb) G.S. 14-415.4(d)(5) reads as rewritten:

"(5) The petitioner submits his or her fingerprints to the sheriff of the county in which the petitioner resides for a criminal background check pursuant to G.S. 114-19.28-G.S. 143B-959."

SECTION 17.1.(cc) G.S. 15A-266.2(4) reads as rewritten:

"(4) 'DNA Sample' means blood, cheek swabs, or any biological sample containing cells provided by any person with respect to offenses covered by this Article or submitted to the State Bureau of Investigation State Crime Laboratory pursuant to this Article for analysis pursuant to a criminal investigation or storage or both."
SECTION 17.1.(dd) G.S. 15A-1341(d) reads as rewritten:

"(d) Search of Sex Offender Registration Information Required When Placing a Defendant on Probation. – When the court places a defendant on probation, the probation officer assigned to the defendant shall conduct a search of the defendant's name or other identifying information against the registration information regarding sex offenders compiled by the Division of Criminal Statistics of the Department of Justice/Department of Public Safety in accordance with Article 27A of Chapter 14 of the General Statutes. The probation officer may conduct the search using the Internet site maintained by the Division of Criminal Statistics/Department of Public Safety."

SECTION 17.1.(ee) G.S. 15A-298 reads as rewritten:

"§ 15A-298. Subpoena authority.

Pursuant to rules issued by the Attorney General, State Bureau of Investigation, the Director of the State Bureau of Investigation or the Director's designee may issue an administrative subpoena to a communications common carrier or an electronic communications service to compel production of business records if the records:

(1) Disclose information concerning local or long-distance toll records or subscriber information; and

(2) Are material to an active criminal investigation being conducted by the State Bureau of Investigation."

SECTION 17.1.(ff) G.S. 18C-151(a)(3) reads as rewritten:

"(3) All proposals shall be accompanied by a bond or letter of credit in an amount equal to not less than five percent (5%) of the proposal and the fee to cover the cost of the criminal record check conducted under G.S. 114-19.6, G.S. 143B-935."

SECTION 17.1.(gg) G.S. 74F-6(16) reads as rewritten:

"(16) Request that the Department of Justice/Department of Public Safety conduct criminal history record checks of applicants for licensure and apprenticeships pursuant to G.S. 114-19.15, G.S. 143B-946."

SECTION 17.1.(hh) G.S. 90-113.5 reads as rewritten:

"§ 90-113.5. State Board of Pharmacy, North Carolina Department of Justice/State Bureau of Investigation and peace officers to enforce Article.

It is hereby made the duty of the State Board of Pharmacy, its officers, agents, inspectors, and representatives, and all peace officers within the State, including agents of the North Carolina Department of Justice, State Bureau of Investigation, and all State's attorneys, to enforce all provisions of this Article, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States, of this State, and of all other states, relating to controlled substances. The North Carolina Department of Justice/State Bureau of Investigation is hereby authorized to make initial investigation of all violations of this Article, and is given original but not exclusive jurisdiction in respect thereto with all other law-enforcement officers of the State."

SECTION 17.1.(ii) G.S. 90-113.33(10) reads as rewritten:

"(10) Request that the Department of Justice/Department of Public Safety conduct criminal history record checks of applicants for registration, certification, or licensure pursuant to G.S. 114-19.11A, G.S. 143B-941."

SECTION 17.1.(jj) G.S. 90-171.23(b)(19) reads as rewritten:

"(19) Request that the Department of Justice/Department of Public Safety conduct criminal history record checks of applicants for licensure pursuant to G.S. 114-19.11, G.S. 143B-940."

SECTION 17.1.(kk) G.S. 90-270.63(b) reads as rewritten:

"(b) The Board may request that an applicant for licensure, an applicant seeking reinstatement of a license, or a licensee under investigation by the Board for alleged criminal offenses in violation of this Article consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny..."
licensure to an applicant, deny reinstatement of a license to an applicant, or revoke the license of a licensee. The Board shall ensure that the State and national criminal history of an applicant is checked. The Board shall be responsible for providing to the North Carolina Department of Public Safety the fingerprints of the applicant or licensee to be checked, a form signed by the applicant or licensee consenting to the criminal history record check and the use of fingerprints and other identifying information required by the State or National Repositories of Criminal Histories, and any additional information required by the Department of Public Safety in accordance with G.S. 143B-958. The Board shall keep all information obtained pursuant to this section confidential. The Board shall collect any fees required by the Department of Public Safety for expenses associated with conducting the criminal history record check.

SECTION 17.1.(ll)
G.S. 90-345(b) reads as rewritten:
"(b) The Board may request that an applicant for licensure, an applicant seeking reinstatement of a license, or a licensee under investigation by the Board for alleged criminal offenses in violation of this Article consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant, deny reinstatement of a license to an applicant, or revoke the license of a licensee. The Board shall ensure that the State and national criminal history of an applicant is checked. The Board shall be responsible for providing to the North Carolina Department of Public Safety the fingerprints of the applicant or licensee to be checked, a form signed by the applicant or licensee consenting to the criminal history record check and the use of fingerprints and other identifying information required by the State or National Repositories of Criminal Histories, and any additional information required by the Department of Public Safety in accordance with G.S. 114-19.27. G.S. 143B-958. The Board shall keep all information obtained pursuant to this section confidential. The Board shall collect any fees required by the Department of Public Safety and shall remit the fees to the Department of Public Safety for expenses associated with conducting the criminal history record check."
registrant to be checked, a form signed by the applicant or registrant consenting to the criminal record check and the use of fingerprints and other identifying information required by the State or National Repositories of Criminal Histories, and any additional information required by the Department of Justice Department of Public Safety in accordance with G.S. 143B-961. The Board shall keep all information obtained pursuant to this section confidential. The Board shall collect any fees required by the Department of Justice Department of Public Safety and shall remit the fees to the Department of Public Safety for expenses associated with conducting the criminal history record check.”

SECTION 17.1.(oo) G.S. 101-5 reads as rewritten:

“§ 101-5. Name change application requirements; grounds for clerk to order or deny name change; certificate and record.

(e) The clerk shall forward the order granting the name change to:

(2) The Division of Criminal Information at the State Bureau of Investigation Department of Public Safety, which shall update its records to show the name change.

(g) Upon information obtained by the clerk of fraud or material misrepresentation in the application for a name change, the clerk on his or her own motion may set aside the order granting the name change after notice to the applicant and opportunity to be heard. If the clerk sets aside the name change order, the clerk shall notify the State Registrar of Vital Statistics and the Division of Criminal Information Department of Public Safety.”

SECTION 17.1.(pp) G.S. 110-90.2(g), as rewritten by subsection (o) of this section, reads as rewritten:

“(g) The child care provider shall pay the cost of the fingerprinting and the federal criminal history record check in accordance with G.S. 114-19.5 G.S. 143B-934. The Department of Public Safety shall perform the State criminal history record check. The Department of Health and Human Services shall pay for and conduct the county criminal history record check. Child care providers who reside outside the State bear the cost of the county criminal history record check and shall provide the county criminal history record check to the Division of Child Development as required by this section.”

SECTION 17.1.(qq) G.S. 113-172(a) reads as rewritten:

“(a) The Secretary shall designate license agents for the Department. The Division and license agents designated by the Secretary under this section shall issue licenses authorized under this Article in accordance with this Article and the rules of the Commission. The Secretary may require license agents to enter into a contract that provides for their duties and compensation, post a bond, and submit to reasonable inspections and audits. If a license agent violates any provision of this Article, the rules of the Commission, or the terms of the contract, the Secretary may initiate proceedings for the forfeiture of the license agent's bond and may summarily suspend, revoke, or refuse to renew a designation as a license agent and may impound or require the return of all licenses, moneys, record books, reports, license forms and other documents, ledgers, and materials pertinent or apparently pertinent to the license agency. The Secretary shall report evidence or misuse of State property, including license fees, by a license agent to the State Bureau of Investigation as provided by G.S. 114-15.1 G.S. 143B-920.”

SECTION 17.1.(rr) G.S. 114-2.7, recodified as G.S. 143B-901 by subsection (g) of this section, reads as rewritten:

“§ 143B-901. Reporting system and database on certain domestic-violence-related homicides; reports by law enforcement agencies required; annual report to the General Assembly.”
The Attorney General's Office, Department of Public Safety, in consultation with the North Carolina Council for Women/Domestic Violence Commission, the North Carolina Sheriffs' Association, and the North Carolina Association of Chiefs of Police, shall develop a reporting system and database that reflects the number of homicides in the State where the offender and the victim had a personal relationship, as defined by G.S. 50B-1(b). The information in the database shall also include the type of personal relationship that existed between the offender and the victim, whether the victim had obtained an order pursuant to G.S. 50B-3, and whether there was a pending charge for which the offender was on pretrial release pursuant to G.S. 15A-534.1. All State and local law enforcement agencies shall report information to the Attorney General's Office, Department of Public Safety upon making a determination that a homicide meets the reporting system's criteria. The report shall be made in the format adopted by the Attorney General's Office, Department of Public Safety. The Attorney General's Office, Department of Public Safety shall report to the Joint Legislative Committee on Domestic Violence, Joint Legislative Oversight Committee on Justice and Public Safety, no later than February 1 of each year, with the data collected for the previous calendar year.

SECTION 17.1.(ss) G.S. 114-10, recodified as G.S. 143B-902 by subsection (h) of this section, reads as rewritten:

"§ 143B-902. Division of Criminal Information. Powers and duties of the Department of Public Safety with respect to criminal information.

The Attorney General shall set up in the Department of Justice a division to be designated as the Division of Criminal Information. There shall be assigned to this Division by the Attorney General duties as follows: In addition to its other duties, it shall be the duty of the Department of Public Safety to do all of the following:

(2) To collect, correlate, and maintain access to information that will assist in the performance of duties required in the administration of criminal justice throughout the State. This information may include, but is not limited to, motor vehicle registration, drivers' licenses, wanted and missing persons, stolen property, warrants, stolen vehicles, firearms registration, sexual offender registration as provided under Article 27A of Chapter 14 of the General Statutes, drugs, drug users and parole and probation histories. In performing this function, the Division may arrange to use information available in other agencies and units of State, local and federal government, but shall provide security measures to insure that such information shall be made available only to those whose duties, relating to the administration of justice, require such information.

(5) To perform such other duties as may be from time to time prescribed by the Attorney General.

(6) To promulgate rules and regulations for the administration of this Article."

SECTION 17.1.(tt) G.S. 114-10.01, recodified as G.S. 143B-903 by subsection (h) of this section, reads as rewritten:

"§ 143B-903. Collection of traffic law enforcement statistics.

(a) In addition to the duties set forth in G.S. 114-10, the Division of Criminal Information shall collect, correlate, and maintain the following information regarding traffic law enforcement by law enforcement officers:

(b) For purposes of this section, "law enforcement officer" means any of the following:

(1) All State law enforcement officers.

(2) Law enforcement officers employed by county sheriffs or county police departments.
(3) Law enforcement officers employed by police departments in municipalities with a population of 10,000 or more persons.

(4) Law enforcement officers employed by police departments in municipalities employing five or more full-time sworn officers for every 1,000 in population, as calculated by the Division Department for the calendar year in which the stop was made.

... (d) Each law enforcement officer making a stop covered by subdivision (1) of subsection (a) of this section shall be assigned an anonymous identification number by the officer's employing agency. The anonymous identifying number shall be public record and shall be reported to the Division Department to be correlated along with the data collected under subsection (a) of this section. The correlation between the identification numbers and the names of the officers shall not be a public record, and shall not be disclosed by the agency except when required by order of a court of competent jurisdiction to resolve a claim or defense properly before the court.

(d1) Any agency subject to the requirements of this section shall submit information collected under subsection (a) of this section to the Division Department within 60 days of the close of each month. Any agency that does not submit the information as required by this subsection shall be ineligible to receive any law enforcement grants available by or through the State until the information which is reasonably available is submitted.

(e) The Division Department shall publish and distribute by December 1 of each year a list indicating the law enforcement officers that will be subject to the provisions of this section during the calendar year commencing on the following January 1.

SECTION 17.1.(uu) G.S. 114-10.02, recodified as G.S. 143B-904 by subsection (h) of this section, reads as rewritten:

"§ 143B-904. Collection of statistics on the use of deadly force by law enforcement officers.

(a) In addition to the duties set forth in G.S. 114-10, the Division of Criminal Information and its other duties, the Department of Public Safety shall collect, maintain, and annually publish the number of deaths, by law enforcement agency, resulting from the use of deadly force by law enforcement officers in the course and scope of their official duties.

(b) For purposes of this section, "law enforcement officer" means sworn law enforcement officers with the power of arrest, both State and local."

SECTION 17.1.(vv) G.S. 114-10.1, recodified as G.S. 143B-905 by subsection (h) of this section, reads as rewritten:

"§ 143B-905. Police Criminal Information Network.

(a) The Division of Criminal Information, Department of Public Safety, is authorized to establish, devise, maintain and operate a system for receiving and disseminating to participating agencies information collected, maintained and correlated under authority of G.S. 114-10 and this Article. G.S. 143B-902. The system shall be known as the Division of Criminal Information Network.

(b) The Division of Criminal Information, Department of Public Safety, is authorized to cooperate with the Division of Motor Vehicules, Department of Administration, the Department of Public Safety, and other State, local and federal agencies and organizations in carrying out the purpose and intent of this section, and to utilize, in cooperation with other State agencies and to the extent as may be practical, computers and related equipment as may be operated by other State agencies.

(c) The Division of Criminal Information, Department of Public Safety, after consultation with participating agencies, shall adopt rules and regulations governing the organization and administration of the Division of Criminal Information Network, including rules and regulations governing the types of information relating to the administration of criminal justice to be entered into the system, and who shall have access to such information. The rules and regulations governing access to the Division of Criminal Information Network..."
shall not prohibit an attorney who has entered a criminal proceeding in accordance with G.S. 15A-141 from obtaining information relevant to that criminal proceeding. The rules and regulations governing access to the Division of Criminal Information Network shall not prohibit an attorney who represents a person in adjudicatory or dispositional proceedings for an infraction from obtaining the person's driving record or criminal history.

(d) The Division of Criminal Information may impose an initial set-up fee of two thousand six hundred fifty dollars ($2,650) for agencies to participate in the Division of Criminal Information Network. This one-time fee shall be used to offset the cost of the router and data circuit needed to access the Network.

The Division of Criminal Information Department may also impose monthly fees on participating agencies. The monthly fees collected under this subsection shall be used to offset the cost of operating and maintaining the Police Criminal Information Network.

(1) The Division of Criminal Information Department may impose a monthly circuit fee on agencies that access the Division of Criminal Information Network through a circuit maintained and operated by the Department of Justice. The amount of the monthly fee is three hundred dollars ($300.00) plus an additional fee amount for each device linked to the Network. The additional fee amount varies depending upon the type of device. For a desktop device after the first seven desktop devices, the additional monthly fee is twenty-five dollars ($25.00) per device. For a mobile device, the additional monthly fee is twelve dollars ($12.00) per device.

(2) The Division of Criminal Information Department may impose a monthly device fee on agencies that access the Police Criminal Information Network through some other approved means. The amount of the monthly device fee varies depending upon the type of device. For a desktop device, the monthly fee is twenty-five dollars ($25.00) per device. For a mobile device, the fee is twelve dollars ($12.00) per device.

SECTION 17.1.(ww) G.S. 114-12, recodified as G.S. 143B-915 by subsection (j) of this section, reads as rewritten:

"§ 143B-915. Bureau of Investigation created; powers and duties.

In order to secure a more effective administration of the criminal laws of the State, to prevent crime, and to procure the speedy apprehension of criminals, the Attorney General shall set up there is established the State Bureau of Investigation, which shall be administratively located in the Division of Law Enforcement of the Department of Justice a division to be designated as the State Bureau of Investigation. The Bureau shall be an independent agency under the direction and supervision of the Director of the Bureau. The Director shall be the chief executive officer of the Bureau. Notwithstanding any provisions to the contrary, the Director shall have such authority as is necessary to direct and oversee the Bureau, and may delegate any duties and responsibilities necessary to ensure the proper management of the Bureau. The Department of Public Safety shall provide administrative support to the Bureau. The Division, State Bureau of Investigation shall have charge of and administer the agencies and activities herein set up for the identification of criminals, for their apprehension, and investigation and preparation of evidence to be used in criminal courts; and the said Bureau shall have charge of investigation of criminal matters herein especially mentioned, and of such other crimes and criminal procedure as the Governor may direct.

In the personnel of the Bureau shall be included a sufficient number of persons of training and skill in the investigation of crime and in the preparation of evidence as to be of service to local enforcement officers, under the direction of the Governor, in criminal matters of major importance.

The State radio system shall be made available to the Bureau Laboratory for use in its work."
SECTION 17.1.(xx) G.S. 114-14, recodified as G.S. 143B-917 by subsection (j) of this section, reads as rewritten:

"§ 143B-917. General powers and duties of Director and assistants. Law enforcement officers of the State Bureau of Investigation.

The Director of the Bureau and his assistants, other sworn law enforcement officers of the State Bureau of Investigation are given the same power of arrest as is now vested in the sheriffs of the several counties, and their jurisdiction shall be statewide. The Director of the Bureau and his assistants shall, at the request of the Governor, other sworn law enforcement officers of the Bureau may give assistance to sheriffs, police officers, district attorneys, and judges when called upon by them and so directed. They shall also give assistance, when requested, to the Department of Public Safety in the investigation of cases pending before the parole office and of complaints lodged against parolees, when so directed by the Governor."

SECTION 17.1.(yy) G.S. 114-15, recodified as G.S. 143B-919 by subsection (j) of this section, reads as rewritten:

"§ 143B-919. Investigations of lynchings, election frauds, etc.; services subject to call of Governor; witness fees and mileage for Director and assistants.

(a) The Bureau shall, through its Director and upon request of the Governor, investigate and prepare evidence in the event of any lynching or mob violence in the State; shall investigate all cases arising from frauds in connection with elections when requested to do so by the Board of Elections, and when so directed by the Governor. Such investigation, however, shall in no wise interfere with the power of the Attorney General to make such investigation as the Attorney General is authorized to make under the laws of the State. The Bureau is authorized further, at the request of the Governor, to investigate cases of frauds arising under the Social Security Laws of the State, of violations of the gaming laws, and lottery laws, and matters of similar kind when called upon by the Governor so to do. In all such cases it shall be the duty of the Department to keep such records as may be necessary and to prepare evidence in the cases investigated, for the use of enforcement officers and for the trial of causes. The services of the Director of the Bureau, and of the Director's assistants, employees of the Bureau may be required by the Governor in connection with the investigation of any crime committed anywhere in the State when called upon by the enforcement officers of the State, and when, in the judgment of the Governor, such services may be rendered with advantage to the enforcement of the criminal law. The State Bureau of Investigation is hereby authorized to investigate without request the attempted arson of, or arson of, damage of, theft from, or theft of, or misuse of, any State-owned personal property, buildings, or other real property or any assault upon or threats against any legislative officer named in G.S. 147-2(1), (2), or (3), any executive officer named in G.S. 147-3(c), or any court officer as defined in G.S. 14-16.10(1).

(a1) The Bureau also is authorized at the request of the Governor to conduct a background investigation on a person that the Governor plans to nominate for a position that must be confirmed by the General Assembly, the Senate, or the House of Representatives. The background investigation of the proposed nominee shall be limited to an investigation of the person's criminal record, educational background, employment record, records concerning the listing and payment of taxes, and credit record, and to a requirement that the person provide the information contained in the statements of economic interest required to be filed by persons subject to Chapter 138A of the General Statutes. The Governor must give the person being investigated written notice that the Governor intends to request a background investigation at least 10 days prior to the date that the Governor requests the State Bureau of Investigation to conduct the background investigation. The written notice shall be sent by regular mail, and there is created a rebuttable presumption that the person received the notice if the Governor has a copy of the notice.

(c) All records and evidence collected and compiled by the Director of the Bureau and his assistants, employees of the Bureau shall, upon request, be made available to the district attorney of any district if the same concerns persons or investigations in his district.
(d) In all cases where the cost is assessed against the defendant and paid by him, there shall be assessed in the bill of cost, mileage and witness fees to the Director and any of his assistants, any employees of the Bureau who are witnesses in cases arising in courts of this State. The fees so assessed, charged and collected shall be forwarded by the clerks of the court to the Treasurer of the State of North Carolina, and there credited to the Bureau of Identification and Investigation Fund."

SECTION 17.1.(zz) G.S. 114-19.1(d), as recodified by subsection (m) of this section, reads as rewritten:

"(d) Nothing in this section shall be construed as enlarging any right to receive any record of the State Bureau of Investigation. Such rights are and shall be controlled by G.S. 114-15, G.S. 114-19, G.S. 120-19.4A, G.S. 143B-919, 143B-906, 120-19.4A, and other applicable statutes."

SECTION 17.1.(aaa) G.S. 114-19.6(b), recodified by subsection (m) of this section and rewritten by subsection (o) of this section, reads as rewritten:

"(b) When requested by the Department of Health and Human Services or the Division of Juvenile Justice of the Department of Public Safety, the North Carolina Department of Public Safety may provide to the requesting department or division a covered person’s criminal history from the State Repository of Criminal Histories. Such requests shall not be due to a person’s age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State criminal history record check only, the requesting department or division shall provide to the Department of Public Safety a form consenting to the check signed by the covered person to be checked and any additional information required by the Department of Public Safety. National criminal record checks are authorized for covered applicants who have not resided in the State of North Carolina during the past five years. For national checks the Department of Health and Human Services or the Division of Juvenile Justice of the Department of Public Safety shall provide to the North Carolina Department of Public Safety the fingerprints of the covered person to be checked, any additional information required by the Department of Public Safety, and a form signed by the covered person to be checked consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Health and Human Services and the Division of Juvenile Justice of the Department of Public Safety shall keep all information pursuant to this section confidential. The Department of Public Safety shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section."

SECTION 17.1.(bbb) G.S. 114-20, recodified as G.S. 143B-986 by subsection (n) of this section, reads as rewritten:

"§ 143B-986. Authority to provide protection to certain public officials.

The North Carolina State Bureau of Investigation is authorized to provide protection to public officials who request it, and who, in the discretion of the Director of the Bureau with the approval of the Attorney General, demonstrate a need for such protection. The Director of the Bureau shall notify the Governor whenever the State Bureau of Investigation provides protection to public officials pursuant to this section. The bureau shall not provide protection for any individual other than the Governor for a period greater than 30 days without review and reapproval by the Attorney General. This review and reapproval shall be required at the end of each 30-day period."

SECTION 17.1.(ccc) G.S. 114-20.1, recodified as G.S. 143B-987 by subsection (n) of this section, reads as rewritten:

"§ 143B-987. Authority to designate areas for protection of public officials.

(a) The Attorney General is authorized to designate buildings and grounds which constitute temporary residences or temporary offices of
any public official being protected under authority of G.S. 114-29, G.S. 143B-986, or any area that will be visited by any such official, a public building or facility during the time of such use.

(b) The Attorney General or the Director of the State Bureau of Investigation may, with the consent of the official to be protected, make rules governing ingress to or egress from such buildings, grounds or areas designated under this section.

SECTION 17.1.(ddd) G.S. 122C-80 reads as rewritten:

"§ 122C-80. Criminal history record check required for certain applicants for employment.

... (b) Requirement. – An offer of employment by a provider licensed under this Chapter to an applicant to fill a position that does not require the applicant to have an occupational license is conditioned on consent to a State and national criminal history record check of the applicant. If the applicant has been a resident of this State for less than five years, then the offer of employment is conditioned on consent to a State and national criminal history record check of the applicant. The national criminal history record check shall include a check of the applicant's fingerprints. If the applicant has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant. A provider shall not employ an applicant who refuses to consent to a criminal history record check required by this section. Except as otherwise provided in this subsection, within five business days of making the conditional offer of employment, a provider shall submit a request to the Department of Public Safety under G.S. 114-19.10 to conduct a criminal history record check required by this section or shall submit a request to a private entity to conduct a State criminal history record check required by this section. Notwithstanding G.S. 114-19.10, the Department of Justice shall return the results of national criminal history record checks for employment positions not covered by Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check Unit. Within five business days of receipt of the national criminal history of the person, the Department of Health and Human Services, Criminal Records Check Unit, shall notify the provider as to whether the information received may affect the employability of the applicant. In no case shall the results of the national criminal history record check be shared with the provider. Providers shall make available upon request verification that a criminal history check has been completed on any staff covered by this section. A county that has adopted an appropriate local ordinance and has access to the Division of Criminal Information data bank may conduct on behalf of a provider a State criminal history record check required by this section without the provider having to submit a request to the Department of Justice. In such a case, the county shall commence with the State criminal history record check required by this section within five business days of the conditional offer of employment by the provider. All criminal history information received by the provider is confidential and may not be disclosed, except to the applicant as provided in subsection (c) of this section. For purposes of this subsection, the term "private entity" means a business regularly engaged in conducting criminal history record checks utilizing public records obtained from a State agency.

... (g) Conditional Employment. – A provider may employ an applicant conditionally prior to obtaining the results of a criminal history record check regarding the applicant if both of the following requirements are met:

(1) The provider shall not employ an applicant prior to obtaining the applicant's consent for criminal history record check as required in subsection (b) of this section or the completed fingerprint cards as required in G.S. 114-19.10.
(2) The provider shall submit the request for a criminal history record check not later than five business days after the individual begins conditional employment.'"

SECTION 17.1.(eee) G.S. 122C-205(c) reads as rewritten:
"(c) Upon receipt of notice of an escape or breach of a condition of release as described in subsections (a) and (b) of this section, an appropriate law enforcement officer shall take the client into custody and have the client returned to the 24-hour facility from which the client has escaped or has been conditionally released. Transportation of the client back to the 24-hour facility shall be provided in the same manner as described in G.S. 122C-251 and G.S. 122C-408(b). Law enforcement agencies who are notified of a client's escape or breach of conditional release shall be notified of the client's return by the responsible 24-hour facility. Under the circumstances described in this section, the initial notification by the 24-hour facility of the client's escape or breach of conditional release shall be given by telephone communication to the appropriate law enforcement agency or agencies and, if available and appropriate, by Division of Criminal Information (DCI)Department of Public Safety message to any law enforcement agency in or out of state and by entry into the National Crime Information Center (NCIC) telecommunications system. As soon as reasonably possible following notification, written authorization to take the client into custody shall also be issued by the 24-hour facility. Under this section, law enforcement officers shall have the authority to take a client into custody upon receipt of the telephone notification or Division of Criminal InformationDepartment of Public Safety message prior to receiving written authorization. The notification of a law enforcement agency does not, in and of itself, render this information public within the purview of Chapter 132 of the General Statutes. However, the responsible law enforcement agency shall determine the extent of disclosure of personal identifying and background information reasonably necessary, under the circumstances, in order to assure the expeditious return of a client to the 24-hour facility involved and to protect the general public and is authorized to make such disclosure. The responsible law enforcement agency may also place any appropriate message or entry into either the Division of Criminal Information SystemDepartment of Public Safety's Criminal Information System or National Crime Information System, or both, as appropriate."

SECTION 17.1.(fff) G.S. 131D-10.3A reads as rewritten: "§ 131D-10.3A. Mandatory criminal checks.  
(d) The Department of JusticeDepartment of Public Safety shall provide to the Department the criminal history of the individuals specified in subsection (a) of this section obtained from the State and National Repositories of Criminal Histories as requested by the Department. The Department shall provide to the Department of JusticeDepartment of Public Safety, along with the request, the fingerprints of the individual to be checked, any additional information required by the Department of JusticeDepartment of Public Safety, and a form consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories signed by the individual to be checked. The fingerprints of the individual to be checked shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check.  
(i) The Department of JusticeDepartment of Public Safety shall perform the State and national criminal history checks on individuals required by this section and shall charge the Department a reasonable fee only for conducting the checks of the national criminal history records authorized by this section. The Division of Social Services, Department of Health and Human Services, shall bear the costs of implementing this section."
§ 131D-40. Criminal history record checks required for certain applicants for employment.

(a) Requirement; Adult Care Home. – An offer of employment by an adult care home licensed under this Chapter to an applicant to fill a position that does not require the applicant to have an occupational license is conditioned on consent to a criminal history record check of the applicant. If the applicant has been a resident of this State for less than five years, then the offer of employment is conditioned on consent to a State and national criminal history record check of the applicant. The national criminal history record check shall include a check of the applicant's fingerprints. If the applicant has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant. An adult care home shall not employ an applicant who refuses to consent to a criminal history record check required by this section. Within five business days of making the conditional offer of employment, an adult care home shall submit a request to the Department of Public Safety under G.S. 114-19.10 to conduct a State or national criminal history record check required by this section, or shall submit a request to a private entity to conduct a State criminal history record check required by this section. Notwithstanding G.S. 114-19.10, the Department of Public Safety shall return the results of national criminal history record checks for employment positions not covered by Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check Unit. Within five business days of receipt of the national criminal history of the person, the Department of Health and Human Services, Criminal Records Check Unit, shall notify the adult care home as to whether the information received may affect the employability of the applicant. In no case shall the results of the national criminal history record check be shared with the adult care home. Adult care homes shall make available upon request verification that a criminal history check has been completed on any staff covered by this section. All criminal history information received by the home is confidential and may not be disclosed, except to the applicant as provided in subsection (b) of this section.

(a1) Requirement; Contract Agency of Adult Care Home. – An offer of employment by a contract agency of an adult care home licensed under this Chapter to an applicant to fill a position that does not require the applicant to have an occupational license is conditioned upon consent to a criminal history record check of the applicant. If the applicant has been a resident of this State for less than five years, then the offer of employment is conditioned on consent to a State and national criminal history record check of the applicant. The national criminal history record check shall include a check of the applicant's fingerprints. If the applicant has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant. A contract agency of an adult care home shall not employ an applicant who refuses to consent to a criminal history record check required by this section. Within five business days of making the conditional offer of employment, a contract agency of an adult care home shall submit a request to the Department of Public Safety under G.S. 114-19.10 to conduct a State or national criminal history record check required by this section, or shall submit a request to a private entity to conduct a State criminal history record check required by this section. Notwithstanding G.S. 114-19.10, the Department of Public Safety shall return the results of national criminal history record checks for employment positions not covered by Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check Unit. Within five business days of receipt of the national criminal history of the person, the Department of Health and Human Services, Criminal Records Check Unit, shall notify the contract agency of the adult care home as to whether the information received may affect the employability of the applicant. In no case shall the results of the national criminal history record check be shared with the contract agency of the adult care home. Contract agencies of adult care homes shall make available upon request verification that a criminal history check has been completed on any staff covered by this section.
section. All criminal history information received by the contract agency is confidential and may not be disclosed, except to the applicant as provided by subsection (b) of this section.

(f) Conditional Employment. – An adult care home may employ an applicant conditionally prior to obtaining the results of a criminal history record check regarding the applicant if both of the following requirements are met:

1. The adult care home shall not employ an applicant prior to obtaining the applicant's consent for a criminal history record check as required in subsection (a) of this section or the completed fingerprint cards as required in G.S. 114-19.10. G.S. 143B-939.

2. The adult care home shall submit the request for a criminal history record check not later than five business days after the individual begins conditional employment.

"...

SECTION 17.1.(hhh) G.S. 131E-159(g) reads as rewritten:

"(g) An individual who applies for EMS credentials, seeks to renew EMS credentials, or holds EMS credentials is subject to a criminal background review by the Department. At the request of the Department, the Emergency Medical Services Disciplinary Committee, established by G.S. 143-519, shall review criminal background information and make a recommendation regarding the eligibility of an individual to obtain initial EMS credentials, renew EMS credentials, or maintain EMS credentials. The Department and the Emergency Medical Services Disciplinary Committee shall keep all information obtained pursuant to this subsection confidential. The Medical Care Commission shall adopt rules to implement the provisions of this subsection, including rules to establish a reasonable fee to offset the actual costs of criminal history information obtained pursuant to G.S. 114-19.21. G.S. 143B-952."

SECTION 17.1.(iii) G.S. 131E-265 reads as rewritten:

"§ 131E-265. Criminal history record checks required for certain applicants for employment.

(a) Requirement; Nursing Home or Home Care Agency. – An offer of employment by a nursing home licensed under this Chapter to an applicant to fill a position that does not require the applicant to have an occupational license is conditioned on consent to a criminal history record check of the applicant. If the applicant has been a resident of this State for less than five years, then the offer of employment is conditioned on consent to a State and national criminal history record check of the applicant. The national criminal history record check shall include a check of the applicant's fingerprints. If the applicant has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant. An offer of employment by a home care agency licensed under this Chapter to an applicant to fill a position that requires entering the patient's home is conditioned on consent to a criminal history record check of the applicant. In addition, employment status change of a current employee of a home care agency licensed under this Chapter from a position that does not require entering the patient's home to a position that requires entering the patient's home shall be conditioned on consent to a criminal history record check of that current employee. If the applicant for employment or if the current employee who is changing employment status has been a resident of this State for less than five years, then the offer of employment or change in employment status is conditioned on consent to a State and national criminal history record check. The national criminal history record check shall include a check of the applicant's or current employee's fingerprints. If the applicant or current employee has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant or current employee applying for a change in employment status.

A nursing home or a home care agency shall not employ an applicant who refuses to consent to a criminal history record check required by this section. In addition, a home care agency shall not change a current employee's employment status from a position that does not require entering the patient's home to a position that requires entering the patient's home who refuses to
consent to a criminal history record check required by this section. Within five business days of making the conditional offer of employment, a nursing home or home care agency shall submit a request to the Department of Justice Department of Public Safety under G.S. 114-19.10 G.S. 143B-939 to conduct a State or national criminal history record check required by this section, or shall submit a request to a private entity to conduct a State criminal history record check required by this section. Notwithstanding G.S. 114-19.10, G.S. 143B-939, the Department of Justice Department of Public Safety shall return the results of national criminal history record checks for employment positions not covered by Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check Unit. Within five business days of receipt of the national criminal history of the person, the Department of Health and Human Services, Criminal Records Check Unit, shall notify the nursing home or home care agency as to whether the information received may affect the employability of the applicant. In no case shall the results of the national criminal history record check be shared with the nursing home or home care agency. Nursing homes and home care agencies shall make available upon request verification that a criminal history check has been completed on any staff covered by this section. All criminal history information received by the home or agency is confidential and may not be disclosed, except to the applicant as provided in subsection (b) of this section.

(a1) Requirement; Contract Agency of Nursing Home or Home Care Agency. – An offer of employment by a contract agency of a nursing home or home care agency licensed under this Chapter to an applicant to fill a position that does not require the applicant to have an occupational license is conditioned upon consent to a criminal history record check of the applicant. If the applicant has been a resident of this State for less than five years, then the offer of employment is conditioned on consent to a State and national criminal history record check of the applicant. The national criminal history record check shall include a check of the applicant's fingerprints. If the applicant has been a resident of this State for five years or more, then the offer is conditioned on consent to a State criminal history record check of the applicant. A contract agency of a nursing home or home care agency shall not employ an applicant who refuses to consent to a criminal history record check required by this section. Within five business days of making the conditional offer of employment, a contract agency of a nursing home or home care agency shall submit a request to the Department of Justice Department of Public Safety under G.S. 114-19.10 G.S. 143B-939 to conduct a State or national criminal history record check required by this section, or shall submit a request to a private entity to conduct a State criminal history record check required by this section. Notwithstanding G.S. 114-19.10, G.S. 143B-939, the Department of Justice Department of Public Safety shall return the results of national criminal history record checks for employment positions not covered by Public Law 105-277 to the Department of Health and Human Services, Criminal Records Check Unit. Within five business days of receipt of the national criminal history of the person, the Department of Health and Human Services, Criminal Records Check Unit, shall notify the contract agency of the nursing home or home care agency as to whether the information received may affect the employability of the applicant. In no case shall the results of the national criminal history record check be shared with the contract agency of the nursing home or home care agency. Contract agencies of nursing homes and home care agencies shall make available upon request verification that a criminal history check has been completed on any staff covered by this section. All criminal history information received by the contract agency is confidential and may not be disclosed, except to the applicant as provided by subsection (b) of this section.

(f) Conditional Employment. – A nursing home or home care agency may employ an applicant conditionally prior to obtaining the results of a criminal history record check regarding the applicant if both of the following requirements are met:

(1) The nursing home or home care agency shall not employ an applicant prior to obtaining the applicant's consent for a criminal history record check as
required in subsection (a) of this section or the completed fingerprint cards as required in G.S. 114-19.10. G.S. 143B-939.

(2) The nursing home or home care agency shall submit the request for a criminal history record check not later than five business days after the individual begins conditional employment.

SECTION 17.1.(jjj) G.S. 143-143.10(b)(6) reads as rewritten:
"(6) To request that the Department of Justice conduct criminal history checks of applicants for licensure pursuant to G.S. 114-19.13."

SECTION 17.1.(kkk) G.S. 143-166.13(a) reads as rewritten:
"§ 143-166.13. Persons entitled to benefits under Article.
(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

... 
(5) Alcohol Law Enforcement Agents, Department of Public Safety; Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice.

... 
(11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Justice; Public Safety; ..."

SECTION 17.1.(lll) G.S. 148-37.3(c) reads as rewritten:
"(c) Any private corporation described in subsection (a) of this section shall reimburse the State and any county or other law enforcement agency for the full cost of any additional expenses incurred by the State or the county or other law enforcement agency in connection with the pursuit and apprehension of an escaped inmate from the facility. In the event of an escape from the facility, any private corporation described in subsection (a) of this section shall immediately notify the sheriff in the county in which the facility is located, who shall cause an immediate entry into the State Bureau of Investigation Division of Criminal Information network. The sheriff of the county in which the facility is located shall be the lead law enforcement officer in connection with the pursuit and apprehension of an escaped inmate from the facility."

SECTION 17.1.(mmm) G.S. 153A-94.2 reads as rewritten:
"§ 153A-94.2. Criminal history record checks of employees permitted.

The board of commissioners may adopt or provide for rules and regulations or ordinances concerning a requirement that any applicant for employment be subject to a criminal history record check of State and National Repositories of Criminal Histories conducted by the Department of Justice in accordance with G.S. 114-19.14. G.S. 143B-945. The local or regional public employer may consider the results of these criminal history record checks in its hiring decisions."

SECTION 17.1.(nnn) G.S. 160A-164.2 reads as rewritten:
"§ 160A-164.2. Criminal history record check of employees permitted.

The council may adopt or provide for rules and regulations or ordinances concerning a requirement that any applicant for employment be subject to a criminal history record check of State and National Repositories of Criminal Histories conducted by the Department of Justice in accordance with G.S. 114-19.14. G.S. 143B-945. The city may consider the results of these criminal history record checks in its hiring decisions."

SECTION 17.1.(ooo) G.S. 164-44(a) reads as rewritten:
"(a) The Commission shall have the secondary duty of collecting, developing, and maintaining statistical data relating to sentencing, corrections, and juvenile justice so that the primary duties of the Commission will be formulated using data that is valid, accurate, and relevant to this State. All State agencies shall provide data as it is requested by the
Commission. For the purposes of G.S. 114-19.1 - G.S. 143B-930, the Commission shall be considered to be engaged in the administration of criminal justice. All meetings of the Commission shall be open to the public and the information presented to the Commission shall be available to any State agency or member of the General Assembly."

SECTION 17.1.(ppp) Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-926. Appointment and term of the Director of the State Bureau of Investigation.

(a) The Director of the State Bureau of Investigation shall be appointed by the Governor for a term of eight years subject to confirmation by the General Assembly by joint resolution. The term of office of the Director of the State Bureau of Investigation shall be for eight years; the first full term shall begin July 1, 2015. The name of the person to be appointed by the Governor shall be submitted by the Governor to the General Assembly for confirmation by the General Assembly on or before May 1 of the year in which the term for which the appointment is to be made expires. Upon failure of the Governor to submit a name as herein provided, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit a name of an appointee to the General Assembly on or before May 15 of the same year. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, the effective date of the appointment, the date of expiration of the term, the residence of the appointee, and that the appointment is made upon the joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Nothing precludes any member of the General Assembly from proposing an amendment to any bill making such an appointment. If there is no vacancy in the office of the Director of the State Bureau of Investigation, and a bill that would confirm the appointment of the person as Director fails a reading in either chamber of the General Assembly, then the Governor shall submit a new name within 30 days.

(b) The Director may be removed from office only by the Governor and solely for the grounds set forth in G.S. 143B-13(b), (c), and (d). In case of a vacancy in the office of the Director of the State Bureau of Investigation for any reason prior to the expiration of the Director's term of office, the name of the Director's successor shall be submitted by the Governor to the General Assembly not later than 60 days after the vacancy arises. If a vacancy arises in the office when the General Assembly is not in session, an acting Director shall be appointed by the Governor to serve pending confirmation by the General Assembly. However, in no event shall an acting Director serve (i) for more than 12 months without General Assembly confirmation or (ii) after a bill that would confirm the appointment of the person as Director fails a reading in either chamber of the General Assembly."
SESSION 17.1.(tti) Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read: "§ 143B-927. Personnel of the State Bureau of Investigation. The Director of the State Bureau of Investigation may appoint a sufficient number of assistants who shall be competent and qualified to do the work of the Bureau. The Director shall be responsible for making all hiring and personnel decisions of the Bureau. Notwithstanding the provisions of this Chapter, Chapter 143A, and Chapter 143B of the General Statutes, the Director may hire or fire personnel and transfer personnel within the Bureau."

ALCOHOL LAW ENFORCEMENT SECTION TRANSFER

SECTION 17.1.(uuu) The Alcohol Law Enforcement Section shall be relocated as a branch under the State Bureau of Investigation.

SECTION 17.1.(vvv) Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read: "§ 143B-928. Alcohol Law Enforcement Branch to remain separate and discrete component of the State Bureau of Investigation. (a) Notwithstanding any overlap between the duties and jurisdiction of the Alcohol Law Enforcement Branch and the remainder of the State Bureau of Investigation, the Alcohol Law Enforcement Branch is a separate and discrete branch of the State Bureau of Investigation. (b) Where the General Statutes confer narrower authority on the State Bureau of Investigation than on the Alcohol Law Enforcement Branch, the narrower authority shall not be construed to limit the authority of the Alcohol Law Enforcement Division."

SECTION 17.1.(www) G.S. 18B-500 reads as rewritten: "§ 18B-500. Alcohol law-enforcement agents. (a) Appointment. – The Secretary of Public SafetyDirector of the State Bureau of Investigation shall appoint alcohol law-enforcement agents and other enforcement personnel. The Secretary of Public SafetyDirector may also appoint regular employees of the Commission as alcohol law-enforcement agents. Alcohol law-enforcement agents shall be designated as "alcohol law-enforcement agents". Persons serving as reserve alcohol law-enforcement agents are considered employees of the Alcohol Law Enforcement Section Branch for workers' compensation purposes while performing duties assigned or approved by the Director Head of the Alcohol Law Enforcement Section Branch or the Director's Head's designee. (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 laws, lottery laws, and Article 5 of Chapter 90 (The Controlled Substances Act); however, an agent may perform any law-enforcement duty assigned or approved by the Secretary of Public Safety or the Governor. ABC and lottery laws. (g) Shifting of Personnel From One District to Another. – The Director Head of the Alcohol Law Enforcement SectionBranch, under rules adopted by the Department of Public Safety may, from time to time, shift the forces from one district to another or consolidate more than one district force at any point for special purposes. Whenever an agent of the Alcohol Law Enforcement Section is transferred from one district to another for the convenience of the State or for reasons other than the request of the agent, the Department shall be responsible for transporting the household goods, furniture, and personal apparel of the agent and members of the agent's household."

SECTION 17.1.(xxx) The following statutes are amended by deleting the word "Section" wherever it appears in uppercase and substituting "Branch": G.S. 18B-101(5), 18B-201, 18B-202, 18B-203, 18B-504, 18B-805, 18B-902, 18B-903, 18B-904, 19-2.1, 105-259(b)(15), and 143-652.1 through 143-658.

SECTION 17.1.(yyy) G.S. 143-651 reads as rewritten:
"§ 143-651. Definitions.
The following definitions apply in this Article:

(4a) Branch. – The Alcohol Law Enforcement Branch of the State Bureau of Investigation.

(23b) Sanctioned amateur match. – Any match regulated by an amateur sports organization that has been recognized and approved by the Section Branch.

(24a) Section. – The Alcohol Law Enforcement Section of the Department of Public Safety.

SECTION 17.1.(zzz) G.S. 114-19(a), recodified as G.S. 143B-906(a) by subsection (k) of this act, reads as rewritten:

"(a) It shall be the duty of the State Bureau of Investigation to receive and collect police criminal information, to assist in locating, identifying, and keeping records of criminals in this State, and from other states, and to compare, classify, compile, publish, make available and disseminate any and all such information to the sheriffs, constables, police authorities, courts or any other officials of the State requiring such criminal identification, crime statistics and other information respecting crimes local and national, and to conduct surveys and studies for the purpose of determining so far as is possible the source of any criminal conspiracy, crime wave, movement or cooperative action on the part of the criminals, reporting such conditions, and to cooperate with all officials in detecting and preventing."

MISCELLANEOUS PROVISIONS

SECTION 17.1.(aaaa) The Department of Public Safety shall consolidate ALE and SBI Regions and Regional Offices. The Asheville Regional Office shall be operational by July 1, 2015. All other Regional Offices shall be operational by October 1, 2014.

SECTION 17.1.(bbbb) The Department of Public Safety shall make the following reports on progress implementing this section to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety, to the chairs of the Senate Appropriations Committee on Justice and Public Safety, and to the chairs of the House Appropriations Subcommittee on Justice and Public Safety:

(1) An interim report on or before January 1, 2015.
(2) A second interim report on or before April 1, 2015.
(3) A final report on or before October 1, 2015. This report may include any recommendations for changes to applicable statutes.

SECTION 17.1.(cccc) The Department of Public Safety may use nonrecurring funds available to the Division of Law Enforcement to meet the reductions required by this act for the 2014-2015 fiscal year. However, not later than March 1, 2015, the Department shall report to the Office of State Budget and Management and to the Fiscal Research Division on the recurring reductions the Department will make to meet the reductions required by this act for the 2015-2016 fiscal year. The Department of Public Safety and the State Bureau of Investigation shall coordinate purchases of law enforcement equipment and shall share resources to the extent feasible.

SECTION 17.1.(dddd) The Department of Public Safety may use funds available to the Division of Law Enforcement in the 2014-2015 fiscal year to create two sworn SBI agent positions and one non-sworn intelligence analyst position in the SBI's Computer Crimes Unit to investigate reports of Internet crimes against children.

SECTION 17.1.(eeee) G.S. 15A-150(c) reads as rewritten:

"(c) Notification to SBI-DPS and FBI. – An arresting agency that receives a certified copy of an order under this section shall forward a copy of the order with the form supplied by the State Bureau of Investigation Department of Public Safety to the State Bureau of
Investigation. Department of Public Safety. The State Bureau of Investigation—Department of Public Safety shall forward the order to the Federal Bureau of Investigation."

**SECTION 17.1.(fff)** If House Bill 1133, 2013 Regular Session, or substantially similar legislation, becomes law, then Section 27 of that act is repealed.

**SECTION 17.1.(gggg)** If House Bill 1133, 2013 Regular Session, or substantially similar legislation, becomes law, then G.S. 15A-150, as rewritten by subsection (eeee) of this section, reads as rewritten:

"§ 15A-150. Notification requirements.

(b) Notification to Other State and Local Agencies. The clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.
(2) When applicable, the Division of Motor Vehicles and the Division of Adult Correction of the Department of Public Safety.
(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.
(4) The Department of Public Safety.

(c) Notification to DPS and FBI. An arresting agency that receives a certified copy of an order under this section shall forward a copy of the order with the form supplied by the Department of Public Safety to the Department of Public Safety. The Department of Public Safety shall forward the order received under this section to the Federal Bureau of Investigation.

..."

**SECTION 17.1.(hhhh)** If House Bill 1133, 2013 Regular Session, or substantially similar legislation, becomes law, then subsection (gggg) of this act becomes effective December 1, 2014, and applies to petitions filed on or after that date. Subsection (sss) of this section is effective when it becomes law. The remainder of this section becomes effective July 1, 2014.

**STUDY MERGER OF STATE CRIME LAB AND OFFICE OF THE STATE MEDICAL EXAMINER**

**SECTION 17.3.** The Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Health and Human Services shall jointly study merging the North Carolina State Crime Laboratory and the Office of the State Medical Examiner into a single independent State agency and shall report their findings and recommendations to the 2015 General Assembly. The study and report required by this section shall include at least the following:

(1) An examination of whether the quality or quantity of services provided by each agency would improve if the two agencies were merged into a single independent State agency.
(2) An analysis of potential cost-savings that might be realized as a result of the merger.
(3) Identification of potential obstacles to the merger.

**ENSURE PROPER ROLE FOR ATTORNEY GENERAL**

**SECTION 17.3A.(a)** G.S. 120-32.6 reads as rewritten:

"§ 120-32.6. Certain employment authority.

(a) Use of Private Counsel. — G.S. 114-2.3 and G.S. 147-17 (a) through (c) shall not apply to the General Assembly."
(b) General Assembly as Client of Attorney General by Operation of Law. – Whenever the validity or constitutionality of an act of the General Assembly or a provision of the Constitution of North Carolina is the subject of an action in any court, if the General Assembly hires outside counsel to represent the General Assembly in connection with that action, the General Assembly shall also be deemed to be a client of the Attorney General for purposes of that action as a matter of law. Nothing herein shall (i) impair or interfere with the rights of other named parties to appear in and to be represented by the Attorney General or outside counsel as authorized by law or (ii) impair the right of the Governor to employ counsel on behalf of the State pursuant to G.S. 147-17.

(c) General Assembly Counsel Shall Be Lead Counsel. – In those instances when the General Assembly employs counsel in addition to or other than the Attorney General, the Speaker of the House of Representatives and the President Pro Tempore of the Senate may jointly designate the counsel employed by the General Assembly as lead counsel for the General Assembly. The lead counsel so designated shall possess final decision-making authority with respect to the representation, counsel, or service for the General Assembly. Other counsel for the General Assembly shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel.

(d) The rights provided by this section shall be supplemental to those provided by any other provision of law."

SECTION 17.3A.(b) G.S. 114-2 reads as rewritten:

"§ 114-2. Duties. It shall be the duty of the Attorney General:

(2) To represent all State departments, agencies, institutions, commissions, bureaus or other organized activities of the State which receive support in whole or in part from the State. Where the Attorney General represents a State department, agency, institution, commission, bureau, or other organized activity of the State which receives support in whole or in part from the State, the Attorney General shall act in conformance with Rule 1.2 of the Rules of Professional Conduct of the North Carolina State Bar."

SECTION 17.3A.(c) G.S. 114-2.2 reads as rewritten:

"§ 114-2.2. Attorney General to approve consent judgments. (a) To be effective against the State, a consent judgment entered into by the State, a State department, State agency, State institution, or a State officer who is a party in his official capacity must be signed personally by the Attorney General. This power of approval may not be delegated to a deputy or assistant Attorney General or to any other subordinate. This subsection shall not apply to consent judgments that name a party a State department, agency, institution, or officer.

(a1) Where a dispute, claim, or controversy names as a party a State department, agency, or institution, or officer, a consent judgment shall be approved by the head of the department, agency, or institution, or by the State officer, before the judgment may be entered.

(b) The provisions of this section are supplemental to G.S. 114-2.1.

(c) Notwithstanding subsection (a) of this section, the Attorney General by rule may delegate to a deputy or assistant Attorney General or to another subordinate the power to sign consent judgments in condemnation or eminent domain actions brought under the provisions of Chapters 40A or 136 of the General Statutes and consent judgments under the provision of Article 31 of Chapter 143 (Tort Claims Act) and Chapter 97 (Workers' Compensation Act) of the General Statutes."

SECTION 17.3A.(d) G.S. 114-2.4 reads as rewritten:

"§ 114-2.4. Attorney General to render opinion on settlement agreements. (a) The Attorney General shall review the terms of all proposed agreements entered into by the State or a State department, agency, institution, or officer to settle or resolve litigation or
potential litigation, that involves the payment of public monies in the sum of seventy-five thousand dollars ($75,000) or more. In order for such an agreement or contract to be effective against the State, the Attorney General shall submit to the State or the State department, agency, institution, or officer a written opinion regarding the terms of the proposed agreement and the advisability of entering into the agreement, prior to entering into the agreement. The written opinion required by this section shall be maintained in the official file of the final settlement agreement. The Attorney General by rule may delegate to a deputy or assistant Attorney General or to another subordinate the authority to approve review settlement agreements.

(b) Where a dispute, claim, or controversy names as a party a State department, agency, or institution, or officer, a proposed settlement agreement or other agreement that would dispose of the dispute, claim, or controversy shall be approved by the head of the department, agency, or institution, or by the State officer, before the agreement may be entered.

(b)(c) The Attorney General shall report to the Joint Legislative Commission on Governmental Operations on all agreements entered into by the State or a State department, agency, institution, or officer to settle or resolve litigation or potential litigation, that involves the payment of public monies in the sum of seventy-five thousand dollars ($75,000) or more."

SECTION 17.3A.(e) This section is effective when it becomes law.

TRANSFER PRIVATE PROTECTIVE SERVICES BOARD AND ALARM SYSTEMS LICENSING BOARD TO THE DEPARTMENT OF PUBLIC SAFETY

SECTION 17.5.(a) The Private Protective Services Board and the Alarm Systems Licensing Board are hereby transferred to the Department of Public Safety. These transfers shall have all of the elements of a Type II transfer, as described in G.S. 143A-6.

SECTION 17.5.(b) The following statutes are amended by deleting "Attorney General" wherever it appears and substituting "Secretary of Public Safety": G.S. 74C-6, 74C-7, and 74C-13.

SECTION 17.5.(c) G.S. 74C-4 reads as rewritten:

"§ 74C-4. Private Protective Services Board established; members; terms; vacancies; compensation; meetings.

(a) The Private Protective Services Board is hereby established in the Department of Justice Department of Public Safety to administer the licensing and set educational and training requirements for persons, firms, associations, and corporations engaged in a private protective services profession within this State.

(b) The Board shall consist of 14 members: the Attorney General or his the Secretary of Public Safety or the Secretary's designated representative, two persons appointed by the Attorney General, one person three persons appointed by the Governor, five persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, and five persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. All appointments by the General Assembly shall be subject to the provisions of G.S. 120-121, and vacancies in the positions filled by those appointments shall be filled pursuant to G.S. 120-122. One of those persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate and all five persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives shall be licensees under this Chapter; all other appointees may not be licensees of the Board nor licensed by the Board while serving as Board members. All persons appointed shall serve terms of three years. With the exception of the Attorney General or his Secretary of Public Safety or the Secretary's designated representative, no person shall serve more than eight consecutive years on the Board, including years of service prior and subsequent to July 1, 1983. Board Board members may continue to serve until their successors have been appointed.
SECTION 17.5.(d) G.S. 74C-6, as rewritten by subsection (b) of this section, reads as rewritten:

"§ 74C-6. Position of Director created.

The position of Director of the Private Protective Services Board is hereby created within the Department of Justice Department of Public Safety. The Secretary of Public Safety shall appoint a person to fill this full-time position. The Director's duties shall be to administer the directives contained in this Chapter and the rules promulgated by the Board to implement this Chapter and to carry out the administrative duties incident to the functioning of the Board in order to actively police the private protective services industry to ensure compliance with the law in all aspects."

SECTION 17.5.(e) G.S. 74D-4(b) reads as rewritten:

"(b) The Board shall consist of seven members: the Attorney General Secretary of Public Safety or his designee; two persons appointed by the Governor, one of whom shall be licensed under this Chapter and one of whom shall be a public member; two persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be a public member; and two persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be a public member."

SECTION 17.5.(f) G.S. 74D-5.1 reads as rewritten:

"§ 74D-5.1. Position of Director created.

The position of Director of the Alarm Systems Licensing Board is hereby created within the Department of Justice Department of Public Safety. The Attorney General Secretary of Public Safety shall appoint a person to fill this full-time position. The Director's duties shall be to administer the directives contained in this Chapter and the rules promulgated by the Board to implement this Chapter and to carry out the administrative duties incident to the functioning of the Board in order to actively police the alarm systems industry to insure compliance with the law in all aspects. The Director may issue a temporary grant or denial of a request for registration subject to final action by the Board at its next regularly scheduled meeting." 

SECTION 17.5.(g) G.S. 74D-5.2 reads as rewritten:

"§ 74D-5.2. Investigative powers of the Attorney General Secretary of Public Safety. The Attorney General for the State of North Carolina Secretary of Public Safety shall have the power to investigate or cause to be investigated any complaints, allegations, or suspicions of wrongdoing or violations of this Chapter involving individuals licensed, or to be licensed, under this Chapter. Any investigation conducted pursuant to this section is deemed confidential and is not subject to review under G.S. 132-1 until the investigation is complete and a report is presented to the Board. However, the report may be released to the licensee after the investigation is complete but before the report is presented to the Board."

MANAGEMENT FLEXIBILITY REDUCTION

SECTION 17.6.(a) Funds appropriated or allocated to the North Carolina State Crime Laboratory shall not be reduced in order to meet any portion of the management flexibility reduction set forth in this act.

SECTION 17.6.(b) No later than October 1, 2014, the Department of Justice shall report to the Fiscal Research Division on the reductions that were made to meet the management flexibility reduction to the Department of Justice set forth in this act. The report shall include an itemized list of any position eliminations, including the position numbers, titles, and budgeted salaries of each eliminated position.
MISCELLANEOUS PROVISIONS RELATED TO STATE CRIME LABORATORY PERSONNEL

SECTION 17.7.(a) Notwithstanding any other provision of law, positions in the North Carolina State Crime Laboratory that are created or authorized to be created by this act may be posted and advertised prior to the effective date of the positions' creation.

SECTION 17.7.(b) G.S. 114-63 reads as rewritten:

"§ 114-63. Transfer of personnel.

The Director of the North Carolina State Crime Laboratory shall have authority to transfer employees of the Crime Laboratory from one Crime Laboratory location in the State to another, or between Sections of the Laboratory, as the Director may deem necessary. When any member of the Crime Laboratory is transferred from one location to another for the convenience of the Crime Laboratory, or otherwise than upon the request of the employee, the Crime Laboratory shall be responsible for transporting the household goods, furniture, and personal effects of the employee and members of his or her household."

PART XVIII. JUDICIAL DEPARTMENT

SUBPART XVIII-A. OFFICE OF INDIGENT DEFENSE SERVICES

INDIGENT DEFENSE SERVICES FEE TRANSPARENCY

SECTION 18A.1. The Office of Indigent Defense Services, in consultation and cooperation with the Office of the State Controller and the Office of State Budget and Management, shall develop and implement a plan for making certain information contained in fee applications by attorneys publicly available online. The plan shall provide for online access to the following information with respect to each fee application filed: the name of the attorney filing the application, the case number and the county, the class of the highest charge against the defendant, an indication as to whether there are multiple charges against the defendant, the judge who approved the fee application, the amount paid to the attorney through the application, and the date of that payment. In the case of fee applications that cover work paid by the session rather than by the case, the plan shall provide for identification of those applications by session. The plan shall require (i) the information to be updated at least biweekly, (ii) the information to be searchable, and (iii) all information regarding capital cases to be clearly labeled as such. The Office of Indigent Defense Services shall report on its progress in developing this plan to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by October 1, 2014.

Nothing in this section shall be construed to require the disclosure of information otherwise protected as confidential under State or federal law.

FINAL REPORT ON CRIMINAL CASE INFORMATION SYSTEM

SECTION 18A.2. Section 18B.10 of S.L. 2013-360 reads as rewritten:

"SECTION 18B.10. The Administrative Office of the Courts, in consultation with the Office of Indigent Defense Services, shall use the sum of three hundred fifty thousand dollars ($350,000) in funds available to the Administrative Office of the Courts for the 2013-2015 fiscal biennium and the sum of three hundred fifty thousand dollars ($350,000) in funds available to the Office of Indigent Defense Services for the 2013-2015 fiscal biennium to develop or acquire and to implement a component of the Department's criminal case information system for use by public defenders no later than February 1, 2015. The Administrative Office of the Courts shall make an interim report on the development and implementation of this system by February 1, 2014, and a final report on the completed implementation of the system by March 1, 2015. July 1, 2015, to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety."

535
SUBPART XVIII-B. ADMINISTRATIVE OFFICE OF THE COURTS

AMEND VARIOUS PROVISIONS REQUIRING REPORTS ON THE OPERATIONS OF THE COURTS

SECTION 18B.1.(a) G.S. 7A-343 reads as rewritten:

"§ 7A-343. Duties of Director.

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

... (8) Prepare and submit an annual report on the work of the Judicial Department to the Chief Justice, and transmit a copy to each member of the General Assembly. The annual report shall include the activities of each North Carolina Business Court site, including the number of new, closed, and pending cases, the average age of pending cases, and the annual expenditures for the prior fiscal year to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and to the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety.

..."

SECTION 18B.1.(b) G.S. 7A-343.2 reads as rewritten:

"§ 7A-343.2. Court Information Technology Fund.

(a) Fund. – The Court Information Technology Fund is established within the Judicial Department as a special revenue fund. Interest and other investment income earned by the Fund accrues to it. The Fund consists of the following revenues:

(1) All monies collected by the Director pursuant to G.S. 7A-109(d) and G.S. 7A-49.5.
(2) State judicial facilities fees credited to the Fund under G.S. 7A-304 through G.S. 7A-307.

(b) Use. – Money in the Fund derived from State judicial facilities fees must be used to upgrade, maintain, and operate the judicial and county courthouse phone systems. All other monies in the Fund must be used to supplement funds otherwise available to the Judicial Department for court information technology and office automation needs.

(c) Report. – The Director must report annually by August 1 and February 1 of each year to the Joint Legislative Commission on Governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety. The report must include the following:

(1) Amounts credited in the preceding six months fiscal year to the Fund.
(2) Amounts expended in the preceding six months fiscal year from the Fund and the purposes of the expenditures.
(3) Proposed expenditures of the monies in the Fund."

SECTION 18B.1.(c) G.S. 7A-809 reads as rewritten:

"§ 7A-809. Reports.

The Conference of Clerks of Superior Court shall, in consultation with the registers of deeds, annually study the status of the individual counties and judicial districts as to whether or not the clerks of superior court or the registers of deeds are implementing G.S. 132-1.10(f1) and report results of the study to the Joint Legislative Commission on Governmental Operations, the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each year."

SECTION 18B.1.(d) Section 15.4 of S.L. 2009-451 is repealed.
SECTION 18B.1.(e) Article 7 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"§ 7A-45.5. Annual report on Business Court activities.

The Administrative Office of the Courts shall report to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by March 1 of each year on the activities of each North Carolina Business Court site, including the number of new, closed, and pending cases, average age of pending cases, and annual expenditures for the prior fiscal year."

SECTION 18B.1.(f) G.S. 15A-1475 reads as rewritten:

"§ 15A-1475. Reports. Beginning January 1, 2008, and annually thereafter, the North Carolina Innocence Inquiry Commission shall report annually by February 1 of each year on its activities to the Joint Legislative Oversight Committee on Justice and Public Safety and the State Judicial Council. The report may contain recommendations of any needed legislative changes related to the activities of the Commission. The report shall recommend the funding needed by the Commission, the district attorneys, and the State Bureau of Investigation in order to meet their responsibilities under S.L. 2006-184. Recommendations concerning the district attorneys or the State Bureau of Investigation shall only be made after consultations with the North Carolina Conference of District Attorneys and the Attorney General."

SECTION 18B.1.(g) G.S. 7A-38.6 is repealed.

SECTION 18B.1.(h) G.S. 7A-409.1(g) reads as rewritten:

"(g) The State Judicial Council shall report annually to the General Assembly Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety, to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety, and to the Chief Justice no later than December 31, 2009, and no later than December 31 of every third year, regarding the implementation of S.L. 2006-184 work of the North Carolina Innocence Inquiry Commission and shall include in its report the statistics regarding inquiries and any recommendations for changes. The House of Representatives and the Senate shall refer the report of the State Judicial Council to the Joint Legislative Oversight Committee on Justice and Public Safety and such other committees as the Speaker of the House of Representatives or the President Pro Tempore of the Senate shall deem appropriate, for their review."

SECTION 18B.1.(i) Section 18A.1 of S.L. 2013-360 is repealed.

SECTION 18B.1.(j) Article 39B of Chapter 7A of the General Statutes is amended by adding a new section to read:


The Office of Indigent Defense Services shall report to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the Chairs of the House of Representatives Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety by February 1 of each year on the following:

(1) The volume and cost of cases handled in each district by assigned counsel or public defenders;
(2) Actions taken by the Office to improve the cost-effectiveness and quality of indigent defense services, including the capital case program;
(3) Plans for changes in rules, standards, or regulations in the upcoming year; and
(4) Any recommended changes in law or funding procedures that would assist the Office in improving the management of funds expended for indigent defense services, including any recommendations concerning the feasibility and desirability of establishing regional public defender offices."

SECTION 18B.1.(k) Section 18A.4 of S.L. 2013-360 reads as rewritten:
"SECTION 18A.4. The Office of Indigent Defense Services shall issue a request for proposals from private law firms or not-for-profit legal representation organizations for the provision of all classes of legal cases for indigent clients in all judicial districts. The Office of Indigent Defense Services shall report on the issuance of this request for proposals to the Joint Legislative Commission on Governmental Operations by October 1, 2013. Chairs of the House Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by October 1 of each year. In cases where the proposed contract can provide representation services more efficiently than current costs and ensure that the quality of representation is sufficient to meet applicable constitutional and statutory standards, the Office of Indigent Defense Services shall use private assigned counsel funds to enter into contracts for this purpose. In selecting contracts, the Office of Indigent Defense Services shall consider the cost-effectiveness of the proposed contract. Disputes regarding the ability of the potential contractor to provide effective representation for clients served by the contract shall be determined by the senior resident superior court judge for the district."

ANNUAL REPORT ON CRIMINAL COURT COST WAIVERS

SECTION 18B.2. Section 15.10(b) of S.L. 2011-145 reads as rewritten:

"SECTION 15.10.(b) The Administrative Office of the Courts shall make the necessary modifications to its information systems to maintain records of all cases in which the judge makes a finding of just cause to grant a waiver of criminal court costs under G.S. 7A-304(a) and shall report on those waivers to the Joint Legislative Commission on Governmental Operations by October 1. The report shall aggregate the waivers by the district in which the waiver was granted and by the name of each judge granting a waiver."

COMPENSATION OF COURT REPORTERS

SECTION 18B.3. Section 18B.21 of S.L. 2013-360 reads as rewritten:

"SECTION 18B.21. The Administrative Office of the Courts, in consultation with the National Center for State Courts, shall study the most effective and efficient deployment of court reporters to produce timely records of court proceedings and the most appropriate and effective compensation for court reporters. The Administrative Office of the Courts shall make an interim report of its findings and recommendations to the Chairs of the House Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2014. February 1, 2014, and a final report of its findings and recommendations by January 1, 2015."

FAMILY COURT PROGRAMS

SECTION 18B.4. Section 18B.6 of S.L. 2013-360 reads as rewritten:

"SECTION 18B.6. The Administrative Office of the Courts shall provide direction and oversight to the existing family court programs in order to ensure that each district with a family court program is utilizing best practices and is working effectively and efficiently in the disposition of domestic and juvenile cases. The Administrative Office of the Courts shall report on its efforts in this regard and the results of those efforts to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety, the Senate Appropriations Committee on Justice and Public Safety, and the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2014. March 1 of each year."
TRAINING FOR SUPERIOR AND DISTRICT COURT JUDGES  
SECTION 18B.5. The School of Government at the University of North Carolina at Chapel Hill, in cooperation with the Administrative Office of the Courts, the North Carolina Association of District Court Judges, the North Carolina Conference of Superior Court Judges, and the State Crime Laboratory, shall ensure that the continuing judicial education programs coordinated by the School of Government incorporate content related to the proper custody and handling of biological evidence, including relevant information about the work of the State Crime Laboratory. The topic shall be addressed in continuing legal education programs for superior and district court judges on a regular basis.

ABOLISH FOUR SPECIAL SUPERIOR COURT JUDGESHIPS/PROVIDE FOR TWO ADDITIONAL BUSINESS COURT JUDGES/PROCEDURE FOR NOMINATION AND CONFIRMATION OF SPECIAL SUPERIOR COURT JUDGES  
SECTION 18B.6. G.S. 7A-45.1 is amended by adding three new subsections to read:

"(a8) Notwithstanding any other provision of this section, the four special superior court judgeships held as of April 1, 2014, by judges whose terms expire on April 29, 2015, October 20, 2015, and December 31, 2017, are abolished when any of the following first occurs:

(1) Retirement of the incumbent judge.
(2) Resignation of the incumbent judge.
(3) Removal from office of the incumbent judge.
(4) Death of the incumbent judge.
(5) Expiration of the term of the incumbent judge.

(a9) Effective upon the retirement, resignation, removal from office, death, or expiration of the term of the special superior court judge held as of April 1, 2014, by the judge whose term expires on April 29, 2015, a new special superior court judgeship shall be created and filled through the procedure for nomination and confirmation provided for in subsection (a10) of this section. Effective upon the retirement, resignation, removal from office, death, or expiration of the term of the special superior court judge held as of April 1, 2014, by the judge whose term expires on October 20, 2015, a new special superior court judgeship shall be created and filled through the procedure for nomination and confirmation provided for in subsection (a10) of this section.

Prior to submitting a nominee for the judgeships created under this subsection to the General Assembly for confirmation, the Governor shall consult with the Chief Justice to ensure that the persons nominated to fill these two judgeships have the requisite expertise and experience to be designated by the Chief Justice as business court judges under G.S. 7A-45.3, and the Chief Justice is requested to designate those two judges as business court judges.

(a10) Except for the judgeships abolished pursuant to subsection (a8) of this section, upon the retirement, resignation, removal from office, death, or expiration of the term of any special superior court judge on or after September 1, 2014, each judgeship shall be filled for a full five-year term beginning upon the judge's taking office according to the following procedure prescribed by the General Assembly pursuant to Article IV, Section 9(1) of the North Carolina Constitution. As each judgeship becomes vacant or the term expires, the Governor shall submit the name of a nominee for that judgeship to the General Assembly for confirmation by ratified joint resolution. Upon each such confirmation, the Governor shall appoint the confirmed nominee to that judgeship.

However, upon the failure of the Governor to submit the name of a nominee within 90 days of the occurrence of the vacancy or within 90 days of the expiration of the judge's term, as applicable, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit the name of a nominee to the General Assembly. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, and the county of residence of the appointee.
The Governor may withdraw any nomination prior to it failing on any reading, and in case of such withdrawal the Governor shall submit a different nomination within 45 days of withdrawal. If a nomination shall fail any reading, the Governor shall submit a different nomination within 45 days of such failure. In either case of failure to submit a new nomination within 45 days, the President Pro Tempore of the Senate and the Speaker of the House of Representatives shall submit the name of a nominee to the General Assembly under the procedure provided in the preceding paragraph.

No person shall occupy a special superior court judgeship authorized under this subsection in any capacity, or have any right to, claim upon, or powers of those judgeships, unless that person's nomination has been confirmed by the General Assembly by joint resolution or appointed through the enactment of a bill upon the failure of the Governor to submit a nominee. Until confirmed by the General Assembly and appointed by the Governor, or appointed by the General Assembly upon the failure of the Governor to appoint a nominee, and qualified by taking the oath of office, a nominee is neither a de jure nor a de facto officer.

ALLOCATION OF ASSISTANT DISTRICT ATTORNEYS

SECTION 18B.7.(a) G.S. 7A-60(a2) reads as rewritten:

"§ 7A-60. District attorneys and prosecutorial districts.

(a2) Upon the convening of each regular session of the General Assembly and its reconvening in the even-numbered year, the Administrative Office of the Courts shall report its recommendations regarding the allocation of assistant district attorneys for the upcoming fiscal biennium and fiscal year to the General Assembly, including any request for additional assistant district attorneys. The report shall include the number of assistant district attorneys that the Administrative Office of the Courts recommends to be allocated to each prosecutorial district and the caseload and criteria workload formula established through the National Center for State Courts on which each recommended allocation is based. Any reports required under this subsection shall be made to the Joint Legislative Commission of Governmental Operations, the House of Representatives and Senate Appropriations Subcommittees on Justice and Public, and the Fiscal Research Division.

..."

SECTION 18B.7.(b) G.S. 7A-63 reads as rewritten:

"§ 7A-63. Assistant district attorneys.

Each district attorney shall be entitled to the number of full-time assistant district attorneys set out in this Subchapter, such number to be developed by the General Assembly after consulting the workload formula established through the National Center for State Courts, to be appointed by the district attorney, to serve at his the district attorney's pleasure. A vacancy in the office of assistant district attorney shall be filled in the same manner as the initial appointment. An assistant district attorney shall take the same oath of office as the district attorney, and shall perform such duties as may be assigned by the district attorney. He The district attorney shall devote his full time to the duties of his the office and shall not engage in the private practice of law during his or her term."

MAINTAIN TRIAL COURT ADMINISTRATOR

SECTION 18B.13. The Administrative Office of the Courts shall maintain the trial court administrator position serving Superior Court Districts 7B and 7C and ensure that the position remains filled during the 2014-2015 fiscal year.

AUTHORIZED THE COURT TO ASSESS A FEE FOR THE COSTS OF THE SERVICES OF A PRIVATE HOSPITAL PERFORMING TOXICOLOGICAL TESTING FOR A PROSECUTORIAL DISTRICT

SECTION 18B.14.(a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the
prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), or (12) of this section.

... (7) For the services of the North Carolina State Crime Laboratory facilities, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice for support of the Laboratory. This cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratories have performed DNA analysis of the crime, tests of bodily fluids of the defendant for the presence of alcohol or controlled substances, or analysis of any controlled substance possessed by the defendant or the defendant's agent.

(8) For the services of any crime laboratory facility operated by a local government or group of local governments, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local governmental unit that operates the laboratory to be used for law enforcement purposes. The cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratory has performed DNA analysis of the crime, test of bodily fluids of the defendant for the presence of alcohol or controlled substances, or analysis of any controlled substance possessed by the defendant or the defendant's agent. The costs shall be assessed only if the court finds that the work performed at the local government's laboratory is the equivalent of the same kind of work performed by the North Carolina State Crime Laboratory under subdivision (7) of this subsection.

(8a) For the services of any private hospital performing toxicological testing under contract with a prosecutorial district, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the State Treasurer for the support of the General Court of Justice. The cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratory has performed testing of bodily fluids of the defendant for the presence of alcohol or controlled substances. The costs shall be assessed only if the court finds that the work performed by the local hospital is the equivalent of the same kind of work performed by the North Carolina State Crime Laboratory under subdivision (7) of this subsection.

... (11) For the services of an expert witness employed by the North Carolina State Crime Laboratory who completes a chemical analysis pursuant to G.S. 20-139.1 or a forensic analysis pursuant to G.S. 8-58.20 and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice for support of the State Crime Laboratory. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (7) of this subsection.

(12) For the services of an expert witness employed by a crime laboratory operated by a local government or group of local governments who
completes a chemical analysis pursuant to G.S. 20-139.1 or a forensic analysis pursuant to G.S. 8-58.20 and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local governmental unit that operates the laboratory to be used for local law enforcement. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (8) of this subsection.

(13) For the services of an expert witness employed by a private hospital performing toxicological testing under contract with a prosecutorial district who completes a chemical analysis pursuant to G.S. 20-139.1 and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the State Treasurer for the support of the General Court of Justice. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (8a) of this subsection."

SECTION 18B.14.(b) This section becomes effective December 1, 2014, and applies to fees assessed or collected on or after that date.

THREE-JUDGE PANEL TO RULE ON CLAIMS THAT AN ACT OF THE GENERAL ASSEMBLY IS FACIALLY INVALID ON THE BASIS THAT THE ACT VIOLATES THE NORTH CAROLINA CONSTITUTION OR FEDERAL LAW

SECTION 18B.16.(a) Article 26A of Chapter 1 of the General Statutes reads as rewritten:

"Article 26A.

"Three-Judge Panel for Redistricting Challenges and for Certain Challenges to State Laws.

"§ 1-267.1. Three-judge panel for actions challenging plans apportioning or redistricting State legislative or congressional districts; claims challenging the facial validity of an act of the General Assembly.

(a) Any action challenging the validity of any act of the General Assembly that apportions or redistricts State legislative or congressional districts shall be filed in the Superior Court of Wake County and shall be heard and determined by a three-judge panel of the Superior Court of Wake County organized as provided by subsection (b) of this section.

(a1) Except as otherwise provided in subsection (a) of this section, any facial challenge to the validity of an act of the General Assembly shall be transferred pursuant to G.S. 1A-1, Rule 42(b)(4), to the Superior Court of Wake County and shall be heard and determined by a three-judge panel of the Superior Court of Wake County, organized as provided by subsection (b2) of this section.

(b) Whenever any person files in the Superior Court of Wake County any action challenging the validity of any act of the General Assembly that apportions or redistricts State legislative or congressional districts, a copy of the complaint shall be served upon the senior resident superior court judge of Wake County, who shall be the presiding judge of the three-judge panel required by subsection (a) of this section. Upon receipt of that complaint, the senior resident superior court judge of Wake County shall notify the Chief Justice, who shall appoint two additional resident superior court judges to the three-judge panel of the Superior Court of Wake County to hear and determine the action. Before making those appointments, the Chief Justice shall consult with the North Carolina Conference of Superior Court Judges, which shall provide the Chief Justice with a list of recommended appointments. To ensure that
members of the three-judge panel are drawn from different regions of the State, the Chief Justice shall appoint to the three-judge panel one resident superior court judge from the First through Fourth Judicial Divisions and one resident superior court judge from the Fifth through Eighth Judicial Divisions. In order to ensure fairness, to avoid the appearance of impropriety, and to avoid political bias, no member of the panel, including the senior resident superior court judge of Wake County, may be a former member of the General Assembly. Should the senior resident superior court judge of Wake County be disqualified or otherwise unable to serve on the three-judge panel, the Chief Justice shall appoint another resident superior court judge of Wake County as the presiding judge of the three-judge panel. Should any other member of the three-judge panel be disqualified or otherwise unable to serve on the three-judge panel, the Chief Justice shall appoint as a replacement another resident superior court judge from the same group of judicial divisions as the resident superior court judge being replaced.

(b1) Any facial challenge to the validity of an act of the General Assembly filed in the Superior Court of Wake County, other than a challenge to plans apportioning or redistricting State legislative or congressional districts that shall be heard pursuant to subsection (b) of this section, or any claim transferred to the Superior Court of Wake County pursuant to subsection (a) of this section, shall be assigned by the senior resident Superior Court Judge of Wake County to a three-judge panel established pursuant to subsection (b2) of this section.

(b2) For each challenge to the validity of statutes and acts subject to subsection (a1) of this section, the Chief Justice of the Supreme Court shall appoint three resident superior court judges to a three-judge panel of the Superior Court of Wake County to hear the challenge. The Chief Justice shall appoint a presiding judge of each three-judge panel. To ensure that members of each three-judge panel are drawn from different regions of the State, the Chief Justice shall appoint to each three-judge panel one resident superior court judge from the First, Second, or Fourth Judicial Division, one resident superior court judge from the Seventh or Eighth Judicial Division, and one resident superior court judge from the Third, Fifth, or Sixth Judicial Division. Should any member of a three-judge panel be disqualified or otherwise unable to serve on the three-judge panel or be removed from the panel at the discretion of the Chief Justice, the Chief Justice shall appoint as a replacement another resident superior court judge from the same group of judicial divisions as the resident superior court judge being replaced.

(c) No order or judgment shall be entered affecting the validity of any act of the General Assembly that apportions or redistricts State legislative or congressional districts, or finds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law, except by a three-judge panel of the Superior Court of Wake County organized as provided by subsection (b) or subsection (b2) of this section. In the event of disagreement among the three resident superior court judges comprising the three-judge panel, then the opinion of the majority shall prevail.

(d) This section applies only to civil proceedings. Nothing in this section shall be deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.

SECTION 18B.16.(b)

G.S. 1-81.1 reads as rewritten:

"§ 1-81.1. Venue in apportionment or redistricting cases; certain injunctive relief actions.

(a) Venue lies exclusively with the Wake County Superior Court in any action concerning any act of the General Assembly apportioning or redistricting State legislative or congressional districts, or in any claim seeking an order or judgment of a court, either final or interlocutory, to restrain the enforcement, operation, or execution of an act of the General Assembly, in whole or in part, based upon an allegation that the act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Pursuant to
S.L. 2014-100  Session Laws-2014

G.S. 1-267.1(a1) and G.S. 1-1A, Rule 42(b)(4), claims described in this subsection that are filed or raised in courts other than Wake County Superior Court or that are filed in Wake County Superior Court shall be transferred to a three-judge panel of the Wake County Superior Court if, after all other questions of law in the action have been resolved, a determination as to the facial validity of an act of the General Assembly must be made in order to completely resolve any issues in the case.

(b) Any action brought concerning an act of the General Assembly apportioning or redistricting the State legislative or congressional districts shall be filed in the Superior Court of Wake County."

SECTION 18B.16.(c)  G.S. 1A-1, Rule 42, reads as rewritten:

"Rule 42. Consolidation; separate trials.

(a) Consolidation. – Except as provided in subdivision (b)(2) of this section, when actions involving a common question of law or fact are pending in one division of the court, the judge may order a joint hearing or trial of any or all the matters in issue in the actions; he may order all the actions consolidated; and he may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay. When actions involving a common question of law or fact are pending in both the superior and the district court of the same county, a judge of the superior court in which the action is pending may order all the actions consolidated, and he may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay.

(b) Separate trials. –

(1) The court may in furtherance of convenience or to avoid prejudice and shall for considerations of venue upon timely motion order a separate trial of any claim, cross-claim, counterclaim, or third-party claim, or of any separate issue or of any number of claims, cross-claims, counterclaims, third-party claims, or issues.

(2) Upon motion of any party in an action that includes a claim commenced under Article 1G of Chapter 90 of the General Statutes involving a managed care entity as defined in G.S. 90-21.50, the court shall order separate discovery and a separate trial of any claim, cross-claim, counterclaim, or third-party claim against a physician or other medical provider.

(3) Upon motion of any party in an action in tort wherein the plaintiff seeks damages exceeding one hundred fifty thousand dollars ($150,000), the court shall order separate trials for the issue of liability and the issue of damages, unless the court for good cause shown orders a single trial. Evidence relating solely to compensatory damages shall not be admissible until the trier of fact has determined that the defendant is liable. The same trier of fact that tries the issues relating to liability shall try the issues relating to damages.

(4) Pursuant to G.S. 1-267.1, any facial challenge to the validity of an act of the General Assembly, other than a challenge to plans apportioning or redistricting State legislative or congressional districts, shall be heard by a three-judge panel in the Superior Court of Wake County if a claimant raises such a challenge in the claimant’s complaint or amended complaint in any court in this State, or if such a challenge is raised by the defendant in the defendant’s answer, responsive pleading, or within 30 days of filing the defendant’s answer or responsive pleading. In that event, the court shall, on its own motion, transfer that portion of the action challenging the validity of the act of the General Assembly to the Superior Court of Wake County for resolution by a three-judge panel if, after all other matters in the action have been resolved, a determination as to the facial validity of an act of the General Assembly must be made in order to completely resolve any matters in the case. The court in which the action originated shall maintain jurisdiction over all matters other than the challenge to the act’s facial
validity and shall stay all matters that are contingent upon the outcome of the challenge to the act's facial validity pending a ruling on that challenge and until all appeal rights are exhausted. Once the three-judge panel has ruled and all appeal rights have been exhausted, the matter shall be transferred or remanded to the three-judge panel or the trial court in which the action originated for resolution of any outstanding matters, as appropriate."

SECTION 18B.16.(d) G.S. 1A-1, Rule 62, reads as rewritten:

"Rule 62. Stay of proceedings to enforce a judgment.
(a) Automatic stay; exceptions – Injunctions and receiverships. – Except as otherwise stated herein, no execution shall issue upon a judgment nor shall proceedings be taken for its enforcement until the expiration of the time provided in the controlling statute or rule of appellate procedure for giving notice of appeal from the judgment. Unless otherwise ordered by the court, an interlocutory or final judgment in an action for an injunction or in a receivership action shall not be stayed during the period after its entry and until an appeal is taken or during the pendency of an appeal. The provisions of section (e) govern the suspending, modifying, restoring, or granting of an injunction during the pendency of an appeal.
(b) Stay on motion for new trial or for judgment. – In its discretion and on such conditions for the security of the adverse party as are proper, the court may stay the execution of or any proceedings to enforce a judgment pending the disposition of a motion for a new trial or to alter or amend a judgment made pursuant to Rule 59, or of a motion for relief from a judgment or order made pursuant to Rule 60, or of a motion for judgment made pursuant to Rule 50, or of a motion for amendment to the findings or for additional findings made pursuant to Rule 52(b). If the time provided in the controlling statute or rule of appellate procedure for giving notice of appeal from the judgment had not expired before a stay under this subsection was entered, that time shall begin to run immediately upon the expiration of any stay under this section, and no execution shall issue nor shall proceedings be taken for enforcement of the judgment until the expiration of that time.
(c) Injunction pending appeal. – When an appeal is taken from an interlocutory or final judgment granting, dissolving, or denying an injunction, the court in its discretion may suspend, modify, restore, or grant an injunction during the pendency of the appeal upon such terms as to bond or otherwise as it considers proper for the security of the rights of the adverse party.
(d) Stay upon appeal. – When an appeal is taken, the appellant may obtain a stay of execution, subject to the exceptions contained in section (a), by proceeding in accordance with and subject to the conditions of G.S. 1-289, G.S. 1-290, G.S. 1-291, G.S. 1-292, G.S. 1-293, G.S. 1-294, and G.S. 1-295.
When stay is had by giving supersedeas bond, the bond may be given at or after the time of filing the notice of appeal or of procuring the order allowing the appeal as the case may be, and stay is then effective when the supersedeas bond is approved by the court.
(e) Stay in favor of North Carolina, city, county, local board of education, or agency thereof. – When an appeal is taken by the State of North Carolina, or a city or a county thereof, a local board of education, or an officer in his official capacity or agency thereof or by direction of any department or agency of the State of North Carolina or a city or county thereof or a local board of education and the operation or enforcement of the judgment is stayed, no bond, obligation, or other security shall be required from the appellant.
(f) Power of appellate court not limited. – The provisions of this rule do not limit any power of an appellate court or of a judge or justice thereof to stay proceedings during the pendency of an appeal or to suspend, modify, restore, or grant an injunction during the pendency of an appeal or to make any order appropriate to preserve the status quo or the effectiveness of the judgment subsequently to be entered.
(g) Stay of judgment as to multiple claims or multiple parties. – When a court has ordered a final judgment under the conditions stated in Rule 54(b), the court may stay enforcement of that judgment until the entering of a subsequent judgment or judgments and
may prescribe such conditions as are necessary to secure the benefit thereof to the party in whose favor the judgment is entered.

(h) Right to immediate interlocutory appeal of order granting or denying injunctive relief in as-applied constitutional challenge. — Notwithstanding any other provision of law, a party shall have the right of immediate appeal (i) from an adverse ruling by a trial court granting or denying interlocutory, temporary, or permanent injunctive or declaratory relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action or (ii) from an adverse ruling by a trial court denying a motion to stay an injunction restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action. This subsection only applies where the State or a political subdivision of the State is a party in the civil action. This subsection does not apply to facial challenges heard by a three-judge panel pursuant to G.S. 1-267.1.”

SECTION 18B.16.(e) G.S. 7A-27 reads as rewritten:

“§ 7A-27. Appeals of right from the courts of the trial divisions.

... 

(a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a court, either final or interlocutory, that holds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing in this section shall be deemed to apply to appeals from orders of the trial courts pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.

(b) Appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than the one described in subsection (a) of this section, or one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding which does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

e. Determines a claim prosecuted under G.S. 50-19.1.

f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action. This subsection only applies where the State or a political subdivision of the State is a party in the civil action. This subsection does not apply to facial challenges to an act's validity heard by a three-judge panel pursuant to G.S. 1-267.1.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.”

SECTION 18B.16.(f) G.S. 1-267.1(b2), as enacted in subsection (a) of this section, becomes effective September 1, 2014. The remainder of this section is effective when it becomes law and applies to any claim filed on or after that date or asserted in an amended pleading on or after that date that asserts that an act of the General Assembly is either facially
invalid or invalid as applied to a set of factual circumstances on the basis that the act violates the North Carolina Constitution or federal law.

LEGAL AID REPORT

SECTION 18B.17. As a condition of continued receipt of funding through revenue from court fees, Legal Aid of North Carolina shall report quarterly beginning October 1, 2014, to the Chairs of the House of Representatives and Senate Appropriations Committees and the Fiscal Research Division. The report shall include the cases in the public record in which Legal Aid has appeared as counsel, including a description of the type of case and its ongoing status. The report shall also provide sufficiently detailed information about the focus of investigations and the ways in which resources are being expended, to the extent permissible under the law, to demonstrate that funds provided under the Access to Civil Justice Act are being used within the eligibility limitations of G.S. 7A-474.3. This portion of the report detailing investigations and use of resources shall also include a list of all site visits conducted by Legal Aid personnel, with sufficient information even in the case of confidential information to identify the nature of the visit and the type of site visited. Finally, the report shall describe Legal Aid's efforts to more effectively bring legal services to North Carolina.

PART XIX. DEPARTMENT OF CULTURAL RESOURCES

CAP GRANTS FROM STATE AID TO LIBRARIES FUND

SECTION 19.2. The Department of Cultural Resources shall not allocate a grant to any municipal or single-county library from the Aid to Public Libraries Fund that exceeds four hundred thousand dollars ($400,000) for the 2014-2015 fiscal year.

QUEEN ANNE'S REVENGE PROJECT SPECIAL FUND

SECTION 19.4. Part 1 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-53.3. Queen Anne's Revenge Project.

(a) Fund. – The Queen Anne's Revenge Project Special Fund is created as a special, interest-bearing revenue fund within the Department of Cultural Resources, Office of Archives and History. The Fund shall consist of all receipts derived from private donations, grant funds, and earned revenue. The monies in the Fund may be used only for contracted services, personal services and operations, conference and meeting expenses, travel, staff salaries, operations for laboratory needs, museum exhibits, and other administrative costs related to the Queen Anne's Revenge Project. The staff of the Office of Archives and History and the Department of Cultural Resources shall determine how the funds will be used for the purposes of the Queen Anne's Revenge Project, and those funds are hereby appropriated for those purposes.

(b) Application. – This section applies to the Queen Anne's Revenge, the historic shipwreck owned by the State and managed by the Department of Cultural Resources, Office of Archives and History.

(c) Reports. – The Department of Cultural Resources shall submit a report by September 30 of each year to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on General Government, the Senate Appropriations Committee on General Government and Information Technology, and the Fiscal Research Division. This report shall include the source and amount of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

EXEMPT DCR FROM OPERATING RULES REQUIREMENTS RELATED TO HISTORIC SITES AND MUSEUMS

SECTION 19.5.(a) G.S. 121-7.3 reads as rewritten:

"§ 121-7.3. Admission and related activity fees. Fees and operating hours.

The Department of Cultural Resources may charge a reasonable admission and related activity fee to any historic site or museum administered by the Department. Admission and
related activity fees collected under this section are receipts of the Department and shall be deposited in the appropriate special fund. The revenue collected pursuant to this section shall be used only for the individual historic site or museum where the receipts were generated. The Secretary may adopt rules necessary to carry out the provisions of this section. The Department is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at historic sites and museums. The Department shall submit a report to the Joint Legislative Commission on Governmental Operations on the amount and purpose of a fee change within 30 days following its effective date."

SECTION 19.5.(b) G.S. 143B-71 reads as rewritten: "§ 143B-71. Tryon Palace Commission – creation, powers and duties.

There is hereby created the Tryon Palace Commission of the Department of Cultural Resources with the power and duty to adopt, amend and rescind rules and regulations concerning the restoration and maintenance of the Tryon Palace complex, and other powers and duties as provided in Article 2 of Chapter 121 of the General Statutes of North Carolina, including the authority to charge reasonable admission and related activity fees. The Commission is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at Tryon Palace Historic Sites and Gardens. The Commission shall submit a report to the Joint Legislative Commission on Governmental Operations on the amount and purpose of a fee change within 30 days following its effective date."


There is hereby created the U.S.S. North Carolina Battleship Commission of the Department of Cultural Resources with the power and duty to adopt, amend, and rescind rules and regulations under and not inconsistent with the laws of this State necessary in carrying out the provisions and purposes of this Part.

(3) The Commission shall adopt rules and regulations consistent with the provisions of this Chapter. The Commission is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at the U.S.S. North Carolina Battleship. The Commission shall submit a report to the Joint Legislative Commission on Governmental Operations on the amount and purpose of a fee change within 30 days following its effective date."

CLOSURE OF MOUNTAIN GATEWAY MUSEUM PROHIBITED

SECTION 19.6. The Department of Cultural Resources, Division of History Museums, shall not close the Mountain Gateway Museum during the 2014-2015 fiscal year.

DCR BUDGET INTEGRITY

SECTION 19.7. In the development of the 2015-2017 biennial continuation budget, the Office of State Budget and Management shall restore various underfunded accounts for Archives and Records, Historic Preservation, and Personal Services within the Department of Cultural Resources.

MODIFY ROANOKE ISLAND COMMISSION AND DEPARTMENT OF CULTURAL RESOURCES IN MANAGING ROANOKE ISLAND FESTIVAL PARK

SECTION 19.8.(a) Part 27A of Article 2 of Chapter 143B of the General Statutes reads as rewritten:
"Part 27A. Roanoke Island Commission."

There is established the Roanoke Island Commission. The Commission shall be an independent, self-supporting commission, but shall be located within the Department of Cultural Resources for historic resource management, organizational, and budgetary purposes to advise and assist the Secretary of the Department of Cultural Resources in the protection, preservation, development, and interpretation of the historical and cultural assets of Roanoke Island.

"§ 143B-131.2. Roanoke Island Commission – Purpose, powers, and duties.
(a) The Commission is created to combine various existing entities in the spirit of cooperation for a cohesive body to protect, preserve, develop, and interpret the historical and cultural assets of Roanoke Island. The Commission is further created to fundraise for and to operate and administer the Elizabeth II State Historic Site and Visitor Center, the Elizabeth II, Ice Plant Island, and all Roanoke Island Festival Park and all other properties under the administration of the Department of Cultural Resources located on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo, except as otherwise determined by the Commission.

(b) The Commission shall have the following powers and duties under the direction and control of the Secretary:

(1) To advise the Secretary of the Department of Transportation and adopt rules on matters pertaining to, affecting, and encouraging restoration, preservation, and enhancement of the appearance, maintenance, and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264 Bypass travel corridor on Roanoke Island and the grounds on Roanoke Island Festival Park. However, the local government that has jurisdiction over the affected portion of the travel corridor shall process the applications for and issue the certificates of appropriateness and shall be responsible for the enforcement of those certificates and any rules adopted pursuant to this subdivision that apply to the portion of the travel corridor within the jurisdiction of the local government. No reimbursement shall be made by the Commission to the local government for the processing of applications or issuance of certificates of appropriateness, or the enforcement of those certificates or the rules.

(2) To operate Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center and the Elizabeth II as permanent memorials commemorating the Roanoke Voyages, 1584-1587.

(3) To supervise the development of Ice Plant Island and to manage future facilities.

(4) To advise the Secretary of the Department of Cultural Resources on matters pertinent to historical and cultural events on Roanoke Island.

(5) With the assistance of the Department of Cultural Resources, to identify, preserve, and protect properties located on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo consistent with applicable State laws and rules.

(6) To, With the approval of the Secretary of the Department of Cultural Resources, establish and collect a charge for admission to any property or event operated by the Commission.

(7) To solicit and accept gifts, grants, and donations.

(8) To cooperate with the Secretary and Department of Cultural Resources, the Secretary and Department of Transportation, the Secretary and Department of Environment and Natural Resources, and other governmental agencies, officials, and entities, and provide them with assistance and advice.
To adopt and enforce **such bylaws, rules, and guidelines, not inconsistent with the rules and guidelines of the Department of Cultural Resources** that the Commission deems to be reasonably necessary in order to carry out its powers and duties. Notwithstanding the foregoing, Chapter 150B of the General Statutes does not apply to the adoption of rules by the Commission.

To fundraise, accept monies, gifts, donations, grants, or devises, which funds will be used by the Commission for purposes of carrying out its duties and purposes herein set forth. The Commission may establish a reserve fund to be maintained and used for contingencies and emergencies. The Friends of Elizabeth II, Inc., shall use the balance of any unencumbered funds that were transferred to it pursuant to this subdivision only for expenses of the Commission or the properties operated by the Commission that are identified as operating or for maintenance costs by the Commission and that are requested by the Commission.

By cooperative arrangement with other agencies, groups, individuals, and other entities, to coordinate and schedule historical and cultural events on Roanoke Island.

Make recommendations to the Secretary of Cultural Resources concerning personnel and budgetary matters.

To acquire real and personal property by purchase, gift, devise, and exchange.

To administer the Historic Roanoke Island Fund as provided in G.S. 143B-131.8A.

To procure supplies, services, and property as appropriate and to enter into contracts, leases, or other legal agreements to carry out the purposes of this Part and duties of the Commission. The provisions of G.S. 143-129 and Article 3 of Chapter 143 of the General Statutes do not apply to purchases by the Roanoke Island Commission of equipment, supplies, and services. However, the Commission shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars ($1,000,000) authorized by this subdivision to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be awarded by the Commission under this subdivision a standard clause which provides that the State Auditor and internal auditors of the Commission may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Commission shall not award a cost plus percentage of cost agreement or contract for any purpose.

"§ 143B-131.3. Assignment of property: offices.

Upon request of the Commission, the head of any State agency may assign property, equipment, and personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Part. Assignments under this section shall be without reimbursement by the Commission to the agency from which the assignment was made.

"§ 143B-131.4. Commission reports.

Before July 1, 1995, the Commission shall submit to the General Assembly a comprehensive report incorporating specific recommendations of the Commission for development and promotion of the Elizabeth II State Historic Site and Visitor Center. After the initial report, the Commission shall submit a quarterly report to the Chairs of the House Appropriations Subcommittee on General Government and the Chairs of the Senate Appropriations Committee on General Government and Information Technology and to the Fiscal Research Division of the General Assembly. The report shall include: ...
§ 143B-131.5. Roanoke Island Commission – Additional powers and duties; transfer of assets and liabilities.
(a) The Commission shall also have the powers and duties established by Chapter 1194, Session Laws of 1981, as amended. To the extent that Chapter 1194 of the 1981 Session Laws is inconsistent with this Part, the powers and duties in this Part shall control.

§ 143B-131.6. Roanoke Island Commission – Members; terms; vacancies; expenses; officers.
(a) The Commission shall consist of 24 voting members appointed as follows:
(1) Six members appointed by the Governor;
(2) Six members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, at least two of whom reside in Dare County;
(3) Six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, at least two of whom reside in Dare County; and
(4) The following persons, or their designees, ex officio: designees shall serve ex officio:
   a. The Governor;
   b. The Attorney General;
   c. The Secretary of the Department of Cultural Resources;
   d. The Secretary of the Department of Transportation;
   e. The Chair of the Dare County Board of Commissioners; and
   f. The Mayor of Manteo.
(5) The Secretary of the Department of Cultural Resources, or the Secretary’s designee, shall serve ex officio as a nonvoting member.

(c) The Governor shall appoint a chair biennially from among the membership of the Commission. The initial term of the chair shall commence on October 1, 1994. The Commission shall elect from its membership a vice-chair, a secretary, and treasurer to serve two-year terms. The Commission in its discretion may appoint a historian to serve at its pleasure. Initial terms shall commence on October 1, 1994.

(g) The chair shall convene the Commission. Meetings shall be held as often as necessary, but not less than two four times a year.

(i) The Commission shall make its recommendations by March 15 of each year that terms expire for appointments for terms commencing July 1 of that year; provided the initial appointments for terms commencing October 1, 1994, shall be made upon recommendation of the Roanoke Island Historical Association.

§ 143B-131.8A. Historic Roanoke Island Fund.
(a) The Historic Roanoke Island Fund is established as a nonreverting enterprise fund and shall be administered by the Roanoke Island Commission. All operating revenues generated by the Roanoke Island Commission, including revenues collected from any property operated by the Roanoke Island Commission, together with all gifts, grants, donations, or other financial assets of whatever kind received or held by the Roanoke Island Commission shall be credited to the Historic Roanoke Island Fund and shall be used only (i) for the expenses of operating and maintaining the Roanoke Island Commission and the properties managed by the Roanoke Island Commission, including the salaries and benefits of Roanoke Island Festival Park staff, (ii) to carry out any of the other duties and purposes set out by this Part, or (iii) for capital expenditures for the properties operated by the Commission.
(b) The Department of Cultural Resources shall pay to the Commission transfer to the Fund on a monthly basis a pro rata share of the utilities, maintenance, and operating expenses of the Outer Banks History Center, which is located in the facility owned by the Commission. Roanoke Island Festival Park. The funds received pursuant to this subsection shall be credited to the Historic Roanoke Island Fund.

(c) The Department of Cultural Resources shall credit to the Historic Roanoke Island Fund all rental proceeds received by the Department from the rental properties located near the Outer Banks Island Farm.

§ 143B-131.9. Roanoke Island Commission Festival Park staff.

The Commission shall appoint and fix the salary of an Executive Director to serve at its pleasure and may hire other employees. Employees of the Commission who were transferred from the Department of Cultural Resources as of July 1, 1995, and who were subject to the North Carolina Human Resources Act, Chapter 126 of the General Statutes, at the time of the transfer shall continue to be subject to that act. Employees of the Commission who were transferred but were not subject to the North Carolina Human Resources Act at the time of transfer are not subject to the North Carolina Human Resources Act. Employees of the Commission who were not transferred are not subject to the North Carolina Human Resources Act unless the Commission designates the employee's position as subject to the North Carolina Human Resources Act when the employee is hired. Once designated, a position remains subject to the North Carolina Human Resources Act unless exempted in accordance with that act. Employees of the Commission shall serve as a search committee to seek out, interview, and recommend to the Secretary of the Department of Cultural Resources an Executive Director of Roanoke Island Festival Park. All employees of the Commission shall be transferred to the Department of Cultural Resources and shall be paid from the Historic Roanoke Island Fund as provided in G.S. 143B-131.8A. Except as otherwise provided in this section, or G.S. 126-5, all employees who are transferred from the Commission to the Department of Cultural Resources shall retain the same designations under the North Carolina Human Resources Act, Chapter 126 of the General Statutes, as they had prior to the transfer.

SECTION 19.8. (b) This section is effective when this act becomes law.

DCR UMSTEAD EXEMPTION FOR CERTAIN EVENTS, ACTIVITIES, AND PROGRAMMING

SECTION 19.9 G.S. 66-58(b)(9b) reads as rewritten:

"(b) The provisions of subsection (a) of this section shall not apply to:

…

(9b) The Department of Cultural Resources for the sale of food pursuant to G.S. 111-47.2 and the sale of books, crafts, gifts, and other tourism-related items and revenues from public and private special events, activities, and programming at historic sites and museums administered by the Department, provided that the resulting profits are used to support the operation of historic sites or museums."

PART XX. DEPARTMENT OF INSURANCE

INSURANCE REGULATORY CHARGE

SECTION 20.2.(a) The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2015 calendar year.

SECTION 20.2.(b) G.S. 58-6-25 reads as rewritten:

"§ 58-6-25. Insurance regulatory charge.

…"
(d) Use of Proceeds. – The Insurance Regulatory Fund is created in the State treasury, under the control of the Office of State Budget and Management. The proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited to the Fund. The Fund shall be placed in an interest-bearing account and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly and in accordance with the line item budget enacted by the General Assembly. The Fund is subject to the provisions of the Executive State Budget Act, except that no unexpended surplus of the Fund shall revert to the General Fund. All money credited to the Fund shall be used to reimburse the General Fund for the following:

(11) Money appropriated to the North Carolina Industrial Commission for support of the Commission's duties excepted from its statutory fee authority as set forth in G.S. 97-73(e).

SECTION 20.2.(c) Subsection (a) of this section is effective when it becomes law. Subsection (b) of this section becomes effective January 1, 2015.

PART XXII. GENERAL ASSEMBLY

CREATE JOINT LEGISLATIVE COMMITTEE ON GENERAL GOVERNMENT

SECTION 22.1. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"Article 34.
"Joint Legislative Oversight Committee on General Government.

§ 120-295. Creation and membership of Joint Legislative Oversight Committee on General Government.
(a) The Joint Legislative Oversight Committee on General Government is established. The Committee consists of 12 members as follows:

(1) Six members of the Senate appointed by the President Pro Tempore of the Senate. At least three of the members shall be members of the Senate appropriations committee that has jurisdiction over the agencies set out in G.S. 120-296(a)(1).

(2) Six members of the House of Representatives appointed by the Speaker of the House of Representatives. At least three of the members shall be members of the House of Representatives appropriations subcommittee that has jurisdiction over the agencies set out in G.S. 120-296(a)(1).

(b) Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

(c) A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

§ 120-296. Purpose and powers of Committee.
(a) The Joint Legislative Oversight Committee on General Government shall examine on a continuing basis the services provided by the departments and agencies set out in this subsection in order to make ongoing recommendations to the General Assembly on ways to improve the effectiveness, efficiency, and quality of State government services. The Committee has the following powers and duties:
(1) Study the programs, organization, operations, and policies of the following agencies:
   a. Department of Administration.
   b. Department of State Auditor.
   c. Department of Cultural Resources.
   d. Governor's Office.
   e. Housing Finance Agency.
   f. Department of Insurance.
   g. Lieutenant Governor's Office.
   h. Office of Administrative Hearings.
   i. Office of State Human Resources.
   j. Department of Revenue.
   k. Department of Secretary of State.
   l. State Board of Elections.
   m. Office of State Budget and Management.
   n. Office of State Controller.
   o. State Ethics Commission.
   p. Department of State Treasurer.
   q. General Assembly.
   r. Any other agency under the jurisdiction of the Senate and House of Representatives appropriations subcommittees on general government.

(2) Review compliance of budget actions directed by the General Assembly.

(3) Monitor expenditures, deviations, and changes made by the agencies set out in subdivision (a)(1) of this section to the certified budget.

(4) Review policy changes as directed by law.

(5) Receive presentations of reports from agencies directed in the law, including audits, studies, and other reports.

(6) Review any issues that arise during the interim period between sessions of the General Assembly and provide a venue for any of these issues to be heard in a public setting.

(7) Monitor the quality of services provided by general government agencies to other agencies and the public.

(8) Identify opportunities for general government agencies to coordinate and collaborate to eliminate duplicative functions.

(9) Have presentations and reports on any other matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make reports to the General Assembly. A report to the General Assembly may contain legislation needed to implement a recommendation of the Committee.

\textsuperscript{\textsection} 120-297. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on General Government. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is five members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the
Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Committee cochairs may establish subcommittees for the purpose of examining issues relating to services provided by particular divisions within the State's general government departments.

§ 120-298. Reports to Committee.
Whenever a department, office, or agency set out in subdivision (a)(1) of G.S. 120-296 is required by law to report to the General Assembly or to any of its permanent committees or subcommittees on matters affecting the services the department or agency provides, the department or agency shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on General Government.

PART XXII-A. OFFICE OF STATE HUMAN RESOURCES

DISCONTINUE USE OF AUTOMATIC SCORING AND SCREENING OF APPLICATIONS FOR STATE GOVERNMENT EMPLOYMENT

SECTION 22A.1.(a) The Office of State Human Resources (OSHR) shall discontinue, as soon as practicable, utilization of its current online job application and career portal providing automatic scoring and screening of applications for State government employment. In order to effectuate the provisions of this section, the State Chief Information Officer shall not allocate any funds to continue or renew licenses for the online job application and career portal currently utilized by OSHR.

SECTION 22A.1.(b) Nothing in this section is intended, nor shall it be construed, to impair any valid contract relating to its subject matter.

OFFICE OF STATE HUMAN RESOURCES/JLOCGG REVIEW OF TEMPORARY SOLUTIONS

SECTION 22A.2.(a) The Joint Legislative Oversight Committee on General Government (Committee) created by Section 22.1 of this act shall review the effectiveness and efficiency of the Temporary Solutions staffing service of the Office of State Human Resources (OSHR). As part of its review, the Committee shall:

(1) Review the OSHR's administrative surcharge charged to State agencies.
(2) Review the administrative structure of the Temporary Solutions staffing service.
(3) Review the total number of full-time equivalent positions, workload per staff, and operations costs of the Temporary Solutions staffing service.
(4) Review the status of the accounts billable and payable of the Temporary Solutions staffing service, and the average time each State agency takes to remit payment for services rendered.
(5) Compare the Temporary Solutions staffing service to the same or similar staffing services in other states and the private sector.
(6) Examine whether State agencies would be better served by allowing agencies to contract with the private sector for temporary staffing services.
(7) Consider any other matters pertaining to the Temporary Solutions staffing service.

By January 30, 2015, the Committee shall report to the 2015 General Assembly on its recommendations and any legislative proposals relating to the Temporary Solutions staffing service.

SECTION 22A.2.(b) By October 1, 2014, the OSHR shall:

(1) Conduct a customer satisfaction survey that focuses on measuring State agencies' perceptions of the Temporary Solutions staffing service. At a minimum, the survey shall provide for ratings in the categories of promptness in placements, responsiveness to agency staffing needs, and
identification and referral of qualified persons for temporary staffing requirements.

(2) Report the results of the survey required by this subsection to the Committee, along with OSHR's plan to address any issues identified by the survey.

EXTEND REORGANIZATION THROUGH REDUCTION PROGRAM

SECTON 22A.3.(a) Section 8.2 of S.L. 2013-382 reads as rewritten:

"SECTION 8.2. Severance and any other payments made pursuant to the implementation of the RTR program shall be made from the severance reserve and shall not exceed funds appropriated for that purpose."

SECTON 22A.3.(b) Section 8.3 of S.L. 2013-382 reads as rewritten:


PART XXIII. OFFICE OF THE GOVERNOR

EDUCATION AND WORKFORCE INNOVATION PROGRAM

SECTION 23.1.(a) Of the funds appropriated for the Education and Workforce Innovation Program, established under G.S. 115C-64.16, up to five percent (5%) each fiscal year may be used by the Office of the Governor to provide technical assistance and administrative assistance, including staff, to the Commission and reimbursement expenses for the Commission, and five percent (5%) each fiscal year shall be allocated to North Carolina New Schools Project. North Carolina New Schools Project shall use the funds to establish a peer learning network for all grantees to ensure high-quality implementation of grant programs that lead to strong results for students. The peer learning network shall (i) share effective practices and lessons learned among grantees; (ii) bring together grantee teachers and leaders for intensive development that sustains focus on instruction, academic rigor, and skills development; and (iii) benchmark grantee data against State and national standards. North Carolina New Schools Project shall also advise grantees in fund-raising.

SECTION 23.1.(b) G.S. 115C-64.16(f) reads as rewritten:

"(f) Reporting Requirements. – No later than March 1 and September 1 of each year, a grant recipient shall submit to the Commission an annual report for the preceding grant year that describes the academic progress made by the students and the implementation of program initiatives."

SECTION 23.1.(c) Funds appropriated for the Education and Workforce Innovation Program authorized by G.S. 115C-64.16 shall not revert at the end of each fiscal year but shall remain available until expended.

SECTION 23.1.(d) G.S. 115C-64.16(d) reads as rewritten:

"(d) Matching Private and Local Funds. – All funds appropriated by the State must be matched by a combination of private and local funds. All grant applicants must fund twenty-five percent (25%) of program costs through local funds. An additional twenty-five percent (25%) of program costs must be raised by private funds. All grant applicants must match fifty percent (50%) of all State dollars. Matching funds shall not include other State funds. Matching funds may include in-kind contributions."

SECTION 23.1.(e) G.S. 115C-64.15 reads as rewritten:

"§ 115C-64.15. North Carolina Education and Workforce Innovation Commission.

(b) The Commission shall consist of the following 14 members:
(1) The Secretary of Commerce.
(2) The State Superintendent of Public Instruction.
(3) The Chair of the State Board of Education.
(4) The President of The University of North Carolina.
(5) The President of the North Carolina Community College System.
(6) Two - Three members appointed by the Governor who have experience in education.
(7) Two - Three members appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121, who have experience in businesses operating in North Carolina.
(8) Two - Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121, who have experience in businesses operating in North Carolina.

(b1) Members appointed by the Governor or the General Assembly shall serve for three-year terms commencing July 1 of the year of appointment and may serve successive terms.

SECTION 23.1.(f) The terms of members appointed by the Governor or the General Assembly who are serving on the Commission on the effective date of this section shall expire June 30, 2016.

PART XXIV. OFFICE OF STATE BUDGET AND MANAGEMENT

MUSEUM OF WAXHAW AMPHITHEATER
SECTION 24.1. Funds appropriated in this act for The Andrew Jackson Historical Foundation, Inc., a nonprofit organization, shall be used to rebuild the dilapidated amphitheater at the Museum of the Waxhaw. The Foundation shall use private or local funds to supplement the funds appropriated in this act.

WOMEN'S SHELTER FOR MACON AND JACKSON COUNTIES
SECTION 24.2. Funds appropriated in this act for Resources, Education, Assistance, Counseling, and Housing of Macon County, Inc., a nonprofit organization, for the construction of a facility to shelter battered women and their children in Macon and Jackson Counties shall be matched on a dollar-for-dollar basis by non-State funds.

STAFFING ANALYSIS OF STATE AGENCY BUSINESS FUNCTIONS AND REDEPLOYMENT OF RESOURCES FROM HR/PAYROLL MANAGEMENT
SECTION 24.3. Section 6.7 of S.L. 2007-323 is repealed.

PART XXV. OFFICE OF THE STATE AUDITOR

PRIVATE AUDIT OF PENSION FUND
SECTION 25.1.(a) In addition to all other audits and reports required by law, the State Treasurer shall prepare and issue, for the 2014-2015 fiscal year, a set of financial statements regarding the investment programs for the Retirement Systems enumerated in G.S. 147-69.2(b)(8). These financial statements shall be audited by a commercial independent third-party audit firm selected and engaged by the State Auditor based upon selection criteria developed by the State Auditor in consultation with the State Treasurer. The audit firm's report and the financial statements shall be provided to the State Controller and the General Assembly no later than January 1, 2016.
SECTION 25.1.(b) Supplementary information accompanying the financial statements required by subsection (a) of this section shall include a discussion of the Retirement Systems' risk and returns compared to benchmarks, total management fees and incentives paid, and comparisons to peer cost benchmarks.

SECTION 25.1.(c) The State Treasurer shall transfer to the State Auditor, from the assets of the Retirement Systems, the funds necessary to conduct the third-party audit required under this section.

SECTION 25.1.(d) The State Treasurer shall engage a commercial independent expert firm pursuant to G.S. 147-69.3(g) to evaluate the governance, operations, and investment practices of the State Treasurer in order to develop recommendations for improvement. The firm shall evaluate any potential cost-savings and performance impact generated by additional internal management of investments. The report of the expert firm shall be provided to the General Assembly when complete.

EXPAND THE STATE AUDITOR'S AUTHORITY TO PUBLISH REPORTS AND PROVIDE DISCRETION WHEN CHARGING AND COLLECTING COSTS OF CERTAIN AUDITS

SECTION 25.2. G.S. 147-64.6(c) reads as rewritten:
"(c) The Auditor shall be responsible for the following acts and activities:

(3) The Auditor, on his own initiative and as often as he deems necessary, or as requested by the Governor or the General Assembly, shall, to the extent deemed practicable and consistent with his overall responsibility as contained in this act, make or cause to be made audits of all or any part of the activities of the State agencies.

(4) The Auditor, at his discretion, may, in selecting audit areas and in evaluating current audit activity, consider and utilize, in whole or in part, the relevant audit coverage and applicable reports of the audit staffs of the various State agencies, independent contractors, and federal agencies. He shall coordinate, to the extent deemed practicable, the auditing conducted within the State to meet the needs of all governmental bodies.

(6) The Auditor is authorized and directed in his reports of audits or reports of special investigations to make any comments, suggestions, or recommendations he deems appropriate concerning any aspect of such agency's activities and operations.

(7) The Auditor shall charge and collect from each examining and licensing board the actual cost of each audit of such board. Costs collected under this subdivision shall be based on the actual expense incurred by the Auditor's office in making such audit and the affected agency shall be entitled to an itemized statement of such costs. Amounts collected under this subdivision shall be deposited into the general fund as nontax revenue.

(8) The Auditor shall examine as often as may be deemed necessary the accounts kept by the Treasurer, and if he discovers any irregularity or deficiency therein, unless the same be rectified or explained to his satisfaction, report the same forthwith in writing to the General Assembly, with copy of such report to the Governor and Attorney General. In addition to regular audits, the Auditor shall check the treasury records at the time a Treasurer assumes office (not to succeed himself), and therein charge him with the balance in the treasury, and shall check the Treasurer's records at the time he leaves office to determine that the accounts are in order.
(9) The Auditor may examine the accounts and records of any bank or financial institution relating to transactions with the State Treasurer, or with any State agency, or the Auditor may require banks doing business with the State to furnish the Auditor information relating to transactions with the State or State agencies.

(10) The Auditor may, as often as the Auditor deems advisable, conduct a detailed review of the bookkeeping and accounting systems in use in the various State agencies which are supported partially or entirely from State funds. Such examinations will be for the purpose of evaluating the adequacy of systems in use by these agencies and institutions. In instances where the Auditor determines that existing systems are outmoded, inefficient, or otherwise inadequate, the Auditor shall recommend changes to the State Controller. The State Controller shall prescribe and supervise the installation of such changes, as provided in G.S. 143B-426.39(2).

(11) The Auditor shall, through appropriate tests, satisfy himself concerning the propriety of the data presented in the Comprehensive Annual Financial Report and shall express the appropriate auditor’s opinion in accordance with generally accepted auditing standards.

(12) The Auditor shall provide a report to the Governor and Attorney General, and other appropriate officials, of such facts as are in the Auditor’s possession which pertain to the apparent violation of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee.

(13) At the conclusion of an audit, the Auditor or the Auditor’s designated representative shall discuss the audit with the official whose office is subject to audit and submit necessary underlying facts developed for all findings and recommendations which may be included in the audit report. On audits of economy and efficiency and program results, the auditee’s written response shall be included in the final report if received within 30 days from receipt of the draft report.

(14) The Auditor shall notify the General Assembly, the Governor, the Chief Executive Officer of each agency audited, and other persons as the Auditor deems appropriate that an audit report has been published, its subject and title, and the locations, including State libraries, at which the report is available. The Auditor shall then distribute copies of the report only to those who request a report. The copies shall be in written or electronic form, as requested. He shall also file a copy of the audit report in the Auditor’s office, which will be a permanent public record. In addition, the Auditor may publish on his or her Web site any reports from audits of State agencies not directly conducted by the Auditor. Nothing in this subsection shall be construed as authorizing or permitting the publication of information whose disclosure is otherwise prohibited by law.

STATE AUDITOR/REPORT EVIDENCE OF CRIMINAL MISCONDUCT

SECTION 25.3. G.S. 147-64.6(c) is amended by adding a new subdivision to read:

"(c) The Auditor shall be responsible for the following acts and activities:

…"

Whenever the Auditor believes that information received or collected by the Auditor may be evidence of a violation of any of the provisions of Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, or Article 14 of Chapter 120 of the General Statutes, the Auditor shall report that information to the State Ethics Commission and the Secretary of State as
appropriate. The Auditor shall be bound by interpretations issued by the State Ethics Commission as to whether or not any information reported by the Auditor under this subdivision involves or may involve a violation of Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, or Article 14 of Chapter 120 of the General Statutes. Nothing in this subdivision shall be construed to limit the Auditor's authority under subdivision (1) of this subsection.

(20) Whenever the Auditor believes that information received or collected by the Auditor may be evidence of criminal misconduct, the Auditor shall report that information to either the State Bureau of Investigation or the District Attorney for the county where the alleged misconduct occurred. Nothing in this subdivision shall be construed to limit the Auditor's authority under subdivision (1) of this subsection."

PART XXVI. DEPARTMENT OF REVENUE

MODIFY TAX LOCATOR SERVICES CAP

SECTION 26.1. G.S. 105-243.1(e) reads as rewritten:

"(e) Use. – The fee is a receipt of the Department and must be applied to the costs of collecting overdue tax debts. The proceeds of the fee must be credited to a special account within the Department and may be expended only as provided in this subsection. The proceeds of the fee may not be used for any purpose that is not directly and primarily related to collecting overdue tax debts. The Department may apply the proceeds of the fee for the purposes listed in this subsection. The remaining proceeds of the fee may be spent only pursuant to appropriation by the General Assembly. The fee proceeds do not revert but remain in the special account until spent for the costs of collecting overdue tax debts. The Department and the Office of State Budget and Management must account for all expenditures using accounting procedures that clearly distinguish costs allocable to collecting overdue tax debts from costs allocable to other purposes and must demonstrate that none of the fee proceeds are used for any purpose other than collecting overdue tax debts.

The Department may apply the fee proceeds for the following purposes:

…

(3) To pay for taxpayer locator services, not to exceed five hundred thousand to three hundred fifty thousand dollars ($500,000)($350,000) a year.

...."

PROHIBIT CLOSURE OF TAXPAYER ASSISTANCE CENTER IN ROCKY MOUNT

SECTION 26.2 The Department of Revenue shall not close the call center at the Taxpayer Assistance and Collection Center located in Rocky Mount during the 2014-2015 fiscal year.

USE COLLECTION ASSISTANCE FUND FOR PURCHASE OF SCANNERS

SECTION 26.3 Notwithstanding the use requirements of G.S. 105-243.1(e), for the 2014-2015 fiscal year, the Department of Revenue may use funds, not to exceed one million six hundred thousand dollars ($1,600,000) from the special account created by G.S. 105-243.1(e), for the purchase of new document scanners.

MODERNIZED E-FILING SYSTEM FOR CORPORATE TAXES

SECTION 26.4 The Department of Revenue shall issue a report to the Joint Legislative Oversight Committee on General Government no later than November 1, 2014, detailing the amount of funds used and the progress achieved in the project to modernize the e-filing system for corporate taxes.
PART XXVII. DEPARTMENT OF THE SECRETARY OF STATE

PART XXVIII. RESERVED

PART XXIX. RESERVED

PART XXX. DEPARTMENT OF ADMINISTRATION

ELIMINATE AUTHORITY FOR STATE CONTRIBUTION TO COUNTY VETERANS SERVICE PROGRAMS

SECTION 30.1. G.S. 165-6(9) is repealed.

CLOSURE OF CERTAIN NC DIVISION OF VETERANS AFFAIRS OFFICES PROHIBITED

SECTION 30.2. The District Offices of the North Carolina Division of Veterans Affairs located in the Town of Garner and the City of Wilson shall not be closed during the 2013-2015 fiscal biennium.

DISCONTINUE STUDENTS AGAINST DESTRUCTIVE DECISIONS PROGRAM

SECTION 30.3. G.S. 143B-387.1 reads as rewritten:

"§ 143B-387.1. North Carolina Youth Advocacy and Involvement Fund.

The North Carolina Youth Advocacy and Involvement Fund is created as a special and nonreverting fund. Conference registration fees, gifts, donations, or contributions to or for the North Carolina Youth Legislative Assembly (YLA) and the North Carolina Students Against Destructive Decisions (SADD) program shall be credited to the Fund.

The Fund shall be used solely to support planning and execution of the YLA and SADD programs. The Department shall maintain separate cost centers for each program program."

CLOSE BLOUNT STREET PROPERTIES FUND

SECTION 30.5.(a) Funds placed in the special trust fund pursuant to subdivision (3) of Section 2 of S.L. 2003-404 that are unexpended and unencumbered as of the effective date of this act shall be transferred to the General Fund.

SECTION 30.5.(b) Subdivision (3) of Section 2 of S.L. 2003-404 is repealed.

PART XXXI. HOUSING FINANCE AGENCY

WORKFORCE HOUSING LOAN PROGRAM

SECTION 31.1.(a) Of the funds appropriated in this act to the North Carolina Housing Trust Fund, the sum of ten million dollars ($10,000,000) in nonrecurring funds for the 2014-2015 fiscal year shall be used by the North Carolina Housing Finance Agency (hereinafter "Agency") for the purpose of making loans for qualified North Carolina low-income housing development.

SECTION 31.1.(b) The following definitions apply in this section:

(1) Code. – As defined in G.S. 105-228.90.
(2) Qualified North Carolina low-income housing development. – A qualified low-income project or building that is allocated a federal tax credit under section 42(h)(1) of the Code.
(3) Qualified residential unit. – A housing unit that meets the requirements of section 42 of the Code.

SECTION 31.1.(c) A taxpayer who is allocated a federal low-income housing tax credit under section 42 of the Code in the 2015 calendar year to construct or substantially rehabilitate a qualified North Carolina low-income housing development is eligible for a loan under subsection (a) of this section if the taxpayer satisfies the loan criteria established by the
Agency. The loan criteria shall support the financing of similar types of developments as provided in G.S. 105-129.42 and shall be developed in partnership with developers of low-income housing in the State who receive a federal low-income housing tax credit under section 42 of the Code. The Agency shall take into consideration all eligible sources of funding for each development project, including whether there are other eligible sources of funding available for the development project. No loan made to a taxpayer under this section shall exceed one million dollars ($1,000,000) if the low-income housing development is located in a low-income county, as designated by the Agency; seven hundred fifty thousand dollars ($750,000) in a moderate-income county, as designated by the Agency; and two hundred fifty thousand dollars ($250,000) in a high-income county, as designated by the Agency.

SECTION 31.1.(d) By February 1, 2016, the Agency shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of loans made under this section, the amount of each loan, and whether the low-income housing development is located in a low-, moderate-, or high-income county, as designated by the Agency.

PART XXXII. RESERVED

PART XXXIII. DEPARTMENT OF THE STATE TREASURER

RECEIPT-SUPPORTED COMPLIANCE POSITIONS FOR RETIREMENT SYSTEM

SECTION 33.1. Two receipt-supported positions are hereby created in the Department of State Treasurer, Retirement Systems Division, in order to staff a compliance unit within the Division. The unit is tasked with reducing the risk of fraud, abuse, and waste within the retirement systems. Receipts for the positions may come from investment income from, contributions to, or other assets of the retirement systems managed by the Department. The Department may use up to two hundred twenty-five thousand dollars ($225,000) to fund these two positions.

INVESTMENT DIVISION COMPENSATION

SECTION 33.2.(a) G.S. 147-69.3(i2) reads as rewritten:
"(i2) In order to promote achievement of long-term investment objectives and to retain key public employees in the Investment Division, with investment functions, the State Treasurer is authorized to establish market-oriented compensation plans, including bonuses for the Chief Investment Officer and Investment Directors, salaries and performance-related bonuses, for employees possessing specialized skills or knowledge necessary for the proper administration of investment programs, who shall be exempt from the classification and compensation rules established by the Office of State Human Resources. The bonuses may design and administration of those compensation plans shall be based on compensation studies conducted by a nationally recognized firm specializing in public fund investment compensation and the Pension Plan performance compensation. The salaries compensation and other associated employee benefits shall be apportioned directly from the investment program. The Treasurer shall report the salaries and bonuses paid to the Joint Legislative Commission on Governmental Operations Oversight Committee on General Government annually."

SECTION 33.2.(b) G.S. 126-5 is amended by adding a new subsection to read:
"(c12) Except as to G.S. 126-13, 126-14, 126-14.1, and the provisions of Articles 6, 7, 14, 15, and 16 of this Chapter, the provisions of this Chapter shall not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of investment programs and compensated pursuant to G.S. 147-69.3(i2)."

SECTION 33.2.(c) There is hereby established a Compensation Reserve within the Investment Division of the Department of State Treasurer for the purpose of funding the compensation plans described in this section.
SECTION 33.2.(d) The State Treasurer shall submit a report, no later than March 1, 2015, to the Joint Legislative Oversight Committee on General Government, established by Section 22.1 of this act, regarding the distributions from the Investment Division's Compensation Reserve and the methodology used in determining any distributions.

PART XXXIV. DEPARTMENT OF TRANSPORTATION

STATE AID TO MUNICIPALITIES APPROPRIATION BASELINE

SECTION 34.1. G.S. 136-41.1 reads as rewritten:

"§ 136-41.1. Appropriation to municipalities; allocation of funds generally; allocation to Butner.

(a) There is annually appropriated out of the State Highway Fund a sum equal to ten and four-tenths percent (10.4%) of the net amount after refunds that was produced during the fiscal year by the tax imposed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. One-half of the amount appropriated shall be allocated in cash on or before October 1 of each year to the cities and towns of the State in accordance with this section. The second one-half of the amount appropriated shall be allocated in cash on or before January 1 of each year to the cities and towns of the State in accordance with this section. The appropriation from the Highway Fund shall be based on revenue collected during the fiscal year preceding the date the distribution is made.

Seventy-five percent (75%) of the funds appropriated for cities and towns shall be distributed among the several eligible municipalities of the State in the percentage proportion that the population of each eligible municipality bears to the total population of all eligible municipalities according to the most recent annual estimates of population as certified to the Secretary of Revenue by the State Budget Officer. This annual estimation of population shall include increases in the population within the municipalities caused by annexations accomplished through July 1 of the calendar year in which these funds are distributed. Twenty-five percent (25%) of said fund shall be distributed among the several eligible municipalities of the State in the percentage proportion that the mileage of public streets in each eligible municipality which does not form a part of the State highway system bears to the total mileage of the public streets in all eligible municipalities which do not constitute a part of the State highway system.

It shall be the duty of the mayor of each municipality to report to the Department of Transportation such information as it may request for its guidance in determining the eligibility of each municipality to receive funds under this section and in determining the amount of allocation to which each is entitled. Upon failure of any municipality to make such report within the time prescribed by the Department of Transportation, the Department of Transportation may disregard such defaulting unit in making said allotment.

The funds to be allocated under this section shall be paid in cash to the various eligible municipalities on or before October 1 and January 1 of each year as provided in this section. Provided that eligible municipalities are authorized within the discretion of their governing bodies to enter into contracts for the purpose of maintenance, repair, construction, reconstruction, widening, or improving streets of such municipalities at any time after January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of the amount received by such municipality during the preceding fiscal year, in anticipation of the receipt of funds under this section during the next fiscal year, to be paid for out of such funds when received.

The Department of Transportation may withhold each year an amount not to exceed one percent (1%) of the total amount appropriated for distribution under this section for the purpose of correcting errors in allocations: Provided, that the amount so withheld and not used for correcting errors will be carried over and added to the amount to be allocated for the following year.
The word "street" as used in this section is hereby defined as any public road maintained by a municipality and open to use by the general public, and having an average width of not less than 16 feet. In order to obtain the necessary information to distribute the funds herein allocated, the Department of Transportation may require that each municipality eligible to receive funds under this section submit to it a statement, certified by a registered engineer or surveyor of the total number of miles of streets in such municipality. The Department of Transportation may in its discretion require the certification of mileage on a biennial basis.

CLARIFY DOT PRIVATE DEVELOPER REPORTING

SECTION 34.2. G.S. 136-28.6 reads as rewritten:

"§ 136-28.6. Participation by the Department of Transportation with private developers.

(h) The Secretary shall report in writing, on a quarterly basis, to the Joint Legislative Commission on Governmental Operations on all agreements entered into between a private developer and the Department of Transportation for participation in private engineering and construction contracts under this section, as well as (i) agreements by counties and municipalities to participate in private engineering and construction contracts under subsection (i) of this section and (ii) pass-through funding from private developers to counties or municipalities for State transportation projects.

(i) Counties and municipalities may participate financially in private engineering, land acquisition, and construction contracts for transportation projects which meet the requirements of subsection (b) of this section within their jurisdiction.

DEPARTMENT OF TRANSPORTATION OUT-OF-STATE TRAVEL

SECTION 34.5. Expenditures for out-of-state travel by the Department of Transportation for the 2014-2015 fiscal year and all subsequent fiscal years shall not exceed the amount expended during the 2009-2010 fiscal year. For purposes of this section, "expenditures for out-of-state travel" includes transportation, conference, registration, and education expenses, lodging, and meals for Department of Transportation employees traveling outside of the State.

FUEL EXCISE TAX CHANGE

SECTION 34.6.(a) G.S. 105-449.106(b) is repealed.

SECTION 34.6.(b) Subsection (a) of this section becomes effective for taxable years beginning on or after January 1, 2015.

CONVERSION OF PAPER TITLES

SECTION 34.7.(a) G.S. 20-58.4A is amended by adding a new subsection to read:

"(l) The Division may convert an existing paper title to an electronic lien upon request of a primary lienholder. The Division or a party contracting with the Division under this section is authorized to collect a fee not to exceed three dollars ($3.00) for each conversion."

SECTION 34.7.(b) G.S. 20-63(h) is amended by adding a new subdivision to read:

"(11) Conversion of an existing paper title to an electronic lien upon request of a primary lienholder."

SECTION 34.7.(c) This section becomes effective January 1, 2015.

REMOTE DRIVERS LICENSE RENEWAL

SECTION 34.8.(a) G.S. 20-7(f) reads as rewritten:

"(f) Duration and Renewal of Licenses. – Drivers licenses shall be issued and renewed pursuant to the provisions of this subsection:

..."
(6) Remote renewal. – The Division may offer remote renewal of a drivers license issued by the Division. For purposes of this subdivision, "remote renewal" means renewal of a drivers license by mail, telephone, electronic device, or other secure means approved by the Commissioner.

a. Requirements. – To be eligible for remote renewal under this subdivision, a person must meet all of the following requirements:
   1. The license holder possesses a valid, unexpired Class C drivers license that was issued when the person was at least 18 years old.
   2. The license holder's current license includes no restrictions other than a restriction for corrective lenses.
   3. The license holder attests, in a manner designated by the Division, that (i) the license holder is a resident of the State and currently resides at the address on the license to be renewed, (ii) the license holder's name as it appears on the license to be renewed has not changed, and (iii) all other information required by the Division for an in-person renewal under this Article has been provided completely and truthfully.
   4. The most recent renewal was an in-person renewal and not a remote renewal under this subdivision.
   5. The license holder is otherwise eligible for renewal under this subsection.

b. Waiver of requirements. – When renewing a drivers license pursuant to this subdivision, the Division may waive the examination and photograph that would otherwise be required for the renewal.

c. Duration of remote renewal. – A renewed drivers license issued to a person by remote renewal under this subdivision expires according to the following schedule:
   1. For a person at least 18 years old but less than 66 years old, on the birthday of the licensee in the eighth year after issuance.
   2. For a person at least 66 years old, on the birthday of the licensee in the fifth year after issuance.

d. Rules. – The Division shall adopt rules to implement this subdivision.

e. Federal law. – Nothing in this subdivision shall be construed to supersede any more restrictive provisions for renewal of drivers licenses prescribed by federal law or regulation."

SECTION 34.8.(b) This section is effective when it becomes law and applies to drivers licenses renewed on or after the Division of Motor Vehicles adopts rules under G.S. 20-7(f)(6)d., as enacted by subsection (a) of this section.

DMV HEARING FEES

SECTION 34.9.(a) The Department of Transportation, Division of Motor Vehicles, shall develop a plan and proposed schedule of fees to recover the direct and indirect costs incurred for the performance of administrative hearings required by law or under rules adopted by the Board of Transportation. The plan and proposed schedule shall address, at a minimum, the following:

(1) Current hearing process and recommended modifications to achieve cost efficiencies, including proposed revisions to existing laws or rules.

(2) Historical and projected funding requirements for each category of hearing performed by the Division.
(3) Schedule of fees and projected receipts.
(4) Proposed processes and rules for the collection of fees and the refunding of fees for hearings initiated by the Division in which the original decision of the Division is reversed.
(5) Implementation milestones.

SECTION 34.9.(b) The Division shall report on its recommended schedule to the Joint Legislative Transportation Oversight Committee no later than December 1, 2014.

SECTION 34.9.(c) From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than January 1, 2016.

DEPARTMENT OF TRANSPORTATION AIRCRAFT FLEET

SECTION 34.10.(a) The Division of Aviation of the Department of Transportation shall sell the following aircraft from its fleet as expeditiously as possible in order to modernize the fleet:

(1) Sikorsky S-76C helicopter.
(2) Cessna 550 Citation Bravo airplane.

Proceeds from these sales as well as any future sales under the plan required by subsection (b) of this section shall be credited to a nonreverting reserve within the Highway Fund to be used for future aircraft or equipment acquisitions by the Division of Aviation. The Division shall not acquire or dispose of additional aviation assets prior to its report to the Joint Legislative Transportation Oversight Committee required by subsection (c) of this section.

SECTION 34.10.(b) The Division of Aviation shall develop a plan to further reduce operating requirements and optimize its fleet to fulfill its regional passenger and photogrammetry missions, addressing, at a minimum, the following:

(1) Asset utilization.
(2) Assets recommended for disposal or acquisition.
(3) Contracted services.
(4) Cost efficiencies.
(5) Recommendations for adjustments to passenger transport rates.
(6) Interagency coordination of assets and personnel.

SECTION 34.10.(c) The Division shall report on the plan required by subsection (b) of this section to the Joint Legislative Transportation Oversight Committee no later than October 1, 2014.

HIGHWAY MAINTENANCE IMPROVEMENT PROGRAM AND PAVEMENT PRESERVATION PROGRAM

SECTION 34.11.(a) G.S. 143B-350(f) reads as rewritten:

"(f) Duties of the Board. – The Board of Transportation has the following duties and powers:

…

(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program; it must be published. The Board shall publish the schedule and make copies must be available for distribution. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, must include the anticipated funding sources for the improvement projects included in the Program, a list of any changes made from the previous year's Program, and the reasons for the changes."
(4a) To approve a schedule of State highway maintenance projects and their anticipated cost. This schedule is designated the Highway Maintenance Improvement Program and is established in G.S. 136-44.3A. The Board shall publish the schedule on the Department's Web site by April 1 of each year. The document that contains the Highway Maintenance Improvement Program shall include the anticipated funding sources for the improvement projects included in the Highway Maintenance Improvement Program, a list of any changes made from the previous year's Highway Maintenance Improvement Program, and the reasons for the changes.

(5) To consider and advise the Secretary of Transportation upon any other transportation matter that the Secretary may refer to it.

"..."

SECTION 34.11.(b) Article 2A of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-44.3A. Highway Maintenance Improvement Program.

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

(1) Cape seal treatment. – A chip seal treatment followed by a slurry seal treatment.

(2) Chip seal treatment. – A type of pavement preservation treatment applied to existing asphalt pavement. The treatment involves spraying an asphalt emulsion onto the roadway, applying a layer of aggregate chips, and rolling the chips into the emulsion. This term includes single, double, and triple chip seal treatments.

(3) Highway Maintenance Improvement Program. – The schedule of State highway maintenance projects required under G.S. 143B-350(f)(4a).

(4) Highway Maintenance Improvement Program Needs Assessment. – A report of the amount of funds needed, the number of affected lane miles, and the percentage of the primary and secondary system roads that are rated to need a resurfacing or pavement preservation treatment within the Highway Maintenance Improvement Program's three-year time period but are not programmed due to funding constraints.

(5) Microsurfacing treatment. – A type of pavement preservation treatment that involves mixing fine aggregate, asphalt emulsion, minerals, water, and a polymer additive, and applying the mixture to the roadway.

(6) Pavement preservation treatment. – Includes full-width surface treatments used to extend or renew the pavement life.

(7) Rehabilitation. – A contract resurfacing maintenance program that involves applying multiple layers of pavement that exceed two inches.

(8) Resurfacing. – A contract resurfacing program that involves applying one layer that does not exceed two inches of pavement.

(9) Slurry seal treatment. – A type of pavement preservation treatment that involves mixing fine aggregate, asphalt emulsion, minerals, and water, and applying the mixture to the roadway.

(b) Road Quality Improvement of Pavement Preservation Treatments. – It is the intent of the General Assembly that (i) the Department use asphalt pavement preservation treatments that are high-quality, long-lasting, and provide a smooth road surface and (ii) the Department increase its contractual use of pavement preservation treatments.

(c) Highway Maintenance Improvement Program. – After the annual inspection of roads within the State highway system, each highway division shall determine and report to the Chief Engineer on the need for rehabilitation, resurfacing, or pavement preservation treatments. The Chief Engineer shall establish a three-year priority list for each highway division based on the Chief Engineer's estimate of need. In addition, the Chief Engineer shall establish a three-year improvement schedule, sorted by county, for rehabilitation, resurfacing, and
pavement preservation treatment activities. The schedule shall be based on the amount of funds appropriated to the contract resurfacing program and the pavement preservation program in the fiscal year preceding the issuance of the Highway Maintenance Improvement Program for all three years of the Highway Maintenance Improvement Program. State funding for the Highway Maintenance Improvement Program shall be limited to funds appropriated from the State Highway Fund.

(d) Contract Maintenance Resurfacing Program Letting Schedule. – Beginning in the 2015-2016 fiscal year, and based on the amount of funds appropriated in the prior fiscal year by the General Assembly to the Department for the contract maintenance resurfacing program, the Department shall let contracts that total at least seventy percent (70%) of contract resurfacing program funds included in the certified budget annually by September 1.

(e) Single Chip Seal Treatment Prohibited on Subdivision Streets and Access Routes. – Except as authorized in subsection (f) of this section, and unless used in combination with a slurry seal, microsurfacing, or resurfacing treatment, the Department shall not use single chip seal treatment on subdivision streets or access routes for Surface Transportation Assistance Act Dimensioned Vehicles.

(f) Authorized Use of Single Chip Seal Treatment on Secondary Roads. – The Department may use single chip seal treatments on secondary roads only under any of the following conditions:

1. The secondary road has a daily traffic volume of less than 15,000 vehicles. Single chip treatments used under this subdivision shall be capped with a final riding surface of sand or material of equivalent size to fill voids to create a smooth riding surface.
2. The single chip seal treatment is used in combination with a slurry seal, microsurfacing, or resurfacing treatment.
3. The condition of the secondary road requires a rough surface to improve traction, such as a secondary road in a mountainous community or another area with low skid resistance.

(g) Report. – The Department shall submit the Highway Maintenance Improvement Program and Highway Maintenance Improvement Program Needs Assessment to the General Assembly by April 1 of each year. If the General Assembly is in session, the Department shall report to the House of Representatives Appropriations Subcommittee on Transportation, the Senate Appropriations Committee on Transportation, and the Fiscal Research Division. If the General Assembly is not in session, the Department shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

SECTION 34.11.(c) G.S. 136-44.3 reads as rewritten:

"§ 136-44.3. Maintenance program. Report on the condition of the State highway system and maintenance funding needs.

The Department shall establish performance standards for the maintenance and operation of the State highway system. In each even-numbered year, the Department of Transportation shall survey the condition of the State highway system and shall prepare a report of the findings of the survey. The report shall provide both quantitative and qualitative descriptions of the condition of the system and shall provide estimates of the following:

1. The annual cost to meet and sustain the established performance standards for the primary and secondary State highway system, delineated by costs to the primary or secondary system, to include: (i) routine maintenance and operations, (ii) system preservation, and (iii) pavement and bridge rehabilitation. Include the following categories of work: (i) contract resurfacing, (ii) pavement preservation, (iii) routine highway maintenance, (iv) disasters and emergencies, (v) structurally sound bridge maintenance, and (vi) structurally unsound bridge rehabilitation, repair, or replacement.
2. Projected system condition and corresponding optimal funding requirements for a seven-year plan to sustain established performance standards.

568
report shall also identify target levels of service for each maintenance activity and assess historical program performance across divisions, including project delivery rates, staffing, and direct and indirect costs. The Department shall clearly denote prioritized maintenance needs and recommended resource allocations and distribution methods to achieve each target.

(3) Any significant variations in system conditions among highway divisions. The report shall include an examination of how well the highway divisions streamline project delivery, maximize efficiency, and prioritize spending based on needs and make recommendations on ways to improve these processes. The report shall analyze the cost of delivering maintenance activities by division and make recommendations on how to reduce these costs regionally and statewide.

(4) An assessment of the level of congestion throughout the primary highway system based on traffic data, and a ranking of the most congested areas based on travel time reliability and the average number of congested hours, together with the Department's recommendations for congestion reduction and mobility improvement.

(5) An analysis of existing highway division staffing levels and recommendations to ensure staffing levels are distributed appropriately based on need.

(6) A cross-divisional comparison summary document, not to exceed one page in length, which includes the divisional performance data described in subdivision (2) of this section as well as the most deficient roads and bridges in each division.

On the basis of the report and from funds available, the Department of Transportation shall develop a statewide annual maintenance program for the State highway system, which shall be subject to the approval of the Board of Transportation and is consistent with performance standards.

SECTION 34.11.(d) G.S. 136-44.16 reads as rewritten:

"§ 136-44.16. Authorized use of contract maintenance resurfacing program funds."

(a) Of the contract maintenance resurfacing program funds appropriated by the General Assembly to the Department of Transportation, an amount not to exceed fifteen percent (15%) of the Board of Transportation's allocation of these funds may be used for widening existing narrow pavements.

(b) The uses of slurry seal treatments, microsurfacing treatments, and thin lift asphalt overlays for pavement preservation treatments are authorized uses of contract maintenance resurfacing program funds."

SECTION 34.11.(e) 2014-2015 Contract Maintenance Resurfacing Program Letting Schedule. – Beginning in the 2014-2015 fiscal year, and based on the amount of funds appropriated in the prior fiscal year by the General Assembly to the Department for the contract maintenance resurfacing program, the Department shall let contracts that total at least forty percent (40%) of contract resurfacing program funds included in its certified budget by September 1, 2014. The Department shall let contracts that total a minimum of sixty percent (60%) of the current fiscal year's contract maintenance resurfacing program funds by November 1, 2014.

SECTION 34.11.(f) Article 2A of Chapter 136 of the General Statutes is amended by adding a new section to read:

"§ 136-44.17. Pavement preservation program."

(a) Program Established. – The Department of Transportation shall establish the pavement preservation program.
(b) Eligible Activities or Treatments. – Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:

1. Chip seals, slurry seals, fog seals, sand seals, scrub seals, and cape seals.
2. Microsurfacing.
3. Profile milling not covered by resurfacing.
4. Asphalt rejuvenators.
5. Open graded asphalt friction course.
6. Overlays less than 1,000 feet in length.
7. Diamond grinding.
8. Joint sealing.
9. Dowel bar retrofit.
10. Partial-depth or full-depth repairs and reclamations.
12. Thin lift and sand asphalt overlays.

(c) Ineligible Activities or Treatments. – The pavement preservation program shall not include the following preservation activities or treatments:

1. Contract resurfacing activities or major pavement rehabilitation treatments and pretreatments that are used in combination with a resurfacing treatment, such as profile milling or chip seals.
2. Routine maintenance activities used to maintain and preserve the condition of roads. Treatments include, but are not limited to, asphalt crack sealing, pothole patching, rut filling, cleaning of roadside ditches and structures, shoulder maintenance, and retracing of pavement markings.
3. Maintenance and preservation activities performed on bridges or culverts.
4. Activities related to positive guidance or signal maintenance program functions.

SECTION 34.11.(g) Establishment of Account. – The Department of Transportation shall establish a new account within its maintenance account to receive funds allocated under this section for pavement preservation.

SECTION 34.11.(h) 2014-2015 Outsourcing Target. – Of funds allocated in this act for pavement preservation, no more than eighty percent (80%) may be used for projects undertaken by the Department, with the remaining funds used for projects outsourced to private contractors.

SECTION 34.11.(i) Future Outsourcing Targets. – The Department shall increase its use of outsourcing of pavement preservation activities to reach the following targets for outsourcing of pavement preservation projects:

1. Thirty percent (30%) of pavement preservation program funds allocated by the 2015-2016 fiscal year.
2. Fifty-five percent (55%) of pavement preservation program funds allocated by the 2016-2017 fiscal year.
3. Eighty percent (80%) of pavement preservation program funds allocated by the 2017-2018 fiscal year and subsequent fiscal years thereafter.

SECTION 34.11.(j) Increased Use of the Paving Industry. – It is the intent of the General Assembly that the Department work cooperatively with the paving industry so that the industry grows in size, scope, and geographic reach and has the capability to fulfill contracts for pavement preservation work across the State. Therefore, the Department is directed to conduct workshops, trainings, or other meetings to encourage greater privatization of pavement preservation activities with the intent of reducing the amount of pavement preservation activities conducted by the Department.

SECTION 34.11.(k) Minimum Lane Mile Treatment. – From funds allocated in this act for pavement preservation, the Department shall treat a minimum of 4,300 lane miles.
with eligible pavement preservation treatments and activities listed in G.S. 136-44.17(b), as enacted by subsection (f) of this section.

SECTION 34.11.(l) Report. – The Department shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by no later than September 1, 2014, on its plan for increasing its use of outsourcing of pavement preservation activities in accordance with subsection (i) of this section. The Department shall report no later than December 1, 2014, and annually thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on the Department's progress toward achieving the goals set forth in subsection (i) of this section. The annual report shall include the following:

1. A monthly examination of expenditures, by treatment type, indicating the amount and percentage performed by contract.
2. The number of lane miles covered, by treatment type, along with an average cost per lane miles, by treatment type, indicating costs for each type for work performed by the Department and by contract.
3. The statewide cost per lane mile (hereafter "unit cost") along with unit cost for each division and for each type of treatment. The Department shall provide an explanation for unit costs that vary by more than twenty percent (20%) from the statewide unit cost.

SECTION 34.11.(m) Subsection (j) of this section expires June 30, 2017. Subsection (l) of this section expires December 31, 2018.

DOT BUDGET TRANSFERS/ELIMINATION OF FUNDING FOR POSITION

SECTION 34.12.(a) Of funds appropriated in this act to the Department of Transportation, budget transfers to the Office of the Governor undertaken under the authority set forth in Chapter 143C of the General Statutes shall not exceed two hundred sixty-fourteen dollars ($267,416) in the 2014-2015 fiscal year. These funds shall be used to support the following positions:

<table>
<thead>
<tr>
<th>Position number</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>65019379</td>
<td>Assistant Legal Counsel</td>
</tr>
<tr>
<td>65019380</td>
<td>Communications Specialist</td>
</tr>
<tr>
<td>60008477</td>
<td>Policy Analyst</td>
</tr>
<tr>
<td>60008516</td>
<td>Deputy Communications Director</td>
</tr>
<tr>
<td>60008502</td>
<td>Boards and Commissions Specialist</td>
</tr>
<tr>
<td>60008504</td>
<td>Legislative Director</td>
</tr>
</tbody>
</table>

SECTION 34.12.(b) Notwithstanding any law to the contrary, budget transfers from the Department of Transportation to the Office of the Governor to support the positions listed in subsection (a) of this section are prohibited after the 2014-2015 fiscal year.

SECTION 34.12.(c) Funding for the following position shall be eliminated after the 2014-2015 fiscal year:

<table>
<thead>
<tr>
<th>Position number</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>60014914</td>
<td>Federal Legislative Programs Coordinator</td>
</tr>
</tbody>
</table>

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

SECTION 34.13.(a) The Department of Transportation shall seek to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to lead to increased efficiency. In doing so, the Department of Transportation shall meet each of the following privatization requirements:

1. Increase the outsourcing of all activities performed by the Department's Preconstruction and Technical Services units to seventy percent (70%) of the total cost of activities performed by those units in fiscal year 2014-2015, excluding the cost of activities performed by the Turnpike Authority, the Structures Design and Management unit, and the Bridge Program.
(2) Increase the outsourcing of all activities performed by the Department's Roadway Design unit to fifty percent (50%) of the total cost of activities performed by that unit in fiscal year 2014-2015.

(3) Increase the outsourcing of all activities performed by the Department's Project Development and Environmental Analysis unit to sixty-five percent (65%) of the total cost of activities performed by that unit in fiscal year 2014-2015.

(4) The Department's Right-of-Way unit shall increase the total expenditures for outsourced activity by five percent (5%) in fiscal year 2014-2015.

SECTION 34.13.(b) The Department may credit any reduction in expenditures due to a reduction in force towards meeting the requirements imposed by subsection (a) of this section.

SECTION 34.13.(c) The Department shall increase contracts for construction of transportation projects on a design-build basis awarded under the provisions of G.S. 136-28.11.

SECTION 34.13.(d) The Department shall report no later than October 1, 2014, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division regarding its implementation of this section, including any reductions in force used to meet privatization requirements.

DOT SIGNAGE

SECTION 34.14.(a) G.S. 136-89.56 reads as rewritten:

"§ 136-89.56. Commercial enterprises.

No commercial enterprises or activities shall be authorized or conducted by the Department of Transportation, or the governing body of any city or town, within or on the property acquired for or designated as a controlled-access facility, as defined in this Article, except for:

(1) Materials displayed at welcome centers which shall be directly related to travel, accommodations, tourist-related activities, tourist-related services, and attractions. The Department of Transportation shall issue rules regulating the display of these materials. These materials may contain advertisements for real estate; and

(2) Vending machines permitted by the Department of Transportation and placed by the Division of Services for the Blind, Department of Health and Human Services, as the State licensing agency designated pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of Transportation shall regulate the placing of the vending machines in highway rest areas and shall regulate the articles to be dispensed. In order to permit the establishment of adequate fuel and other service facilities by private owners or their lessees for the users of a controlled-access facility, the Department of Transportation shall permit access to service or frontage roads within the publicly owned right-of-way of any controlled-access facility established or designated as provided in this Article, at points which, in the opinion of the Department of Transportation, will best serve the public interest. The location of such fuel and other service facilities may be indicated to the users of the controlled-access facilities by appropriate signs, the size, style, and specifications of which shall be determined by the Department of Transportation.

The location of fuel, gas, food, lodging, camping, and attraction facilities may be indicated to the users of the controlled-access facilities by appropriate logos placed on signs owned, controlled, and erected by the Department of Transportation. The owners, operators or lessees of fuel, gas, food, lodging, camping, and attraction facilities who wish to place a logo identifying their business or service on a sign shall furnish a logo meeting the size, style and specifications determined by the Department of Transportation and shall pay the Department for the costs of initial installation and subsequent maintenance. The fees for logo sign

572
installation and maintenance shall be set by the Board of Transportation based on cost. A fee set by the Board of Transportation. The Board shall set the fee to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering the logo sign program."

SECTION 34.14.(b) G.S. 136-140.19 reads as rewritten:

"§ 136-140.19. Department - Board of Transportation to adopt rules to implement the TODS program.

The Department - Board of Transportation shall adopt rules to implement the TODS program created by this Article. The rules shall include all of the following:

(1) The Department - Board shall set fees to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering the program.

(2) The Department - Board shall establish a standard for the size, color, and letter height of the TODS as specified in the National Manual of Uniform Traffic Control Devices for Streets and Highways.

... The Department - Board shall limit the placement of TODS to highways other than fully controlled access highways and to rural areas in and around towns or cities with a population of less than 40,000."

STATE PARKS AND TRAILS SIGNAGE

SECTION 34.15.(a) The Department of Transportation, in conjunction with the State Parks and Recreation Division of the Department of Environment and Natural Resources, the Department of Commerce, and Friends of the Mountains-to-Sea Trail, Inc., a nonprofit corporation, shall study the use of highway signage as a means of improving the North Carolina residents' and tourists' awareness of State parks, including historic and cultural sites as well as the Mountains-to-Sea Trail. The study shall include an examination of at least all of the following:

(1) Whether signs currently located on or near highways in this State are sufficient in number, location, and size and presentation to make travelers on the highways of this State aware of the existence and location of all State parks, including historic and cultural sites as well as the Mountains-to-Sea Trail.

(2) Whether signs currently located on or near highways in this State adequately inform travelers that portions of the roads they travel on are part of the current route of the Mountains-to-Sea Trail.

(3) What measures could be taken to improve the efficacy of highway signage in achieving the goals described in subdivisions (1) and (2) of this subsection.

(4) What the costs and benefits of implementing the measures described in subdivision (3) of this subsection would be.

SECTION 34.15.(b) No later than April 1, 2015, the Department of Transportation shall report the results of the study required by this section to the chairs of the Joint Legislative Transportation Oversight Committee and to the Fiscal Research Division.

DOT STAFFING

SECTION 34.16.(a) The Department of Transportation shall review the organization and staffing of the Division of Highways and the Division of Preconstruction and identify areas of unnecessary duplication within management structures and variations in the number of employees reporting to persons identified as supervisors. Based on its review, the Department shall create and implement a plan for staffing changes and staffing efficiencies. The plan shall reduce layers of management to the level needed for carrying out the Department's functions and responsibilities and ensure that employees designated as supervisors have workloads and staff size that are appropriate given the function or task for which that supervisor has responsibility.
SECTION 34.16.(b) The Department shall report its progress on implementing this section to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than December 1, 2014.

BOARD OF TRANSPORTATION TO STUDY FEES, SPONSORSHIP, AND PRIVATIZATION

SECTION 34.17.(a) The Board of Transportation shall study how fees, sponsorship, or privatization might be used to reduce the use of public funds for services provided by the Department. The services the Board shall study include, but are not limited to, the following:

1. Inspection of streets and bridges within a private development for future addition to the State highway system.
2. Inspection, site review, and permitting of the installation of driveways by private parties providing access to a component of the State highway system.
3. Review and inspection of encroachments onto the State highway system.
4. Lease or sale of property related to the resolution of encroachments or the disposition of surplus right-of-way.
5. Review or consultation on development plats or plans.
6. Review, engineering, or consultation regarding drainage issues, improvements, or maintenance adjacent to components of the State highway system.
7. Training sessions or workshops offered to private consultants and contractors.
8. Review and engineering consultation regarding traffic plans.

SECTION 34.17.(b) The Board shall also study the existing fee structure for services performed by Highway Division personnel and identify any fees that no longer cover the direct and indirect costs incurred by the Department to perform the service.

SECTION 34.17.(c) The Department of Transportation shall report on the Board's study and recommendations for fee adjustments or additions to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than December 1, 2014. This report shall also include recommendations from the Board on the use of sponsorships for activities, programs, or functions currently performed by the Department or the privatization of these functions, and include the following information:

1. The current cost of activities proposed for sponsorship support or privatization.
2. The potential receipts that could reasonably be collected through sponsorships or the cost-savings achieved through privatization.
3. A proposed process for the screening and selection of sponsors.
4. Mock-ups of potential sponsorship signage on materials, buildings, vehicles, vessels, or other locations.
5. Any administrative, statutory, or regulatory changes needed for the Department to proceed with sponsorship or privatization programs.

RENAME AND REDIRECT TAX PROCEEDS OF SYSTEM PRESERVATION PROGRAM

SECTION 34.18.(a) The Department of Transportation shall rename the "system preservation program" (fund center 1500/157839) the "bridge program." Funds allocated to this program shall be used for improvements to structurally deficient and functionally obsolete bridges. All projects funded under this program, with the exception of inspection, pre-engineering, contract preparation, contract administration and oversight, and planning activities, shall be outsourced to private contractors.

SECTION 34.18.(b) G.S. 119-18 reads as rewritten:
§ 119-18. Inspection tax and distribution of the tax proceeds.

(b) Proceeds. – The proceeds of the inspection tax levied by this section shall be applied first to the costs of administering this Article and Subchapter V of Chapter 105 of the General Statutes. The remainder of the proceeds shall be credited on a monthly basis to the Highway Fund to be used for system preservation, the bridge program under the Department of Transportation in the highway maintenance program.

HIGHWAY FUND CREDIT RESERVE

SECTION 34.19.(a) G.S. 136-44.2 is amended by adding a new subsection to read:

§ 136-44.2. Budget and appropriations.

(f1) The credit reserve for the Highway Fund consists of the following:
(1) The unreserved credit balance in the Highway Fund on the last day of the fiscal year to the extent the balances exceed the amount estimated for that date in the Current Operations Appropriations Act for the following fiscal year.
(2) The unallotted and unencumbered balances on the last day of the fiscal year for the following:
   a. Funds appropriated from the Highway Fund for the multimodal programs of the Department, consisting of funds for bicycle and pedestrian, ferry, railroad, aviation, and public transportation programs, excluding funds deposited in the Freight Rail & Rail Crossing Safety Improvement Fund.
   b. Funds appropriated from the Highway Fund for the construction programs of the Department, consisting of funds for secondary construction, access and public service roads, spot safety improvement, contingency, small urban construction, and economic development programs.
(3) The unencumbered and unexpended balances on the last day of the fiscal year for the following:
   a. Central and program administration.
   b. Transfers to other State agencies or departments not used or returned.
(4) The remaining balance for (i) any open project that has been inactive for two or more years after construction of the project has been completed or (ii) any project that is not obligated during the first two fiscal years in which funds are appropriated.”

SECTION 34.19.(b) The sum of twelve million dollars ($12,000,000) of the unallotted and unexpended balance of funds within the Bicycle program (fund center 1500/0036), Ferry Operations (fund center 1500/7825), Railroad program (fund center 1500/7829), Airports program (fund center 1500/7830), and the Public Transportation program (fund center 1500/7831), excluding funds deposited in the Freight Rail & Rail Crossing Safety Improvement Fund, shall be transferred to the Highway Fund as appropriated and allocated by this act.

SALE OF CERTAIN FORMER NC RAILROAD PROPERTIES

SECTION 34.20.(a) Subject to the right of first refusal in subsection (b) of this section, the Department of Administration shall dispose of the following parcels following the procedures set out in Chapter 146 of the General Statutes, provided that the Department may not dispose of the properties by gift or for less than fair market value:
Property Description | County     | Nearest Town | Parcel ID                        
-------------------------------|------------|--------------|----------------------------------
4th Street Lot               | Carteret   | Morehead     | 638620808907000                  
Station & Former Industrial Lot | Carteret   | Morehead     | 638620718127000                  
Waterfront & Riparian Rights | Carteret   | Morehead     | 638620708857000 & 638620709868000 

SECTION 34.20.(b) Before the Department disposes of any property described in subsection (a), the city of Morehead City, Carteret County, or the city and county jointly shall be given the right of first refusal to purchase, lease, or rent any or all of the parcels at fair market value as determined by rules adopted by the Department under G.S. 146-29. Any lease or rental agreement under this subsection shall provide that the lessee or tenant may not sublease the property, except to a public entity for a public purpose. The right of first refusal shall expire on June 30, 2015.

SECTION 34.20.(c) Following expiration of the right of first refusal period set forth in subsection (b) of this section, or upon written notice from the city of Morehead City and Carteret County waiving the right of first refusal, the Department shall dispose of the properties by sale.

SECTION 34.20.(d) Notwithstanding G.S. 146-30, the Department shall deposit the net proceeds from the disposition of the properties into the Freight Rail & Rail Crossing Safety Improvement Fund of the Highway Fund.

DIVISION OF MOTOR VEHICLES POSITION FUNDING

SECTION 34.22. Notwithstanding any other provision of law, the Department of Transportation may use funds appropriated for the 2014-2015 fiscal year from the Highway Trust Fund to continue funding positions within the Division of Motor Vehicles that were funded by the Highway Trust Fund during the 2013-2014 fiscal year.

DOT CASH MANAGEMENT

SECTION 34.23.(a) G.S. 143C-6-11 reads as rewritten:

§ 143C-6-11. Highway appropriation.

... (f) Five Percent (5%) of the Cash Balance Required. Seven and One-Half Percent (7.5%) Cash Balance Required. – The Department of Transportation shall maintain an available cash balance at the end of each month equal to at least five percent (5%) seven and one-half percent (7.5%) of the unpaid balance of the total transportation project contract obligations, the total appropriations for the current fiscal year from the Highway Fund and the Highway Trust Fund. In projecting cash balances in future years, the Department shall use the estimated cash flow as specified in the Current Operations Appropriation Act. In the event this cash position is not maintained, no further transportation project contract commitments may be entered into until the cash balance has been regained. For the purposes of awarding contracts involving federal aid, any amount due from the federal government and the Highway Bond Fund as a result of unreimbursed expenditures may be considered as cash for the purposes of this provision. Any federal funds on hand shall not be considered as cash for the purposes of this subsection.

... (k) The Department of Transportation shall do all of the following:

(1) Utilize cash flow financing to the extent possible to fund transportation projects with the goal of reducing the combined average daily cash balance of the Highway Fund and the Highway Trust Fund to an amount equal to the twelve percent (12%) of the combined estimate of the yearly receipts of the Funds between fifteen and twenty percent (15-20%) of the total appropriations for the current fiscal year from those funds. In projecting cash balances in future years, the Department shall use the estimated cash flow as
specified in the Current Operations Appropriation Act. Any federal funds on hand shall not be considered as cash for the purposes of this subsection. The target amount shall include an amount necessary to make all municipal-aid funding requirements of the Department.

(2) Establish necessary management controls to facilitate use of cash flow financing, such as establishment of a financial planning committee, development of a monthly financing report, establishment of appropriate fund cash level targets, review of revenue forecasting procedures, and reduction of accrued unbilled costs.

(3) Report annually, on October 1 of each year, to the Joint Legislative Transportation Oversight Committee on its cash management policies and results.

SECTION 34.23.(b) The Board of Transportation shall study the Department's cash management policies and identify ways to strengthen these policies in order to prevent excessive cash balances. The Department shall report to the House of Representatives Appropriations Subcommittee on Transportation, the Senate Appropriations Committee on Department of Transportation, and the Fiscal Research Division by April 1, 2015, on the findings from this study and any resulting policy changes made based on the findings of the study.

SECTION 34.23.(c) In any month in which the Department's total cash balance on hand from the Highway Fund and the Highway Trust Fund exceeds one billion dollars ($1,000,000,000), the Department shall report its cash balance no later than the 15th day of the following month as follows:

(1) To the Board of Transportation.

(2) If the General Assembly is in session, to the Chairs of the House of Representatives Appropriations Subcommittee on Transportation, the Chairs of the Senate Appropriations Committee on Department of Transportation, and the Fiscal Research Division.

(3) If the General Assembly is not in session, to the Chairs of the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

The report shall include an explanation from the Department of the reasons the cash balance has exceeded the amount specified in this subsection, the actions to be taken by the Department to reduce the cash balance, and the estimated amount of time it will take to bring the cash balance to the target identified in G.S. 143C-6-11(k)(1), as amended by subsection (a) of this section.

SECTION 34.23.(d) Subsection (c) of this section becomes effective July 1, 2015.

DOT LEGAL SERVICES

SECTION 34.24.(a) Section 34.27 of S.L. 2013-360 reads as rewritten:

"SECTION 34.27. The Department of Transportation may engage the services of private counsel with the pertinent expertise to timely defend or otherwise resolve legal challenges provide legal services related to transportation projects undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3. The Department shall report the engagement of private counsel authorized by this section within 30 days to the General Assembly, as follows:

(1) If the General Assembly is in session, the Department shall report to the Chairs of the Appropriations Subcommittee on Transportation of the House of Representatives, the Chairs of the Appropriations Committee on Transportation of the Senate, and the Fiscal Research Division.

(2) If the General Assembly is not in session, or adjourns sine die during the 30-day period, the Department shall report to the Chairs of the Joint
LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE AND THE FISCAL RESEARCH DIVISION.

SECTION 34.24.(b) It is the intent of the General Assembly that the Department of Transportation exercise the authority granted by subsection (a) of this section to maximize operational and project delivery benefits attributed to the avoidance or successful defense of litigation. To accomplish this intent, the Department is directed to increase its utilization of external counsel to no less than ten percent (10%) of new cases arising during the 2014-2015 fiscal year, increasing to no less than twenty percent (20%) of new cases arising during the 2015-2016 fiscal year.

SECTION 34.24.(c) The Department shall develop performance metrics to evaluate its utilization of in-house and outside counsel, to include the following:

1. A summary of new matters opened by legal area.
2. Case cycle times.
3. Resolution of cases.
5. The process for procurement for legal services.

The Department shall report no later than January 1, 2015, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Justice and Public Safety Oversight Committee regarding the performance metrics set forth in this subsection.

SECTION 34.24.(d) G.S. 136-103.1 reads as rewritten:

"§ 136-103.1. Outside counsel.

The Attorney General Secretary of Transportation is authorized to employ outside counsel as he the Secretary deems necessary for the purpose of obtaining title abstracts and title certificates for transportation system rights-of-way and for assistance in the trial of condemnation cases involving the acquisition of rights-of-way and other interests in land for the purpose of transportation construction. Compensation, as approved by the Attorney General Secretary, shall be paid out of the appropriations from the Highway Fund."

SECTION 34.24.(e) Legal positions assigned to the Department from the Department of Justice which become vacant during the 2014-2015 fiscal year shall not be filled.

HISTORIC BRIDGE PRESERVATION PROGRAM CLARIFICATION

SECTION 34.27. G.S. 136-18 is amended by adding a new subdivision to read:

"(45) The Department shall not transfer ownership of a State-owned concrete arch bridge to any public, private, or nonprofit entity as part of any bridge relocation or reuse program project unless the entity assumes all liability associated with the bridge and posts a bond or other financial assurance acceptable to the Department to cover the present value of future maintenance costs, as well as any right-of-way or other additional costs if the bridge transfer would require the Department to change the planned route of any replacement structure."

"FIRST IN FREEDOM" REGISTRATION PLATES

SECTION 34.28.(a) G.S. 20-63 reads as rewritten:

"§ 20-63. Registration plates furnished by Division; requirements; replacement of regular plates with First in Flight plates; plates or First in Freedom plates; surrender and reissuance; displaying; preservation and cleaning; alteration or concealment of numbers; commission contracts for issuance.

(b) Every license plate must display the registration number assigned to the vehicle for which it is issued, the name of the State of North Carolina, which may be abbreviated, and the year number for which it is issued or the date of expiration. A plate issued for a commercial..."
vehicle, as defined in G.S. 20-4.2(1), and weighing 26,001 pounds or more, must bear the word "commercial," unless the plate is a special registration plate authorized in G.S. 20-79.4 or the commercial vehicle is a trailer or is licensed for 6,000 pounds or less. The plate issued for vehicles licensed for 7,000 pounds through 26,000 pounds must bear the word "weighted," unless the plate is a special registration plate authorized in G.S. 20-79.4.

A registration plate issued by the Division for a private passenger vehicle or for a private hauler vehicle licensed for 6,000 pounds or less shall be, at the option of the owner, either (i) a "First in Flight" plate or (ii) a "First in Freedom" plate. A "First in Flight" plate shall have the words "First in Flight" printed at the top of the plate above all other letters and numerals. The background of the "First in Flight" plate shall depict the Wright Brothers biplane flying over Kitty Hawk Beach, with the plane flying slightly upward and to the right. A "First in Freedom" plate shall have the words "First in Freedom" printed at the top of the plate above all other letters and numerals. The background of the "First in Freedom" plate may include an image chosen by the Division that is representative of the Mecklenburg Declaration of 1775 or the Halifax Resolves of 1776.

(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

SECTION 34.28.(b) G.S. 20-79(c) reads as rewritten:
"(c) Form and Duration. – A dealer license plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" plate or a "First in Freedom" plate. A dealer license plate must have a distinguishing symbol identifying the plate as a dealer license plate. The symbol may vary depending upon the classification of dealer license plate issued. The Division must provide suitably reduced sized license plates for motorcycle dealers and manufacturers.
"...

SECTION 34.28.(c) G.S. 20-79.2(c) reads as rewritten:
"(c) Form, Duration, and Transfer. – A transporter plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" plate or a "First in Freedom" plate. A transporter plate shall have a distinguishing symbol identifying the plate as a transporter plate. The symbol may vary depending upon the classification of transporter plate issued. A transporter plate is issued for a period of one year. The Division shall vary the expiration dates of transporter registration renewals so that an approximately equal number expires at the end of each month, quarter, or other period consisting of one or more months. When the Division issues a transporter plate, it may issue a registration that expires at the end of any monthly interval. During the year for which it is issued, a business or dealer may transfer a transporter plate from one vehicle to another as long as the vehicle is driven only for a purpose authorized by subsection (a) of this section. The Division must rescind a transporter plate that is displayed on a motor vehicle driven for a purpose that is not authorized by subsection (a) of this section."

SECTION 34.28.(d) This section becomes effective July 1, 2015, and applies to registration plates issued on or after that date.

REPORT ON USE OF ECONOMIC DEVELOPMENT PROGRAM FUNDS

SECTION 34.29. Section 34.7 of S.L. 2013-360 reads as rewritten:
"ECONOMIC DEVELOPMENT PROGRAM FUNDS

"SECTION 34.7.(b) Of the funds appropriated to the Economic Development fund, the sum of three million three hundred forty-six thousand two hundred fifteen dollars ($3,346,215) in nonrecurring funds for fiscal year 2013-2014 and four million thirty-six thousand one hundred seventy-one dollars ($4,036,171) in recurring funds for fiscal year 2014-2015 shall be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention. Projects funded under this section shall be jointly approved by the Secretary of Transportation and the Secretary of Commerce.

"SECTION 34.7.(c) The Department of Commerce and the Department of Transportation shall both develop guidelines and procedures related to the administration of the Economic Development funds referred to in subsection (b) of this section and to the selection of projects to receive allocations of those funds, including project evaluation measures. The guidelines and procedures shall include a process for submitting, evaluating, and prioritizing projects on a monthly basis. The Department of Commerce shall publish the guidelines and procedures it develops on its Web site, and the Department of Transportation shall publish the guidelines and procedures it develops on its Web site. Both Departments shall develop guidelines and procedures no later than October 1, 2014.

"SECTION 34.7.(d) Beginning October 1, 2014, the Department of Commerce and the Department of Transportation shall do both of the following:

(1) Meet quarterly to select projects for funding based on the prioritization rankings developed in subsection (c) of this section and assigned by each Department.

(2) Report quarterly to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations on the commitment, disbursement, and use of funds referred to in subsection (b) of this section. The report is due no later than one month after the end of the fiscal quarter."

REGULATION OF UNMANNED AIRCRAFT SYSTEMS

"SECTION 34.30.(a) Chapter 15A of the General Statutes is amended by adding a new Article to read:

"Article 16B. Use of Unmanned Aircraft Systems.

§ 15A-300.1. Restrictions on use of unmanned aircraft systems.

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

(1) Manned aircraft. – An aircraft, as defined in G.S. 63-1, that is operated with a person in or on the aircraft.

(2) Model aircraft. – An aircraft, as defined in G.S. 63-1, that is mechanically driven or launched into flight and that meets all of the following requirements:

a. Is flown solely for hobby or recreational purposes.

b. Is not used for payment, consideration, gratuity, or benefit, directly or indirectly charged, demanded, received, or collected, by any person for the use of the aircraft or any photographic or video image produced by the aircraft.

(3) Unmanned aircraft. – An aircraft, as defined in G.S. 63-1, that is operated without the possibility of human intervention from within or on the aircraft and that does not meet the definition of model aircraft.

(4) Unmanned aircraft system. – An unmanned aircraft and associated elements, including communication links and components that control the unmanned aircraft that are required for the pilot in command to operate safely and efficiently in the national airspace system."
(b) General Prohibitions. – Except as otherwise provided in this section, no person,
entity, or State agency shall use an unmanned aircraft system to do any of the following:

(1) Conduct surveillance of:
   a. A person or a dwelling occupied by a person and that dwelling's
curtilage without the person's consent.
   b. Private real property without the consent of the owner, easement
holder, or lessee of the property.

(2) Photograph an individual, without the individual's consent, for the purpose
of publishing or otherwise publicly disseminating the photograph. This
subdivision shall not apply to newsgathering, newsworthy events, or events
or places to which the general public is invited.

(c) Law Enforcement Exceptions. – Notwithstanding the provisions of subsection (b) of
this section, the use of unmanned aircraft systems by law enforcement agencies of the State or a
political subdivision of the State is not prohibited in the following instances:

(1) To counter a high risk of a terrorist attack by a specific individual or
organization if the United States Secretary of Homeland Security or the
Secretary of the North Carolina Department of Public Safety determines that
credible intelligence indicates that such a risk exists.

(2) To conduct surveillance in an area that is within a law enforcement officer's
plain view when the officer is in a location the officer has a legal right to be.

(3) If the law enforcement agency first obtains a search warrant authorizing the
use of an unmanned aircraft system.

(4) If the law enforcement agency possesses reasonable suspicion that, under
particular circumstances, swift action is needed to prevent imminent danger
to life or serious damage to property, to forestall the imminent escape of a
suspect or the destruction of evidence, to conduct pursuit of an escapee or
suspect, or to facilitate the search for a missing person.

(5) To photograph gatherings to which the general public is invited on public or
private land.

(d) Limitations on Use of Special Imaging Technology. – Commercial and private
unmanned aircraft systems may be equipped with infrared or other thermal imaging technology
subject to the provisions of this subsection. Infrared or other similar thermal imaging
technology equipment shall be for the sole purpose of scientific investigation; scientific
research; mapping and evaluating the earth's surface, including terrain and surface water bodies
and other features; investigation or evaluation of crops, livestock, or farming operations;
investigation of forests and forest management; and other similar investigations of vegetation
or wildlife.

(e) Any person who is the subject of unwarranted surveillance, or whose photograph is
taken in violation of the provisions of this section, shall have a civil cause of action against the
person, entity, or State agency that conducts the surveillance or that uses an unmanned aircraft
system to photograph for the purpose of publishing or otherwise disseminating the photograph.
In lieu of actual damages, the person whose photograph is taken may elect to recover five
thousand dollars ($5,000) for each photograph or video that is published or otherwise
disseminated, as well as reasonable costs and attorneys' fees and injunctive or other relief as
determined by the court.

(f) Evidence obtained or collected in violation of this section is not admissible as
evidence in a criminal prosecution in any court of law in this State except when obtained or
collected under the objectively reasonable, good-faith belief that the actions were lawful.

§ 15A-300.2. Regulation of launch and recovery sites.

(a) No unmanned aircraft system may be launched or recovered from any State or
private property without consent.

(b) A unit of local government may adopt an ordinance to regulate the use of the local
government's property for the launch or recovery of unmanned aircraft systems.
SECTION 34.30.(b) Chapter 14 of the General Statutes is amended by adding a new Article to read:

"Article 2F.

"Crimes by Unmanned Aircraft Systems.

"§ 14-7.45. Crimes committed by use of unmanned aircraft systems.

All crimes committed by use of an unmanned aircraft system, as defined in G.S. 15A-300.1, while in flight over this State shall be governed by the laws of this State, and the question of whether the conduct by an unmanned aircraft system while in flight over this State constitutes a crime by the owner of the unmanned aircraft system shall be determined by the laws of this State."

SECTION 34.30.(c) Article 36 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-280.3. Interference with manned aircraft by unmanned aircraft systems.

(a) Any person who willfully damages, disrupts the operation of, or otherwise interferes with a manned aircraft through use of an unmanned aircraft system, while the manned aircraft is taking off, landing, in flight, or otherwise in motion, is guilty of a Class H felony.

(b) The following definitions apply to this section:

(1) Manned aircraft. – As defined in G.S. 15A-300.1.

(2) Unmanned aircraft system. – As defined in G.S. 15A-300.1."

SECTION 34.30.(d) Article 52 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-401.24. Unlawful possession and use of unmanned aircraft systems.

(a) It shall be a Class E felony for any person to possess or use an unmanned aircraft or unmanned aircraft system that has a weapon attached.

(b) It shall be a Class 1 misdemeanor for any person to fish or to hunt using an unmanned aircraft system.

(c) The following definitions apply to this section:

(1) To fish. – As defined in G.S. 113-130.

(2) To hunt. – As defined in G.S. 113-130.

(3) Unmanned aircraft. – As defined in G.S. 15A-300.1.

(4) Unmanned aircraft system. – As defined in G.S. 15A-300.1.

(5) Weapon. – Those weapons specified in G.S. 14-269, 14-269.2, 14-284.1, or 14-288.8 and any other object capable of inflicting serious bodily injury or death when used as a weapon.

(d) This section shall not prohibit possession or usage of an unmanned aircraft or unmanned aircraft system that is authorized by federal law or regulation."

SECTION 34.30.(e) Article 52 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-401.25. Unlawful distribution of images.

It shall be a Class A1 misdemeanor to publish or disseminate, for any purpose, recorded images taken by a person or non-law enforcement entity through the use of infrared or other similar thermal imaging technology attached to an unmanned aircraft system, as defined in G.S. 15A-300.1, and revealing individuals, materials, or activities inside of a structure without the consent of the property owner."

SECTION 34.30.(f) G.S. 113-295 reads as rewritten:

"§ 113-295. Unlawful harassment of persons taking wildlife resources.

(a) It is unlawful for a person to interfere intentionally with the lawful taking of wildlife resources or to drive, harass, or intentionally disturb any wildlife resources for the purpose of disrupting the lawful taking of wildlife resources. It is unlawful to take or abuse property, equipment, or hunting dogs that are being used for the lawful taking of wildlife resources. This subsection does not apply to a person who incidentally interferes with the taking of wildlife resources while using the land for other lawful activity such as agriculture, mining, or
recreation. This subsection also does not apply to activity by a person on land he owns or leases.

Violation of this subsection is a Class 2 misdemeanor for a first conviction and a Class 1 misdemeanor for a second or subsequent conviction.

(a) It is unlawful to use an unmanned aircraft system, as defined in G.S. 15A-300.1, to violate subsection (a) of this section. Violation of this subsection is a Class 1 misdemeanor.

(b) The Wildlife Resources Commission may, either before or after the institution of any other action or proceeding authorized by this section, institute a civil action for injunctive relief to restrain a violation or threatened violation of subsection (a) of this section pursuant to G.S. 113-131. The action shall be brought in the superior court of the county in which the violation or threatened violation is occurring or about to occur and shall be in the name of the State upon the relation of the Wildlife Resources Commission. The court, in issuing any final order in any action brought pursuant to this subsection may, in its discretion, award costs of litigation including reasonable attorney and expert-witness fees to any party."

SECTION 34.30.(g) Chapter 63 of the General Statutes is amended by adding a new Article to read:

"Article 10.
"Operation of Unmanned Aircraft Systems.

§ 63-95. Training required for operation of unmanned aircraft systems.

(a) As used in this Article, the term "Division" means the Division of Aviation of the Department of Transportation.

(b) The Division shall develop a knowledge and skills test for operating an unmanned aircraft system that complies with all applicable State and federal regulations and shall provide for administration of the test. The Division may permit a person, including an agency of this State, an agency of a political subdivision of this State, an employer, or a private training facility, to administer the test developed pursuant to this subsection, provided the test is the same as that administered by the Division and complies with all applicable State and federal regulations.

(c) No agent or agency of the State, or agent or agency of a political subdivision of the State, may operate an unmanned aircraft system within the State without completion of the test set forth in subsection (b) of this section.

§ 63-96. License required for commercial operation of unmanned aircraft systems.

(a) No person shall operate an unmanned aircraft system, as defined in G.S. 15A-300.1, in this State for commercial purposes unless the person is in possession of a license issued by the Division valid for the unmanned aircraft system being operated. Application for such license shall be made in the manner provided by the Division. Unless suspended or revoked, the license shall be effective for a period to be established by the Division not exceeding eight years.

(b) No person shall be issued a license under this section unless all of the following apply:

(1) The person is at least 18 years of age.

(2) The person possesses a valid driver's license issued by any state or territory of the United States or the District of Columbia.

(3) The person has passed the knowledge and skills test for operating an unmanned aircraft system as prescribed in G.S. 63-95(b).

(4) The person has satisfied all other applicable requirements of this Article or federal regulation.

(c) A license to operate an unmanned aircraft system for commercial purposes shall not be issued to a person while the person's license to operate an unmanned aircraft system is suspended, revoked, or cancelled in any state.

(d) The Division shall develop and administer a program to license operators of unmanned aircraft systems for commercial purposes. The program must include the following components:

583
A system for classifying unmanned aircraft systems based on characteristics determined to be appropriate by the Division.

A fee structure for licenses.

A license application process.

Technical guidance for complying with program requirements.

Criteria under which the Division may suspend or revoke a license.

Criteria under which the Division may waive licensure requirements for applicants currently holding a valid license to operate unmanned aircraft systems issued by another state or territory of the United States, the District of Columbia, or the United States.

A designation of the geographic area within which a licensee shall be authorized to operate an unarmed aircraft system.

Requirements pertaining to the collection, use, and retention of data by licensees obtained through the operation of unmanned aircraft systems, to be established in consultation with the State Chief Information Officer.

Requirements for the marking of each unmanned aircraft system operated pursuant to a license issued under this section sufficient to permit identification of the owner of the system and the person licensed to operate it.

A system for providing agencies that conduct other operations within regulated airspace with the identity and contact information of licensees and the geographic areas within which the licensee is permitted to operate an unmanned aircraft system.

(e) A person who operates an unmanned aircraft system for commercial purposes other than as permitted under this section shall be guilty of a Class 1 misdemeanor.

(f) The Division may issue rules and regulations to implement the provisions of this section.

SECTION 34.30.(h) The Division of Aviation of the Department of Transportation shall develop and implement the knowledge and skills test required by G.S. 63-95, as enacted in subsection (g) of this section, no later than May 31, 2015, and shall report to the Joint Legislative Transportation Oversight Committee on the status of implementation by June 15, 2015.

SECTION 34.30.(i) The Division of Aviation of the Department of Transportation shall immediately begin developing the licensing system for commercial operation required by G.S. 63-96, as enacted in subsection (g) of this section, and shall ensure that the system complies with Federal Aviation Administration (FAA) guidelines on commercial operation, as those guidelines become available. Within 60 days of issuance of the FAA guidelines and authorization by the FAA for commercial operations to begin, the Division shall implement the licensing system required by G.S. 63-96, as enacted in subsection (g) of this section.

SECTION 34.30.(j) No operation of unmanned aircraft systems by agents or agencies of the State, or agents or agencies of a political subdivision of the State, shall be authorized in this State until the knowledge and skills test required by G.S. 63-95, as enacted in subsection (g) of this section, has been implemented.

No operation of unmanned aircraft systems for commercial purposes shall be authorized in this State until the FAA has authorized commercial operations and the licensing system required by G.S. 63-96, as enacted in subsection (g) of this section, has been implemented.

SECTION 34.30.(k) The Division of Aviation of the Department of Transportation shall use funds appropriated in this act to the Division to cover the administration costs incurred from developing and implementing the knowledge and skills test and licensing system for commercial operation required by this section.

SECTION 34.30.(l) Subsection (a) of this section becomes effective October 1, 2014, and applies to acts occurring on or after that date. Subsections (b), (c), (d), (e), and (f) of
this section become effective December 1, 2014, and apply to offenses committed on or after that date. The remainder of this section is effective when it becomes law.

PART XXXV. SALARIES AND BENEFITS

GOVERNOR AND COUNCIL OF STATE

SECTION 35.1.(a) G.S. 147-11(a) reads as rewritten:
"(a) The salary of the Governor shall be one hundred forty-one thousand two hundred sixty-five dollars ($141,265) annually, payable monthly."

SECTION 35.1.(b) Section 35.1(b) of S.L. 2013-360 reads as rewritten:
"SECTION 35.1.(b) Effective for the 2013-2015 fiscal biennium, the annual salaries for members of the Council of State, payable monthly, shall remain unchanged be increased by one thousand dollars ($1,000) as follows:

<table>
<thead>
<tr>
<th>Council of State</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lieutenant Governor</td>
<td>$124,676</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$124,676</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>$124,676</td>
</tr>
<tr>
<td>State Treasurer</td>
<td>$124,676</td>
</tr>
<tr>
<td>State Auditor</td>
<td>$124,676</td>
</tr>
<tr>
<td>Superintendent of Public Instruction</td>
<td>$124,676</td>
</tr>
<tr>
<td>Attorney General</td>
<td>$124,676</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>$124,676</td>
</tr>
<tr>
<td>State Treasurer</td>
<td>$124,676</td>
</tr>
<tr>
<td>State Auditor</td>
<td>$124,676</td>
</tr>
</tbody>
</table>

SECTION 35.1.(c) Section 35.1(a) of S.L. 2013-360 is repealed.

CERTAIN EXECUTIVE BRANCH OFFICIALS

SECTION 35.2. Section 35.2 of S.L. 2013-360 reads as rewritten:
"SECTION 35.2. Effective for the 2013-2015 fiscal biennium, the annual salaries, payable monthly, for the following executive branch officials shall remain unchanged be increased by one thousand dollars ($1,000) as follows:

<table>
<thead>
<tr>
<th>Executive Branch Officials</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman, Alcoholic Beverage Control Commission</td>
<td>$110,868</td>
</tr>
<tr>
<td>State Controller</td>
<td>$155,159</td>
</tr>
<tr>
<td>Commissioner of Banks</td>
<td>$124,676</td>
</tr>
<tr>
<td>Chair, Board of Review, Division of Employment Security</td>
<td>$122,255</td>
</tr>
<tr>
<td>Members, Board of Review, Division of Employment Security</td>
<td>$120,737</td>
</tr>
<tr>
<td>Chairman, Parole Commission</td>
<td>$101,235</td>
</tr>
<tr>
<td>Members of the Parole Commission</td>
<td>$93,464</td>
</tr>
<tr>
<td>Chairman, Utilities Commission</td>
<td>$138,896</td>
</tr>
<tr>
<td>Members of the Utilities Commission</td>
<td>$124,676</td>
</tr>
<tr>
<td>Executive Director, North Carolina</td>
<td>$107,915</td>
</tr>
</tbody>
</table>

JUDICIAL BRANCH

SECTION 35.3.(a) Section 35.3 of S.L. 2013-360 reads as rewritten:
"SECTION 35.3.(a) Effective for the 2013-2015 fiscal biennium, the annual salaries, payable monthly, for specified judicial branch officials shall remain unchanged be increased by one thousand dollars ($1,000) as follows:

<table>
<thead>
<tr>
<th>Judicial Branch Officials</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Justice, Supreme Court</td>
<td>$142,623</td>
</tr>
<tr>
<td>Associate Justice, Supreme Court</td>
<td>$138,896</td>
</tr>
<tr>
<td>Chief Judge, Court of Appeals</td>
<td>$136,682</td>
</tr>
</tbody>
</table>
"SECTION 35.3. (b) Effective for the 2013-2015 fiscal biennium, the annual salaries of employees of the Judicial Department shall remain unchanged as follows:

1. The annual salaries of permanent full-time and part-time employees of the Judicial Department whose salaries are not itemized in this act shall remain unchanged.
2. Notwithstanding anything to the contrary, the annual salaries of clerks of superior court under G.S. 7A-101(a) shall not change when a county changes from one population group to another.
3. The annual salaries of assistant and deputy clerks of court set under G.S. 7A-171.1(a) or G.S. 7A-171.1(a1) shall remain unchanged.
4. The annual salaries of magistrates set under G.S. 7A-171.1(a) or G.S. 7A-171.1(a1) (1) shall remain unchanged."

"SECTION 35.3. (b) The annual salaries of permanent full-time employees of the Judicial Department whose salaries are not itemized in this act shall be increased by one thousand dollars ($1,000), effective July 1, 2014, except for employees eligible to receive step increases under G.S. 7A-102(c1) at any time during the 2014-2015 fiscal year.

SECTION 35.3. (c) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed seventy-two thousand seven hundred ninety-seven dollars ($72,797) and the minimum salary of any assistant district attorney or assistant public defender is at least thirty-eight thousand six hundred twenty-eight dollars ($38,628), effective July 1, 2014.

SECTION 35.3. (d) G.S. 7A-101(a) reads as rewritten:

"(a) The clerk of superior court is a full-time employee of the State and shall receive an annual salary, payable in equal monthly installments, based on the population of the county as determined in subsection (a1) of this section, according to the following schedule:

<table>
<thead>
<tr>
<th>Population</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100,000</td>
<td>$83,390</td>
</tr>
<tr>
<td>100,000 to 149,999</td>
<td>93,578</td>
</tr>
<tr>
<td>150,000 to 249,999</td>
<td>103,766</td>
</tr>
<tr>
<td>250,000 and above</td>
<td>113,958</td>
</tr>
</tbody>
</table>

When a county changes from one population group to another, the salary of the clerk shall be changed, on July 1 of the fiscal year for which the change is reported, to the salary appropriate for the new population group, except that the salary of an incumbent clerk shall not be decreased by any change in population group during his continuance in office."

SECTION 35.3. (e) G.S. 7A-102(c1) reads as rewritten:

"(c1) A full-time assistant clerk or a full-time deputy clerk, and up to one full-time deputy clerk serving as head bookkeeper per county, shall be paid an annual salary subject to the following minimum and maximum rates:
Assistant Clerks and Head Bookkeeper Annual Salary
Minimum $32,609
Maximum $55,424

Deputy Clerks Annual Salary
Minimum $28,223
Maximum $43,107

SECTION 35.3.(f) G.S. 7A-171.1(a)(1) reads as rewritten:

"(a) The Administrative Officer of the Courts, after consultation with the chief district judge and pursuant to the following provisions, shall set an annual salary for each magistrate.

(1) A full-time magistrate shall be paid the annual salary indicated in the table set out in this subdivision. A full-time magistrate is a magistrate who is assigned to work an average of not less than 40 hours a week during the term of office. The Administrative Officer of the Courts shall designate whether a magistrate is full-time. Initial appointment shall be at the entry rate. A magistrate's salary shall increase to the next step every two years on the anniversary of the date the magistrate was originally appointed for increases to Steps 1 through 3, and every four years on the anniversary of the date the magistrate was originally appointed for increases to Steps 4 through 6.

Table of Salaries of Full-Time Magistrates

<table>
<thead>
<tr>
<th>Step Level</th>
<th>Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Rate</td>
<td>$33,025-$35,275</td>
</tr>
<tr>
<td>Step 1</td>
<td>$35,951-$37,950</td>
</tr>
<tr>
<td>Step 2</td>
<td>$39,135-$40,835</td>
</tr>
<tr>
<td>Step 3</td>
<td>$42,403-$43,890</td>
</tr>
<tr>
<td>Step 4</td>
<td>$46,551-$47,550</td>
</tr>
<tr>
<td>Step 5</td>
<td>$50,959-$51,960</td>
</tr>
<tr>
<td>Step 6</td>
<td>$55,901-$56,900</td>
</tr>
</tbody>
</table>

SECTION 35.3.(g) G.S. 7A-171.1(a1)(1) reads as rewritten:

"(a1) Notwithstanding subsection (a) of this section, the following salary provisions apply to individuals who were serving as magistrates on June 30, 1994:

(1) The minimum and maximum salaries of magistrates who on June 30, 1994, were paid at a salary level of less than five years of service under the table in effect that date shall be as follows:

<table>
<thead>
<tr>
<th>Less than 1 year of service</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$26,846</td>
<td>$27,846</td>
</tr>
<tr>
<td>1 or more but less than 3 years of service</td>
<td>28,027</td>
<td>29,027</td>
</tr>
<tr>
<td>3 or more but less than 5 years of service</td>
<td>30,405</td>
<td>31,405</td>
</tr>
</tbody>
</table>

Upon completion of five years of service, those magistrates shall receive the salary set as the Entry Rate in the table in subsection (a)."

SECTION 35.3.(h) Salary reserves generated by the clerk of superior court offices during the 2014-2015 fiscal year shall be used exclusively by the clerks of superior court. The clerks of superior court may use these funds to award salary increases in addition to those specifically provided for deputy and assistant clerks under the respective salary plans. Any additional increases may be awarded at the discretion of each elected clerk of superior court. The Administrative Office of the Courts shall (i) allocate funds for additional discretionary salary adjustments on a per capita basis and (ii) adopt a plan for distribution of the funds in consultation with the Conference of Clerks of Superior Court.

LEGISLATIVE BRANCH

SECTION 35.4.(a) Section 35.4 of S.L. 2013-360 reads as rewritten:

"SECTION 35.4. For the 2013-2015 fiscal biennium, the salaries of members and officers of the General Assembly shall remain unchanged at the amounts set under G.S. 120-3, as
provided in 1994 by the 1993 General Assembly. Effective for the 2013-2015 fiscal biennium, salaries in the legislative branch shall remain unchanged, as follows:

1. The annual salaries set by G.S. 120-37(c) for the principal clerks in each house shall remain unchanged.
2. The annual salaries set by G.S. 120-37(b) of the sergeant-at-arms and the reading clerk in each house shall remain unchanged.
3. The annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly set under G.S. 120-32 shall remain unchanged.

SECTION 35.4.(b)  G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of three hundred eighty-five dollars ($385.00) plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

SECTION 35.4.(c)  G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of one hundred five thousand three hundred thirty-three dollars ($105,333), payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SECTION 35.4.(d)  The annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2014, shall be increased by one thousand dollars ($1,000).

COMMUNITY COLLEGES PERSONNEL

SECTION 35.5.  Section 35.5 of S.L. 2013-360 reads as rewritten:

"SECTION 35.5.(a)  The annual salaries of all full-time community college nonfaculty and professional staff whose salaries are supported from the State's General Fund shall remain unchanged for the 2013-2015 fiscal biennium. The minimum salaries for nine-month, full-time curriculum community college faculty shall also remain unchanged be increased as follows:

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Minimum Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational Diploma/Certificate or Less</td>
<td>$34,314</td>
</tr>
<tr>
<td>Associate Degree or Equivalent</td>
<td>34,819</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>37,000</td>
</tr>
<tr>
<td>Masters Degree or Education Specialist</td>
<td>38,952</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>41,754</td>
</tr>
</tbody>
</table>

No full-time faculty member shall earn less than the minimum salary for his or her education level.
The pro rata hourly rate of the minimum salary for each education level shall be used to determine the minimum salary for part-time faculty members."

UNIVERSITY OF NORTH CAROLINA SYSTEM

SECTION 35.6.(a) Section 35.6 of S.L. 2013-360 reads as rewritten:

"SECTION 35.6.(a) The annual compensation of all full-time University of North Carolina EPA-EHRA faculty, EPA-EHRA nonfaculty, SPA-SHRA employees, and teachers employed by the North Carolina School of Science and Mathematics shall remain unchanged for the 2013-2015 fiscal biennium. Effective for the 2014-2015 fiscal year:

(1) The annual compensation of all full-time University of North Carolina SHRA employees shall be increased by one thousand dollars ($1,000).

(2) The Board of Governors of The University of North Carolina shall have flexibility in allocating funds appropriated in this act for EHRA faculty and EHRA nonfaculty compensation increases (except for teachers at the North Carolina School of Science and Mathematics) pursuant to policies adopted by the Board.

"SECTION 35.6.(b) The annual compensation of all full-time employees of the University of North Carolina Health Care System and the Medical Faculty Practice Plan at East Carolina University shall remain unchanged for the 2013-2015 fiscal biennium. Effective for the 2014-2015 fiscal year.

SECTION 35.6.(b) For the 2014-2015 fiscal year, the Board of Trustees of the North Carolina School of Science and Mathematics shall award the step increases authorized by the Teacher Salary Schedule under Section 9.1 of this act.

STATE AGENCY TEACHERS

SECTION 35.6A. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, and the State Board of Education who are paid on the Teacher Salary Schedule shall receive the experience step increases authorized in Section 9.1 of this act.

STATE HIGHWAY PATROL STEP INCREASES

SECTION 35.6B. Notwithstanding G.S. 20-187.3 for the 2014-2015 fiscal year, the annual salary of a member of the State Highway Patrol whose salary does not exceed the maximum of the applicable salary range shall be increased on a percentage basis according to the date the member received sworn law enforcement officer status with the Patrol, as follows, in the amount of:

(1) Six percent (6%) for a member sworn between 2012 and June 30, 2014.

(2) Five and five-tenths percent (5.5%) for a member sworn between 2008 and 2011.

(3) Five percent (5%) for a member sworn between 2005 and 2007.

SALARY ADJUSTMENT REQUIREMENTS/LIMIT ON CUMULATIVE INCREASES

SECTION 35.7. Section 35.8 of S.L. 2013-360 reads as rewritten:

"SECTION 35.8.(a) The annual compensation of all employees subject to or exempt from the State Personnel Act, North Carolina Human Resources Act, including employees of local boards of education, community colleges, and The University of North Carolina, for the 2013-2015 fiscal biennium shall remain unchanged from that authorized on June 30, 2013, or the last date in pay status during the 2011-2013 fiscal biennium, if earlier, unless an increase is authorized by this section or under the Salary Adjustment Fund established by this act.

"SECTION 35.8.(b) Salary increases may be awarded during the 2013-2015 fiscal biennium under this section only for the following special circumstances:

589
(1) For all State employees regardless of funding source, and for employees of the North Carolina Community College System and local school boards who are paid from State funds, salaries may be increased for reallocations or promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities, none of which are subject to the salary freeze otherwise provided by this Part. All other salary increases are prohibited.

(1a) For employees of the North Carolina Community College System, notwithstanding subdivision (1) of this subsection, salaries may be increased if the increase is (i) funded from local funding sources or (ii) for the purposes of retention or equity.

(2) For The University of North Carolina, (i) faculty using funds from the Faculty Recruiting and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund in the case of faculty involved in cancer research supported by that fund; (ii) faculty, nonfaculty, and other employee adjustments, including retention adjustments, funded from non-State funding sources; (iii) faculty, nonfaculty, and other employees for the purposes of retention or equity.

(3) For employees of the judicial branch, for local supplementation as authorized by G.S. 7A-300.1.

The cumulative salary adjustment allowed under this subsection for each fiscal year during the 2013-2015 fiscal biennium may exceed ten percent (10%) of annual salary only if the adjustment is approved in advance by the Office of State Budget and Management, The University of North Carolina Board of Governors, the Board of the North Carolina Community College System, the Legislative Services Commission, the local board of education, or other authorized body as appropriate.

"SECTION 35.8.(b1) For fiscal year 2014-2015, the cumulative salary adjustment awarded to any employee may exceed ten percent (10%) of annual salary only if the adjustment is approved in advance by the Office of State Budget and Management, The University of North Carolina Board of Governors, the Board of the North Carolina Community College System, the Legislative Services Commission, the local board of education, or other authorized body as appropriate.

"SECTION 35.8.(c) The automatic salary step increases for assistant and deputy clerks of superior court and magistrates are suspended for the 2013-2015 fiscal biennium.

"SECTION 35.8.(d) The salary increase provisions of G.S. 20-187.3 are suspended for the 2013-2015 fiscal biennium.

"SECTION 35.8.(e) During the 2013-2015 fiscal biennium, For the 2013-2014 fiscal year, notwithstanding G.S. 53C-2-3(c), employees of the Office of the Commissioner of Banks shall not be awarded (i) compensation increases unless allowed under subdivision (1) of subsection (b) of this section or (ii) compensation bonuses.

"SECTION 35.8.(f) Employees of the Lottery Commission shall not receive compensation bonuses during the 2013-2015 fiscal biennium.

USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED SALARY INCREASES

SECTION 35.8.(a) The appropriations set forth in Section 2.1 of this act include appropriations for legislatively mandated salary increases in amounts set forth in the committee report described in Section 38.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for legislatively mandated salary increases.

SECTION 35.8.(b) If the Director of the Budget determines that funds appropriated to a State agency for legislatively mandated salary increases exceed the amount
required by that agency for that purpose, the Director may reallocate those funds to other State agencies that received insufficient funds for legislatively mandated salary increases.

**SECTION 35.8.(c)** No later than October 1, 2014, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the expenditure of funds for legislatively mandated salary increases. This report shall include at least the following information for each State agency for the 2014-2015 fiscal year:

1. The total amount of funds that the agency received for legislatively mandated salary increases.
2. The total amount of funds transferred from the agency to other State agencies pursuant to subsection (b) of this section. This section of the report shall identify the amounts transferred to each recipient State agency.
3. The total amount of funds used by the agency for legislatively mandated salary increases.
4. The total amount of funds received by the agency for legislatively mandated salary increases that are anticipated to revert at the end of the fiscal year.

**ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES**

**SECTION 35.9.(a)** Salaries and related benefits for positions that are funded:

1. Partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.
2. Fully from sources other than the General Fund or Highway Fund shall be increased as provided by this act. The Director of the Budget may increase expenditures of receipts from these sources by the amount necessary to provide the legislative increase to receipt-supported personnel in the certified budget.

**SECTION 35.9.(b)** The salary increases provided in this act become effective July 1, 2014, and do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, or whose last workday is prior to July 1, 2014.

**SECTION 35.9.(c)** Payroll checks issued to employees after July 1, 2014, which represent payment of services provided prior to July 1, 2014, shall not be eligible for salary increases provided for in this act. This subsection applies to all employees paid from State funds, whether or not subject to or exempt from the North Carolina Human Resources Act, including employees of public schools, community colleges, and The University of North Carolina.

**SECTION 35.9.(d)** Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

**SECTION 35.9.(e)** Unless otherwise provided by this act, for the 2014-2015 fiscal year, permanent, full-time State agency employees and State-funded public school employees who work a nine-, 10-, or 11-month work year schedule shall receive the one thousand dollar ($1,000) annual increase provided by this act.

**MOST STATE EMPLOYEES**

**SECTION 35.10.(a)** Section 35.7 of S.L. 2013-360 reads as rewritten:

"SECTION 35.7. For the 2013-2015 fiscal biennium, the salaries in effect June 30, 2013, for the following employees shall remain unchanged, effective July 1, 2013: Except as otherwise specifically set forth in this act, the salaries in effect for the following employees on June 30, 2014, shall be increased by one thousand dollars ($1,000):

1. Permanent full-time State officials and persons whose salaries are set in accordance with the State Personnel Act, North Carolina Human Resources Act."
(2) Permanent full-time State officials and persons in positions exempt from the State Personnel Act, North Carolina Human Resources Act.

(3) Permanent part-time State employees, temporary and permanent hourly State employees, on a prorated and equitable basis subject to the availability of funds in the employing State agency, department, or institution and within regular State Budget Act procedures.

(4) Temporary and permanent hourly State employees."

SECTION 35.10.(b) Except as otherwise specifically provided, any employee who is paid on a step schedule who:

(1) Does not receive a step increase, shall receive the one thousand dollar ($1,000) salary increase authorized by this act.

(2) Does receive a step increase, shall not receive the one thousand dollar ($1,000) salary increase authorized by this act. Further, such employees are not eligible to move more than one step on the applicable salary schedule.

SPECIAL ANNUAL LEAVE BONUS

SECTION 35.10A.(a) Any person who is (i) a full-time permanent employee of the State or a community college institution on September 1, 2014, and (ii) eligible to earn annual leave shall have a one-time additional five days of annual leave credited on September 1, 2014.

SECTION 35.10A.(b) The additional leave shall be accounted for separately with the leave provided by Section 28.3A of S.L. 2002-126, by Section 30.12B(a) of S.L. 2003-284, and by Section 29.14A of S.L. 2005-276 and shall remain available until used, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward. Part-time permanent employees shall receive a pro rata amount of the five days.

STATE EMPLOYEES REASSIGNMENT/NO THIRTY-FIVE-MILE RADIUS REQUIREMENT

SECTION 35.11.(a) G.S. 126-5(e)(2) reads as rewritten:

"(e) An exempt employee may be transferred, demoted, or separated from his or her position by the department head authorized to designate the exempt position except:

... (2) When an employee who has 10 years or more cumulative service, including the immediately preceding 12 months, in subject positions prior to placement in an exempt position is removed from an exempt position, for reasons other than just cause, the employee shall be reassigned to a subject position within the same department or agency, or if necessary within another agency, and within a 35 mile radius of the exempt position, at the same grade and salary, including all across-the-board increases since placement in the position designated as exempt, as his most recent subject position."

SECTION 35.11.(b) This section is effective when it becomes law and applies to State employees hired before June 30, 2013.

STUDY GRANTING EXPERIENCE AND EDUCATION CREDIT TO PROSPECTIVE STATE HIGHWAY PATROL MEMBERS WITH PRIOR LAW ENFORCEMENT OR MILITARY EXPERIENCE

SECTION 35.11A. The State Highway Patrol, in consultation with the Criminal Justice Education and Training Standards Commission and the Fiscal Research Division, shall study granting law enforcement experience and education credit to prospective members of the State Highway Patrol who have prior law enforcement or military police experience. No later than February 1, 2015, the State Highway Patrol shall report its findings to the Chairs of the House Appropriations Committee, the Chairs of the Senate Appropriations/Base Budget
Committee, the Chairs of the House Appropriations Subcommittee on Justice and Public Safety, and the Chairs of the Senate Appropriations Committee on Justice and Public Safety. The report shall include at least the following:

1. An analysis of potential costs and benefits of granting experience and education credit to prospective members of the State Highway Patrol who have prior law enforcement or military police experience.
2. Identification of additional resources that may be needed to facilitate the granting of credit under these circumstances.
3. Identification of obstacles that may need to be addressed before a program of granting credit under these circumstances can be implemented.

**AMEND THE SALARY CONTINUATION LAWS TO PROVIDE THAT ONLY LAW ENFORCEMENT OFFICERS INJURED AND INCAPACITATED AS THE RESULT OF THE HEIGHTENED RISK AND SPECIAL HAZARDS POSED BY THEIR OFFICIAL DUTIES RECEIVE A HIGHER COMPENSATION RATE FOR THE TWO-YEAR PERIOD BEFORE REVERTING TO THE RATES PROVIDED UNDER THE WORKERS' COMPENSATION LAWS**

**SECTION 35.12.(a)** Article 12B of Chapter 143 of the General Statutes reads as rewritten:

"Article 12B.

"Salary Continuation Plan for Certain State Law-Enforcement Officers.

"§ 143-166.13. Persons entitled to benefits under Article.

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

1. State Government Security Officers, Department of Administration;
2. State Correctional Officers, Division of Adult Correction of the Department of Public Safety;
3. State Probation and Parole Officers, Division of Adult Correction of the Department of Public Safety;
4. Sworn State Law-Enforcement Officers with the power of arrest, Division of Adult Correction of the Department of Public Safety;
5. Alcohol Law-Enforcement Agents, Department of Public Safety;
6. State Highway Patrol Officers, Department of Public Safety;
7. General Assembly Special Police, General Assembly;
8. Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;
9. Juvenile Justice Officers, Division of Juvenile Justice of the Department of Public Safety;
10. Insurance Investigators, Department of Insurance;
11. State Bureau of Investigation Officers and Agents, Department of Justice;
12. Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;
13. Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;
14. Utilities Commission Transportation Inspectors and Special Investigators;
15. North Carolina Ports Authority Police, Department of Transportation;
16. Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment and Natural Resources;
17. Sworn State Law-Enforcement Officers with the power of arrest, Department of Public Safety.
18. Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue."
(19) Sworn State Law-Enforcement Officers with the power of arrest, University System.

(b) The following persons are entitled to benefits under this Article regardless of whether they are subject to the Criminal Justice Training and Standards Act:

(1) Driver License Examiners injured by accident arising out of and in the course of giving a road test, Division of Motor Vehicles, Department of Transportation;

(2) Employees of the Division of Adult Correction of the Department of Public Safety injured by a direct and deliberate act of an offender supervised by the Division or while performing supervisory duties over offenders which place the employees at risk of such injury.

(c) As used in this Article, the term "eligible person" or "person" shall mean any individual listed under subsection (a) or (b) of this section.

§ 143-166.14. Payment of salary notwithstanding incapacity; Workers' Compensation Act applicable after two years; duration of payment.

The salary of any of the above listed persons eligible person shall be paid as long as his person's employment in that position continues, notwithstanding his person's total or partial incapacity to perform any duties to which he person may be lawfully assigned, if that incapacity is the result of an injury by accident or an occupational disease arising out of and in the course of the performance by him of his or injuries proximately caused by the heightened risk and special hazards directly related to the violent nature of the eligible person's official duties, except if that incapacity continues for more than two years from its inception, the person shall, during the further continuance of that incapacity, be subject to the provisions of Chapter 97 of the General Statutes pertaining to workers' compensation. Salary paid to an eligible person pursuant to this Article shall cease upon the resumption of his person's regularly assigned duties, retirement, resignation, or death, whichever first occurs, except that temporary return to duty shall not prohibit payment of salary for a subsequent period of incapacity which can be shown to be directly related to the original injury.

§ 143-166.15. Application of § 97-27; how payments made.

Notwithstanding the provisions of G.S. 143-166.14 of this Article, the persons entitled to benefits shall be subject to the provisions of G.S. 97-27 during the two-year period of payment of full salary. All payments of salary shall be made at the same time and in the same manner as other salaries are paid to other persons in the same department.

§ 143-166.16. Effect on workers' compensation and other benefits; application of § 97-24.

The provisions of G.S. 143-166.14 shall be in lieu of all compensation provided for the first two years of incapacity by G.S. 97-29 and 97-30, but shall be in addition to any other benefits or compensation to which such person shall be entitled under the provisions of the Workers' Compensation Act. The provisions of G.S. 97-24 will commence at the end of the two-year period for which salary is paid pursuant to G.S. 143-166.14.

§ 143-166.17. Period of incapacity not charged against sick leave or other leave.

The period for which the salary of any person is paid pursuant to G.S. 143-166.14 while he person is incapacitated as a result of an injury by accident or an occupational disease arising out of and in the course of the performance by him of his or injuries proximately caused by the heightened risk and special hazards directly related to the violent nature of the eligible person's official duties, shall not be charged against any sick or other leave to which he person shall be entitled under any other provision of law.


Any person designated in G.S. 143-166.13, who, as a result of an injury by accident arising out of and in the course of the performance by him of his or injuries proximately caused by the heightened risk and special hazards directly related to the violent nature of the eligible person's official duties, is totally or partially incapacitated to perform any duties to which he person may be lawfully assigned, shall report the incapacity as soon as practicable in the manner
required by the secretary or other head of the department to which the agency is assigned by statute.

"§ 143-166.19. Determination of cause and extent of incapacity; hearing before Industrial Commission; appeal; effect of refusal to perform duties.

Upon the filing of the report, the secretary or other head of the department or, in the case of the General Assembly, the Legislative Services Officer, shall determine the cause of the incapacity and to what extent the claimant may be assigned to other than his normal duties. The finding of the secretary or other head of the department shall determine the right of the claimant to benefits under this Article. Notice of the finding shall be filed with the North Carolina Industrial Commission. Unless the claimant, within 30 days after he receives notice, files with the North Carolina Industrial Commission, upon the form it shall require, a request for a hearing, the finding of the secretary or other department head shall be final. The finding of the secretary or other department head shall be final unless the claimant, within 30 days of receipt of the notice, files a request for a hearing with the North Carolina Industrial Commission using a form required by the Commission. Upon the filing of a request, the North Carolina Industrial Commission shall proceed to hear the matter in accordance with its regularly established procedure for hearing claims filed under the Worker's Compensation Act, and shall report its findings to the secretary or other head of the department. From the decision of the North Carolina Industrial Commission, an appeal shall lie as in other matters heard and determined by the Commission. Any person who refuses to perform any duties to which he may be properly assigned as a result of the finding of the secretary, other head of the department or of the North Carolina Industrial Commission shall be entitled to no benefits pursuant to this Article as long as the refusal continues. Any eligible person whose salary continuation benefits are terminated by the secretary or other head of the department shall be immediately entitled to benefits under G.S. 97-29 or G.S. 97-30. Such benefits under G.S. 97-29 or G.S. 97-30 shall only be suspended or terminated by the employer pursuant to G.S. 97-18.1.

"§ 143-166.20. Subrogation.

The same rights and remedies set forth in G.S. 97-10.2 shall apply in all third party liability cases occurring under this Article, including cases involving the right of the affected State agency to recover the salary paid to an injured officer during his period of disability."

SECTION 35.12.(b) This section becomes effective October 1, 2014, and applies to injuries occurring on or after that date.

LOTTERY COMMISSION/LIMITS ON CERTAIN SALARY INCREASES

SECTION 35.12A. For the 2014-2015 fiscal year, notwithstanding the provisions of G.S. 18C-114(a)(11) and G.S. 18C-120(b)(3), the Lottery Commission shall not expend funds for merit-based or performance-based increases.

SALARY-RELATED CONTRIBUTIONS

SECTION 35.13.(a) Section 35.15(b) of S.L. 2013-360 reads as rewritten:

"SECTION 35.15.(b) Effective July 1, 2013, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2013-2015 fiscal biennium2013-2014 fiscal year are (i) fourteen and sixty-nine hundredths percent (14.69%) – Teachers and State Employees; (ii) nineteen and sixty-nine hundredths percent (19.69%) – State Law Enforcement Officers; (iii) twelve and sixty-eight hundredths percent (12.68%) – University Employees' Optional Retirement Program; (iv) twelve and sixty-eight hundredths percent (12.68%) – Community College Optional Retirement Program; (v) thirty-three and forty-one hundredths percent (33.41%) – Consolidated Judicial Retirement System; and (vi) five and forty hundredths percent (5.40%) – Legislative Retirement System. Each of the foregoing contribution rates includes five and forty hundredths percent (5.40%) for hospital and medical benefits. The rate for the Teachers and State Employees, State Law
Enforcement Officers, University Employees' Optional Retirement Program, and the Community College Optional Retirement Program includes forty-four hundredths percent (0.44%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income. The rate for Teachers and State Employees and State Law Enforcement Officers includes one hundredths percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.13.(b) Effective July 1, 2014, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2014-2015 fiscal year are (i) fifteen and twenty-one hundredths percent (15.21%) – Teachers and State Employees; (ii) twenty and twenty-one hundredths percent (20.21%) – State Law Enforcement Officers; (iii) twelve and seventy-four hundredths percent (12.74%) – University Employees' Optional Retirement Program; (iv) twelve and seventy-four hundredths percent (12.74%) – Community College Optional Retirement Program; (v) thirty-two and seventy hundredths percent (32.70%) – Consolidated Judicial Retirement System; and (vi) five and forty-nine hundredths percent (5.49%) for hospital and medical benefits. The rate for the Teachers and State Employees, State Law Enforcement Officers, University Employees' Optional Retirement Program, and the Community College Optional Retirement Program includes forty-one hundredths percent (0.41%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income. The rate for Teachers and State Employees and State Law Enforcement Officers includes one hundredths percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.13.(c) Section 35.15(d) of S.L. 2013-360 reads as rewritten:

"SECTION 35.15.(d) Effective July 1, 2014, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2014-2015 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare eligible employees and retirees – four thousand two hundred twenty-four dollars ($4,224) four thousand one hundred seventy-nine dollars ($4,179) and (ii) non-Medicare eligible employees and retirees – five thousand four hundred thirty-five dollars ($5,435) five thousand three hundred seventy-eight dollars ($5,378)."


SECTION 35.14.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(ttt) From and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2013, shall be increased by one percent (1%) of the allowance payable on June 1, 2014, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2013, but before June 30, 2014, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2013, and June 30, 2014."

SECTION 35.14.(b) G.S. 135-65 is amended by adding a new subsection to read:

"(eee) From and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2013, shall be increased by one percent (1%) of the allowance payable on June 1, 2014. Furthermore, from and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2013, but before June 30, 2014, shall be increased by a prorated amount of one
percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2013, and June 30, 2014."

SECTION 35.14.(c) G.S. 120-4.22A is amended by adding a new subsection to read:
"(y) In accordance with subsection (a) of this section, from and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 2014, shall be increased by one percent (1%) of the allowance payable on June 1, 2014. Furthermore, from and after July 1, 2014, the retirement allowance to or on account of beneficiaries whose retirement commenced after January 1, 2014, but before June 30, 2014, shall be increased by a prorated amount of one percent (1%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 2014, and June 30, 2014."

USE OF FUNDS APPROPRIATED FOR STATE RETIREMENT SYSTEM CONTRIBUTION INCREASES

SECTION 35.15.(a) The appropriations set forth in Section 2.1 of this act include appropriations for State Retirement System contribution increases in amounts set forth in the committee report described in Section 38.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for State Retirement System contribution increases.

SECTION 35.15.(b) If the Director of the Budget determines that funds appropriated to a State agency for increases exceed the amount required by that agency for that purpose, the Director may reallocate those funds to other State agencies that received insufficient funds for State Retirement System contribution increases.

SECTION 35.15.(c) No later than October 1, 2014, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the expenditure of funds for State Retirement System contribution increases. This report shall include at least the following information for each State agency for the 2014-2015 fiscal year:

(1) The total amount of funds that the agency received for State Retirement System contribution increases.
(2) The total amount of funds transferred from the agency to other State agencies pursuant to subsection (b) of this section. This section of the report shall identify the amounts transferred to each recipient State agency.
(3) The total amount of funds used by the agency for State Retirement System contribution increases.
(4) The total amount of funds received by the agency for State Retirement System contribution increases that are anticipated to revert at the end of the fiscal year.

FUNDING FOR NORTH CAROLINA PUBLIC SCHOOL TEACHERS' AND PROFESSIONAL EDUCATORS' INVESTMENT PLAN

SECTION 35.15A. Notwithstanding the provisions of G.S. 135-151(e), the assets of the Qualified Excess Benefit Arrangement (QEBA) established under Article 7 of Chapter 135 of the General Statutes may be used to loan the sum of one hundred fifty thousand dollars ($150,000) to the administrative account of the North Carolina Public School Teachers' and Professional Educators' Investment Plan established under G.S. 115C-341.2. The Plan shall repay the QEBA when the balance in its administrative account exceeds the sum of two hundred fifty thousand dollars ($250,000). The repayment shall be made with interest at a rate set by the Board of Trustees established under G.S. 135-6.
ENHANCE BENEFITS PAYABLE THROUGH THE NATIONAL GUARD PENSION FUND

SECTION 35.15C. G.S. 127A-40(a) reads as rewritten:

"(a) Every member and former member of the North Carolina National Guard who meets the requirements of this section shall receive, commencing at age 60, a pension of ninety-five dollars ($95.00)–ninety-nine dollars ($99.00) per month for 20 years' creditable military service with an additional nine dollars fifty cents ($9.50)–nine dollars ninety cents ($9.90) per month for each additional year of such service; provided, however, that the total pension shall not exceed one hundred ninety dollars ($190.00)–one hundred ninety-eight dollars ($198.00) per month. The requirements for a pension are that each member shall:

(1) Have served and qualified for at least 20 years' creditable military service, including National Guard, reserve and active duty, under the same requirement specified for entitlement to retired pay for nonregular service under Chapter 67, Title 10, United States Code.

(2) Have at least 15 years of the aforementioned service as a member of the North Carolina National Guard.

(3) Have received an honorable discharge from the North Carolina National Guard."

ALTERNATIVE HEALTH BENEFIT COVERAGE FOR NONPERMANENT FULL-TIME STATE EMPLOYEES

SECTION 35.16.(a) Section 1 of S.L. 2013-324 is repealed. The amendment to G.S. 135-48.43(a)(2) made in Section 4 of S.L. 2013-324 is repealed.

SECTION 35.16.(b) G.S. 135-48.22 reads as rewritten:


The Board of Trustees shall have the following powers and duties:

(1) Approve benefit programs, as provided in G.S. 135-48.30(a)(2).

(2) Approve premium rates, co-pays, deductibles, and coinsurance percentages and maximums for the Plan, as provided in G.S. 135-48.30(a)(2).

(2a) Approve the benefit program, premium rates, co-pays, deductibles, and coinsurance percentages and maximums for the coverage offered under G.S. 135-48.40(e).

(3) Oversee administrative reviews and appeals, as provided in G.S. 135-48.24.

(4) Approve large contracts, as provided in G.S. 135-48.33(a).

(5) Consult with and advise the State Treasurer as required by this Article and as requested by the State Treasurer.

(6) Develop and maintain a strategic plan for the Plan."

SECTION 35.16.(c) G.S. 135-48.40 is amended by adding a new subsection to read:

"(e) Other Contributory Coverage. – Any employee of an employing unit is eligible for coverage under this section on a contributory basis, subject to the provisions of G.S. 135-48.43 and of this section, if (i) the employee's employing unit determines that the employee is a full-time employee and (ii) the employee does not qualify for coverage under subdivision (1), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b). For the purposes of this subsection, the full-time status of an employee shall be determined by the employing unit, in its sole discretion, in accordance with Section 4980H of the Internal Revenue Code and the applicable regulations, as amended. The coverage offered and the contribution required for coverage under this section shall be determined by the Treasurer and approved by the Board of Trustees. Such coverage shall do all of the following:

(1) Be designed to meet the requirements of minimum essential coverage under the Patient Protection and Affordable Care Act, P.L. 111-148, and the applicable regulations, as amended (Affordable Care Act)."
(2) Provide no greater coverage than a bronze-level plan, as defined under the Affordable Care Act.

(3) Minimize the required employer contribution in an administratively feasible manner.

SECTION 35.16.(d) G.S. 135-48.43(a)(2) reads as rewritten:

"(2) New employees may apply for coverage to be effective on the first day of the month following employment, or on a like date the following month if the employee has enrolled, except that the effective date of coverage for employees who become eligible in accordance with G.S. 135-48.40(c) will be determined by the employing unit in a manner that is consistent with section 4980H of the Internal Revenue Code and the applicable regulations, as amended."

SECTION 35.16.(e) Subsection (a) of this section is effective when this act becomes law. Subsections (b) through (d) of this section become effective January 1, 2015, and apply to plan years beginning on or after that date.

CLARIFY THAT RE-HIRED STATE RETIREES SHALL BE OFFERED COVERAGE IN STATE HEALTH PLAN AS ACTIVE EMPLOYEES RATHER THAN AS RETIREES

SECTION 35.16A.(a) G.S. 135-48.41 is amended by adding the following new subsection:


... 

(j) If a retiree has been hired by an employing unit and is eligible for coverage under subdivision (1), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b) or under G.S. 135-48.40(c), then the hired retiree shall not, during the time of employment, be eligible for retiree coverage under G.S. 135-48.40(a)(1), G.S. 135-48.40(b)(3), G.S. 135-48.40(c)(2), or G.S. 135-48.40(d)(11)."

SECTION 35.16A.(b) The second paragraph of Section 35.15(a) of S.L. 2013-360 is repealed.

SEPARATE INSURANCE BENEFITS PLAN FOR LAW ENFORCEMENT

SECTION 35.17. Section 35.17(c) of S.L. 2013-360 reads as rewritten:

"SECTION 35.17.(c) For each fiscal year of the 2013-2015 fiscal biennium, the Department of Public Safety and Department of Justice have paid retirement contributions on behalf of sworn law enforcement officers. The Department of State Treasurer shall multiply this total compensation by five and forty-nine hundredths percent (5.49%) for months during the 2014-2015 fiscal year and by five and fifty-five hundredths percent (5.55%) for months during the 2013-2014 fiscal year and shall ensure that the General Fund is fully reimbursed for these costs by executing periodic transfers of the resulting amounts from the Separate Insurance Benefits Plan established under G.S. 143-166.60 to the General Fund."

PART XXXVI. CAPITAL APPROPRIATIONS

CAPITAL APPROPRIATIONS/GENERAL FUND

SECTION 36.1. Section 36.2(a) of S.L. 2013-360 reads as rewritten:

"SECTION 36.2(a) There is appropriated from the General Fund for the 2013-2015 fiscal biennium the following amounts for capital improvements:
Capital Improvements – General Fund  

<table>
<thead>
<tr>
<th>Department</th>
<th>Project Description</th>
<th>2013-2014</th>
<th>2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>Sandhills State Veterans Facility – Committal Enclosure</td>
<td>$125,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Goldsboro State Veterans' Cemetery</td>
<td>$600,000</td>
<td>-</td>
</tr>
<tr>
<td>Cultural Resources</td>
<td>NC History Museum</td>
<td></td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Environment and Natural Resources</td>
<td>Water Resources Development Projects</td>
<td>$11,522,000</td>
<td>$5,810,000</td>
</tr>
<tr>
<td>Justice</td>
<td>Western Crime Lab Planning</td>
<td>$1,442,000</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety</td>
<td>Samarkand Training Facility</td>
<td>$5,250,000</td>
<td>$5,173,000</td>
</tr>
<tr>
<td></td>
<td>National Guard</td>
<td>$5,000,000</td>
<td>$3,250,000</td>
</tr>
<tr>
<td>The University of North Carolina System</td>
<td>University of North Carolina Asheville – Land Purchases</td>
<td>$2,000,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Appalachian State University – Health Sciences Building Advance Planning</td>
<td>$2,000,000</td>
<td>$3,000,000</td>
</tr>
</tbody>
</table>

TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND  

$27,939,000  
$8,423,000  
$13,560,000

WATER RESOURCES DEVELOPMENT PROJECTS  

SECTION 36.2.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated nine million six hundred fifty thousand dollars ($9,650,000) in federal funds.

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B. Everett Jordan Lake Water Supply Storage</td>
</tr>
<tr>
<td>2</td>
<td>Wilmington Harbor Maintenance – Disposal Area 8 &amp; 10</td>
</tr>
<tr>
<td>3</td>
<td>Morehead City Harbor Maintenance</td>
</tr>
<tr>
<td>4</td>
<td>Wilmington Harbor Deepening</td>
</tr>
<tr>
<td>5</td>
<td>Wilmington Harbor Improvements Feasibility Study</td>
</tr>
<tr>
<td>6</td>
<td>Natural Resources Conservation Service (NRCS) Equipment Projects</td>
</tr>
<tr>
<td>7</td>
<td>Planning Assistance to Communities</td>
</tr>
<tr>
<td>8</td>
<td>Hookerton, NC – Stream Bank Erosion Repair (Sec 14)</td>
</tr>
<tr>
<td>9</td>
<td>State/Local Water Resource Development Grants</td>
</tr>
</tbody>
</table>

TOTALS $8,435,000

SECTION 36.2.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million eight hundred ten thousand dollars ($5,810,000) appropriated for water resources development projects in Section 36.2(a) of S.L. 2013-360, as amended by Section 36.1 of this section. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:
Name of Project                                                Amount Carried Forward
(1) Wilmington Harbor Maintenance – Disposal Area 8 & 10        $ 2,000,000
(2) Wilmington Harbor Deepening                                600,000
(3) Planning Assistance to Communities                         25,000

TOTALS                                                        $ 2,625,000

SECTION 36.2.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2014-2015 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

(1) U.S. Army Corps of Engineers project feasibility studies.
(2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State-matching funds in the 2014-2015 fiscal year.
(3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2015-2016 fiscal year.

SECTION 36.2.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

(1) All projects listed in this section.
(2) The estimated cost of each project.
(3) The date that work on each project began or is expected to begin.
(4) The date that work on each project was completed or is expected to be completed.
(5) The actual cost of each project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION 36.2.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2013-2015 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate.

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION 36.3. The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project                                                Amount of Non-General Fund
Department of Administration                                    Funding Authorized for FY 2014-2015
Salisbury Veterans Home Renovation                              $ 3,715,000
Department of Agriculture and Consumer Services
Alexander, Richmond County, District Three Head Quarters
Site Development and Modular Placement                         210,000
Alexander County Office Purchase                                100,000

601
Tidewater Research Station – Deer Fence 80,000
DuPont Recreational State Forest – Trail Improvement 100,000
Raleigh Farmers Market
    Parking 200,000
    New Vendor Building 700,000
Research Stations
    Safety Improvements 80,000
    Land Acquisitions 1,000,000
Jordan Lake Classroom Development and Modular Placement 75,000
Western North Carolina Agricultural Center
    Livestock Improvements 3,000,000
    E&F Barns Roof Replacements 500,000
    Restrooms 750,000
North Carolina State Fairgrounds
    HVAC Improvements 1,500,000
    Renovations to Existing Buildings 2,000,000
    Infrastructure Repairs 1,550,000
    Horse Complex Improvements 2,000,000
Mountain Island Educational Forest – Visitor and Interpretive Center 3,000,000
Holmes Educational State Forest – Repair and Renovation of Facilities 15,000
Tuttle Education Forest – Repair and Renovation of Facilities 15,000
Piedmont Research Station – New Bridge 200,000
Western North Carolina Farmers Market – Paving Improvements 100,000
Rendezvous Mountain Education State Forest – Repair and Renovation 15,000
Umstead Research Farm-Infrastructure 800,000

Department of Cultural Resources
    Museum of Art – East Building Technology Improvement 1,118,750

Department of Environment and Natural Resources
    NC Zoo – Solar Pointe Restrooms 475,000
    Fort Fisher Aquarium – Renovations 5,800,000

Department of Justice
    Raleigh Crime Lab Renovation 807,000

Department of Public Safety
    Caledonia Farms Grain Station 361,340
    Maury Correctional Institution – Industrial Area Uplift 2,830,499
    Raleigh Facilities Maintenance – Latrine Renovations 165,000
    Raleigh Troop Motor Pool – Latrine Renovations 130,000
    Camp Butner Training Site
        Range Control Building 738,000
        Training Building 495,000
        Multipurpose Building 800,000
        Water Tower and System Improvements 494,000
        Land Buffer Acquisitions 300,000
    Youngsville Field Maintenance Shop – Lighting Upgrade 95,000
High Point Field Maintenance Shop
    Office and Storage Building 525,000
    Military-Owned Vehicle Lot Paving 525,000
Morrisville Army Aviation Support Facility
    Latrine Renovations 88,000
    Guard Shack and Access Improvements 525,000

602
Fort Bragg Regional Training Site
  Fire Alarm System 27,000
  Wash Rack Addition 525,000
  Red Springs Field Maintenance Shop Expansion 788,000
  Winston-Salem Field Maintenance Shop – Addition and Alteration 775,000

Wildlife Resources Commission
  Land Acquisition 3,750,000
  Fishing Access Areas – New Construction 200,000
  Boating Access Areas
    New Construction 900,000
    Renovations 900,000
  Balsam Depot – Renovation 1,300,000

TOTAL AMOUNT OF NON-GENERAL FUND CAPITAL PROJECTS AUTHORIZED $47,142,589

JUVENILE FACILITIES PROJECTS

SECTION 36.4.(a) Of the funds allocated to the Department of Public Safety from the Reserve for Repairs and Renovations for the 2013-2014 fiscal year, the sum of one million seven hundred seventy-four thousand dollars ($1,774,000) for Dobbs Youth Development Center Kitchen Renovations may be used by the Department to support construction, expansions, renovations, and repairs necessary to implement the Department's 2014 Juvenile Justice Facilities Strategic Plan. Notwithstanding G.S. 143C-4-3, no report to the Joint Legislative Commission on Governmental Operations on this allocation shall be required.

SECTION 36.4.(b) Section 16D.9 of S.L. 2013-360 is repealed.

USE OF CERTAIN FUNDS CARRIED FORWARD BY UNC FOR CAPITAL PROJECTS

SECTION 36.5. G.S. 143C-8-12 reads as rewritten:

"§ 143C-8-12. University system capital improvement projects from sources that are not General Fund sources: approval of new project or change in scope of existing project.

(a) Notwithstanding any other provision of this Chapter, the Board of Governors of The University of North Carolina may approve: (i) expenditures to plan a capital improvement project of The University of North Carolina the planning for which is to be funded entirely with non-General Fund money, (ii) expenditures for a capital improvement project of The University of North Carolina that is to be funded and operated entirely with non- General Fund money, or (iii) a change in the scope of any previously approved capital improvement project of The University of North Carolina provided that both the project and change in scope are funded entirely with non-General Fund money. The Board of Governors shall report any expenditure made pursuant to this section to the Office of State Budget and Management and to the Joint Legislative Commission on Governmental Operations.

(b) For purposes of this section, the term "non-General Fund money" includes funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B. These funds shall only be used for projects listed in G.S. 143C-4-3(b)."

REPEAL UNC CHANCELLORS’ AUTHORITY TO APPROVE CERTAIN MAINTENANCE PROJECTS

SECTION 36.6. G.S. 116-13.1 reads as rewritten:

(c) Approval of Certain Repair and Maintenance Projects. Notwithstanding G.S. 143C-8-7, the chancellor of a constituent institution may approve the expenditure of available operating funds in an amount not to exceed one million dollars ($1,000,000) per project for projects that are of a type listed in G.S. 143C-4-3(b) and that are for State facilities and related infrastructure that are supported from the General Fund. Funds contractually obligated to an approved project shall not revert at the end of the fiscal year and will remain available to fund the completion of the project. Projects approved pursuant to this subsection shall in all other respects accord with applicable laws governing capital improvement projects. The chancellor of a constituent institution shall report the approval of an expenditure under this subsection to the Office of State Budget and Management and to the Fiscal Research Division of the Legislative Services Commission within 60 days of the approval.

EXPAND UNC LEASING AUTHORITY

SECTION 36.7.(a) G.S. 116-198.34(5) reads as rewritten:

"§ 116-198.34. General powers of Board of Governors.
The Board may exercise any one or more of the following powers:

... (5) To acquire, hold, lease, and dispose of real and personal property in the exercise of its powers and the performance of its duties hereunder and to lease all or any part of any project or projects and any existing facilities upon such terms and conditions as the Board determines, subject to the provisions of G.S. 143-341 and Chapter 146 of the General Statutes. Notwithstanding G.S. 143-341 and Chapter 146 of the General Statutes, an acquisition for a period of 10 years or less or a disposition of 65 years or less by easement, lease, or rental agreement of real property or space in any building on the Centennial Campus, on the Horace Williams Campus, on a Millennial Campus, or on a Kannapolis Research Campus shall not require the approval of the Governor and the Council of State. The Board shall report the acquisitions or dispositions described in this paragraph of this subdivision to the Department of Administration for inclusion in the inventory maintained by Department pursuant to G.S. 143-341(a) and (b) and the information regarding those transactions that is required by G.S. 143-341(a) and (b). All other acquisitions and dispositions made under this subdivision for a period in excess of the terms described in this paragraph of this subdivision are subject to the provisions of G.S. 143-341 and Chapter 146 of the General Statutes."

SECTION 36.7.(b) Section 11.10(b) of S.L. 2013-360, as amended by Section 3.12 of S.L. 2013-363, reads as rewritten:

"SECTION 11.10.(b) This section expires June 30, 2015. Subsection (d) of Section 9.10 of S.L. 2012-142 is repealed."

INCREASE NATIONAL GUARD FLEXIBILITY WITH RESPECT TO CERTAIN CAPITAL PROJECTS

SECTION 36.8.(a) G.S. 143C-8-12, as amended by Section 36.5 of this act, reads as rewritten:

"§ 143C-8-12. University system capital improvement projects from sources that are not General Fund sources: approval of new project or change in scope of existing project other than the General Fund.

(a) University Projects. Notwithstanding any other provision of this Chapter, the Board of Governors of The University of North Carolina may approve: (i) expenditures to plan a capital improvement project of The University of North Carolina the planning for which is to be funded entirely with non-General Fund money, (ii) expenditures for a capital improvement
project of The University of North Carolina that is to be funded and operated entirely with non-General Fund money, or (iii) a change in the scope of any previously approved capital improvement project of The University of North Carolina provided that both the project and change in scope are funded entirely with non-General Fund money. The Board of Governors shall report any expenditure made pursuant to this section to the Office of State Budget and Management and to the Joint Legislative Commission on Governmental Operations, approve any of the following:

(1) Expenditures to plan a capital improvement project of The University of North Carolina, the planning for which is to be funded entirely with non-General Fund money.

(2) Expenditures for a capital improvement project of The University of North Carolina that is to be funded and operated entirely with non-General Fund money.

(3) A change in the scope of any previously approved capital improvement project of The University of North Carolina provided that both the project and change in scope are funded entirely with non-General Fund money.

(b) Carryforward Funds. – For purposes of this section, the term "non-General Fund money" includes funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B. These funds shall only be used for projects listed in G.S. 143C-4-3(b).

(c) National Guard Projects. – Notwithstanding any other provision of this Chapter, the North Carolina National Guard may approve expenditures for a capital project of the North Carolina National Guard if (i) the project will be funded entirely with federal funds and (ii) any operating costs associated with the project will be paid entirely with federal funds.

(d) Reporting. – The Board of Governors and the National Guard shall report any expenditure made pursuant to this section to the Office of State Budget and Management and to the Joint Legislative Commission on Governmental Operations.

SECTION 36.8. (b) Section 36.11(c) of S.L. 2013-360 reads as rewritten:

"SECTION 36.11.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Adjutant General of the National Guard may adjust the allocations among projects as needed. However, State funds shall not be allocated to a project in excess of the maximum amount of State funds authorized to be allocated to the project under subsection (a) of this section. If any projects funded under subsection (a) of this section are delayed or cancelled and the budgeted State funds cannot be used during the 2013-2015 fiscal biennium, or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

(1) Future project feasibility studies.
(2) Survey, testing, and permitting.
(3) Planning and execution for reversion of facilities no longer in use.
(4) Armory and facilities projects approved by the Congress of the United States that are not listed in subsection (a) of this section and that require State-matching funds."

SECTION 36.8.(c) Article 8 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-129.6. Exemption for certain training projects of the North Carolina National Guard.

Expenditures, excluding design fees, for a capital project, construction, or repair work (i) that is for training purposes and for a single exercise or undertaking at a National Guard facility; (ii) that has a total cost that does not exceed applicable federal limits; and (iii) that will be funded entirely with federal funds, shall not be subject to this Article."
USS NORTH CAROLINA BATTLESHIP HULL REPAIRS

SECTION 36.10. The General Assembly authorizes USS North Carolina Battleship hull repairs to be funded at a maximum cost of thirteen million dollars ($13,000,000) in accordance with this section. The sum of three million dollars ($3,000,000) of the proceeds of bonds issued pursuant to Section 36.12(f)(7) of this act shall be used for this project. The remainder of the project shall be funded with receipts or from other non-General Fund sources available to the Department of Cultural Resources, and those funds are hereby appropriated for that purpose.

TWO-THIRDS BONDS ACT OF 2014

SECTION 36.12.(a) Short Title. – This section may be cited as the "Two-Thirds Bonds Act of 2014."

SECTION 36.12.(b) Findings and Determinations. – It is the intent and purpose of the General Assembly by this section to provide for the issuance of general obligation bonds or notes of the State in order to provide funds for the cost of State capital facilities.

SECTION 36.12.(c) Definitions. – The following definitions apply in this section unless the context otherwise requires:

1. Bonds. – Bonds issued under this section.
2. Cost. – The term includes all of the following:
   a. The cost of constructing, reconstructing, renovating, repairing, enlarging, acquiring, and improving State capital facilities, including the acquisition of land, rights-of-way, easements, franchises, equipment, machinery, furnishings, and other interests in real or personal property acquired or used in connection with a State capital facility.
   b. The cost of engineering, architectural, and other consulting services as may be required.
   c. Administrative expenses and charges.
   d. The cost of providing personnel to ensure effective project management.
   e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.
   f. Finance charges, reserves for debt service, and other types of reserves required pursuant to the terms of any bond or note or related documents, interest before and during construction or acquisition of a State capital facility and, if considered advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction or acquisition.
   g. The cost of bond insurance, investment contracts, credit enhancement facilities and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of the incurrence or issuance of any bond or note.
   h. The cost of reimbursing the State for any payments made for any cost described in this subdivision.
   i. Any other costs and expenses necessary or incidental to the purposes of this section.
3. Credit facility. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company or other insurance institution, a corporation, investment banking firm, or other
investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of such agreement.

(4) Notes. – Notes issued under this section.

(5) Par formula. – A provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:
   a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible.
   b. A provision providing for such adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time.
   c. Such other provision as the State Treasurer may determine to be consistent with this act and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(6) State. – The State of North Carolina, including any State agency.

(7) State agency. – Any agency, institution, board, commission, bureau, council, department, division, officer, or employee of the State. The term does not include counties, municipal corporations, political subdivisions, local boards of education, or other local public bodies.

SECTION 36.12.(d) Authorization of Bonds and Notes. – The State Treasurer is authorized, by and with the consent of the Council of State, to issue and sell at one time or from time to time general obligation bonds of the State to be designated "State of North Carolina General Obligation Bonds," with any additional designations as may be determined, or notes of the State, in the aggregate principal amount of up to three hundred six million eight hundred ninety-eight thousand dollars ($306,898,000), this amount being not in excess of two-thirds of the amount by which the State's outstanding indebtedness was reduced during the fiscal biennium that ended June 30, 2013, for the purpose of providing funds, with any other available funds, for the purposes authorized by this section.

SECTION 36.12.(e) Uses of Bond and Note Proceeds. – The proceeds of bonds and notes shall be used for financing the cost of State capital facilities as provided in this section. Any additional moneys which may be received by grant from the United States of America or any agency or department thereof or from any other source to aid in financing the cost of any State capital facilities authorized by this section may be placed by the State Treasurer in a separate fund or funds and shall be disbursed, to the extent permitted by the terms of the grant, without regard to any limitations imposed by this section.

The proceeds of bonds and notes may be used with any other moneys made available by the General Assembly for the cost of State capital facilities, including the proceeds of any other State bond or special indebtedness issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be
approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

The Office of State Budget and Management shall provide semiannual reports to the Chairs of the Senate Appropriations Committees and the House Appropriations Subcommittees and to the Fiscal Research Division on the expenditure of moneys authorized by this section. The reports shall continue until the completion of the projects provided for in this section.

SECTION 36.12.(f) Allocation of Proceeds. – The proceeds of bonds and notes shall be allocated and expended as provided in this subsection:

(1) A maximum aggregate principal amount of fifteen million four hundred thousand dollars ($15,400,000) to finance the capital facility costs of a Western Crime Lab.

(2) A maximum aggregate principal amount of two hundred six million dollars ($206,000,000) to finance the capital facility costs of projects previously authorized or subsequently to be authorized by the General Assembly to be financed pursuant to Article 9 of Chapter 142 of the General Statutes, but for which some or all of the amount of bonds authorized to be issued under that Article have not yet been issued. To the extent that bonds and notes are issued pursuant to this subdivision, there shall be a corresponding reduction in the amount of debt that has been authorized to be issued but has not been issued pursuant to Article 9 of Chapter 142 of the General Statutes.

(3) A maximum aggregate principal amount of forty-two million three hundred twenty-five thousand dollars ($42,325,000) to finance the capital facility costs of renovating the Albemarle Building.

(4) A maximum aggregate principal amount of five million one hundred seventy-three thousand dollars ($5,173,000) to finance the capital facility costs of a Department of Public Safety Samarkand Training Facility.

(5) A maximum aggregate principal amount of two million dollars ($2,000,000) to finance the capital facility costs of repairing the roof of the McGough Arena at the Western North Carolina Agricultural Center.

(6) A maximum aggregate principal amount of three million dollars ($3,000,000) to finance the capital facility costs of Hammocks Beach State Park land acquisition.

(7) A maximum aggregate principal amount of three million dollars ($3,000,000) to finance the capital facility costs of completing a cofferdam around the USS North Carolina Battleship.

(8) A maximum aggregate principal amount of thirty million dollars ($30,000,000) to finance the capital facility costs of repairs and renovations to State facilities, the proceeds of which shall be allocated to the Reserve for Repairs and Renovations and reallocated and expended pursuant to Section 36.5 of S.L. 2013-360.

SECTION 36.12.(g) Issuance of Bonds and Notes. –

(1) Terms and conditions. – Bonds or notes may bear a date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than or greater than the face amount of the bonds or notes, and under such terms and conditions, all as may be
determined by the State Treasurer, by and with the consent of the Council of State.

(2) Signatures; form and denomination; registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State, or a facsimile of the Seal shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery. Bonds or notes may bear the facsimile signatures of persons, who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section.

(3) Manner of sale; expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rates of interest, which may vary from time to time, and at any prices, including a price less than or greater than the face amount of the bonds or notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(4) Notes; repayment. –

a. By and with the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

1. For anticipating the sale of bonds, the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds;

2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;

3. For the renewal of any loan evidenced by notes authorized in this section;

4. For the purposes authorized in this section; and

5. For refunding bonds or notes as authorized in this section.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section.
Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

(6) Tax exemption. – Bonds and notes shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of bonds or notes, and franchise taxes. The interest on bonds or notes is not subject to taxation as income.

(7) Investment eligibility. – Bonds and notes are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

(8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. The State expressly reserves the right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner.
(9) Other agreements. – The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit and liquidity facilities, interest-rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines are desirable in connection with issuance, incurrence, carrying, or securing of bonds or notes. The State Treasurer is authorized to employ and designate any financial consultants, underwriters, and bond attorneys to be associated with any bond or note issue under this section as the State Treasurer considers necessary.

SECTION 36.12.(h) Variable Rate Demand Bonds and Notes. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner, if a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for any period of time, as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION 36.12.(i) Interpretation of Section. –

(1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized under it and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

(2) Statutory references. – References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to such sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(3) Broad construction. – This section, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.

(4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general, special, or local laws, or parts thereof, the provisions of this section shall be controlling.
(5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

SECTION 36.12.(j) The State, upon the direction of the Director of the Budget, may finance with the proceeds of special indebtedness the capital facility costs of a Western Crime Lab, renovation of the Albemarle Building, and renovation of Department of Public Safety Samarkand Training Facility, approved for financing with proceeds of bonds authorized pursuant to this act. If the financing is to be provided by special indebtedness, then such indebtedness may be incurred or issued before the enactment of this act or during or beyond the fiscal biennium ending June 30, 2015. The amount of financing for the Western Crime Lab, Albemarle Building, and Samarkand Training Facility from special indebtedness and the proceeds of two-thirds bonds issued pursuant to this act shall not exceed sixty-two million eight hundred ninety-eight thousand dollars ($62,898,000).

SECTION 36.12.(k) This section is effective when it becomes law.

TRANSFER UNSPENT CAPITAL FUNDS TO PROJECT RESERVE ACCOUNT

SECTION 36.14. G.S. 143C-8-11 reads as rewritten:

"§ 143C-8-11. Reversion of appropriation and lapse of project authorization; transfer of funds remaining after project completion.

(c) Funds Remaining After Project Completion. – The State Controller shall transfer any balance of State funds appropriated for a capital project that remains unspent and unencumbered two years after completion of the project in accordance with this section. If applicable law requires a particular disposition of the funds, then the transfer shall be made in accordance with that requirement. Otherwise, the transfer shall be made in accordance with the following requirements:

(1) If the funds were initially allocated from the Reserve for Repairs and Renovations, then the funds shall be transferred to that Reserve.

(2) All other funds shall be transferred to the Project Reserve Account created by G.S. 143C-8-10."

REPORT ON APPALACHIAN STATE UNIVERSITY HEALTH SCIENCES BUILDING

SECTION 36.16.(a) No later than October 1, 2014, Appalachian State University shall submit to the Board of Governors and to the Fiscal Research Division a detailed plan for the construction and operation of the Health Sciences Building that will be located on its campus. The report shall include information about the construction planning as well as several options for financing the construction and operation of the facility.

SECTION 36.16.(b) The General Assembly authorizes planning of the Health Sciences Building at Appalachian State University in an amount not to exceed the sum of seven million two hundred two thousand eight hundred eighty-three dollars ($7,202,883). This amount represents the total amount authorized to be spent for planning this project. The General Assembly has appropriated five million dollars ($5,000,000) for this purpose in the 2013-2015 fiscal biennium and does not intend to appropriate additional funds for planning this project in the future. Accordingly, the General Assembly hereby authorizes the remaining sum of two million two hundred two thousand eight hundred eighty-three dollars ($2,202,883) to be funded with receipts or from other non-General Fund sources available to Appalachian State University during the 2014-2015 fiscal year.
PART XXXVII. FINANCE PROVISIONS

CLARIFY "NET GENERAL FUND TAX COLLECTED" FOR PURPOSES OF THE CORPORATE INCOME TAX RATE REDUCTION TRIGGER

SECTION 37.1.(a) G.S. 105-130.3C reads as rewritten:

"§ 105-130.3C. Rate reduction trigger.
   (a) Trigger. – If the amount of net General Fund tax collected in fiscal year 2014-2015 or fiscal year 2015-2016 exceeds the anticipated General Fund tax collections targeted amount for that fiscal year, the rate of tax set in G.S. 105-130.3 may be decreased in accordance with this section effective for the taxable year that begins on the following January 1. The amount of net General Fund tax collected for a fiscal year is the amount reported by the State Controller in the State's Comprehensive Annual Financial Report, required to be prepared under G.S. 143B-426.39. The Secretary must monitor the net General Fund tax collections and notify taxpayers if the rate decreases under this section. The rate is decreased by one percent (1%) if net General Fund tax collections for fiscal year 2014-2015 exceed the targeted amount of twenty billion two hundred million dollars ($20,200,000,000). The rate is decreased by one percent (1%) if net General Fund tax collections for fiscal year 2015-2016 exceed the targeted amount of twenty billion nine hundred seventy-five million dollars ($20,975,000,000). Effective for taxable years beginning on or after January 1, 2017, the rate of tax set in G.S. 105-130.3 is the rate determined in accordance with this section.

   (b) Tax Collections. – For purposes of this section, the amount of net General Fund tax collected for a fiscal year is the amount of net revenue as reported by the Department of Revenue's June Statement of Collection as "Total General Fund Revenue" for the 12-month period that ended the previous June 30, modified as follows:

   (1) Less any large one-time, nonrecurring revenue as reported to the Fiscal Research Division of the General Assembly by the Department and verified by the Fiscal Research Division of the General Assembly.

   (2) Adjusted by any changes in net collections resulting from the suspension or termination of transfers out of General Fund tax collections.”

SECTION 37.1.(b) This section is effective when it becomes law.

MODIFY COUNTY HOLD HARMLESS FOR REPEALED LOCAL TAXES

SECTION 37.2.(a) Effective July 1, 2014, G.S. 105-523 reads as rewritten:

"§ 105-523. County hold harmless for repealed local taxes.
   (a) Intent. – It is the intent of the General Assembly that each county benefit by at least five hundred thousand dollars ($500,000) three hundred seventy-five thousand dollars ($375,000) annually from the exchange of a portion of the local sales and use taxes for the State's agreement to assume the responsibility for the non-administrative costs of Medicaid.

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

   (2) Hold harmless threshold. – The amount of a county's Medicaid service costs and Medicare Part D clawback payments assumed by the State under G.S. 108A-54 for the fiscal year, less five hundred thousand dollars ($500,000) three hundred seventy-five thousand dollars ($375,000) annually from the exchange of a portion of the local sales and use taxes for the State's agreement to assume the responsibility for the non-administrative costs of Medicaid.

SECTION 37.2.(b) Effective July 1, 2015, G.S. 105-523, as amended by subsection (a) of this section, reads as rewritten:
§ 105-523. County hold harmless for repealed local taxes.
(a) Intent. – It is the intent of the General Assembly that each county benefit by at least three hundred seventy-five thousand dollars ($375,000) two hundred fifty thousand dollars ($250,000) annually from the exchange of a portion of the local sales and use taxes for the State's agreement to assume the responsibility for the non-administrative costs of Medicaid.
(b) Definitions. – The following definitions apply in this section:

(2) Hold harmless threshold. – The amount of a county's Medicaid service costs and Medicare Part D clawback payments assumed by the State under G.S. 108A-54 for the fiscal year, less three hundred seventy-five thousand dollars ($375,000) two hundred fifty thousand dollars ($250,000). A county's Medicaid service costs for fiscal years 2008-2009, 2009-2010, and 2010-2011 are determined without regard to the changes made to the Federal Medical Assistance Percentage by section 5001 of the American Recovery and Reinvestment Act of 2009.

SECTION 37.2.(c) Effective July 1, 2016, G.S. 105-523, as amended by subsection (b) of this section, reads as rewritten:

§ 105-523. County hold harmless for repealed local taxes.
(a) Intent. – It is the intent of the General Assembly that each county benefit by at least one hundred twenty-five thousand dollars ($125,000) annually from the exchange of a portion of the local sales and use taxes for the State's agreement to assume the responsibility for the non-administrative costs of Medicaid.
(b) Definitions. – The following definitions apply in this section:

(2) Hold harmless threshold. – The amount of a county's Medicaid service costs and Medicare Part D clawback payments assumed by the State under G.S. 108A-54 for the fiscal year, less one hundred twenty-five thousand dollars ($125,000). A county's Medicaid service costs for fiscal years 2008-2009, 2009-2010, and 2010-2011 are determined without regard to the changes made to the Federal Medical Assistance Percentage by section 5001 of the American Recovery and Reinvestment Act of 2009.

SECTION 37.2.(d) Effective July 1, 2017, G.S. 105-523, as amended by subsection (c) of this section, reads as rewritten:

§ 105-523. County hold harmless for repealed local taxes.
(a) Intent. – It is the intent of the General Assembly that each county benefit by at least one hundred twenty-five thousand dollars ($125,000) annually be held harmless from the exchange of a portion of the local sales and use taxes for the State's agreement to assume the responsibility for the non-administrative costs of Medicaid.
(b) Definitions. – The following definitions apply in this section:

(2) Hold harmless threshold. – The amount of a county's Medicaid service costs and Medicare Part D clawback payments assumed by the State under G.S. 108A-54 for the fiscal year, less one hundred twenty-five thousand dollars ($125,000) year. A county's Medicaid service costs for fiscal years 2008-2009, 2009-2010, and 2010-2011 are determined without regard to the changes made to the Federal Medical Assistance Percentage by section 5001 of the American Recovery and Reinvestment Act of 2009.
MODULAR/MANUFACTURED HOME SALES TAX
SECTION 37.3.(a) G.S. 105-164.13 is amended by adding a new subdivision to read:
"§ 105-164.13. Retail sales and use tax.
The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

(64) Fifty percent (50%) of the sales price of a modular home or a manufactured home, including all accessories attached when delivered to the purchaser."

SECTION 37.3.(b) This section becomes effective September 1, 2014, and applies to sales made on or after that date.

PART XXXVIII. MISCELLANEOUS PROVISIONS

STATE BUDGET ACT APPLIES
SECTION 38.1. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

COMMITTEE REPORT
SECTION 38.2.(a) The Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets for Senate Bill 744, dated July 30, 2014, which was distributed in the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall, therefore, be used to construe this act, as provided in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

SECTION 38.2.(b) The budget enacted by the General Assembly is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2014-2015 budget as provided in G.S. 143C-3-5. This budget includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

The Director of the Budget submitted recommended adjustments to the budget to the General Assembly in May 2014 in the document "The Governor of North Carolina's Recommended Budget Adjustments" for the 2014-2015 fiscal year for the various departments, institutions, and other spending agencies of the State. The adjustments to these documents made by the General Assembly are set out in the Committee Report.

SECTION 38.2.(c) The budget enacted by the General Assembly shall also be interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other appropriate legislation.

In the event that there is a conflict between the line-item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

REPORT BY FISCAL RESEARCH DIVISION ON CHANGES TO 2014-2015 BUDGET/PUBLICATION
SECTION 38.3.(a) The Fiscal Research Division of the Legislative Services Commission shall issue a report on budget actions taken by the 2013 Regular Session of the General Assembly in 2014. The report shall be in the form of a revision of the Committee Report adopted for Senate Bill 744 pursuant to G.S. 143C-5-5 and shall include all modifications made to the 2014-2015 budget prior to sine die adjournment of the 2013 Regular Session.
SECTION 38.3.(b) The Director of the Fiscal Research Division of the Legislative Services Commission shall send a copy of the report issued pursuant to this section to the Director of the Budget. The report shall be published on the General Assembly's Internet Web site for public access.

MOST TEXT APPLIES ONLY TO 2014-2015 FISCAL YEAR

SECTION 38.4. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2014-2015 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2014-2015 fiscal year.

EFFECT OF HEADINGS

SECTION 38.5. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a part.

APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY


SECTION 38.6.(b) Notwithstanding any modifications by this act in the amounts appropriated, except where expressly repealed or amended, the limitations and directions for the 2014-2015 fiscal year in S.L. 2013-360, S.L. 2013-363, S.L. 2013-364, and S.L. 2013-397 that applied to appropriations to particular agencies or for particular purposes apply to the newly enacted appropriations and budget reductions of this act for those same particular purposes.

SEVERABILITY

SECTION 38.7. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 38.8. Except as otherwise provided, this act becomes effective July 1, 2014.

In the General Assembly read three times and ratified this the 2nd day of August, 2014.

Became law upon approval of the Governor at 9:10 a.m. on the 7th day of August, 2014.

Session Law 2014-101

AN ACT TO MAKE VARIOUS CHANGES TO THE CHARTER SCHOOL LAWS AND TO MAKE A TECHNICAL CORRECTION TO HOUSE BILL 712.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29B reads as rewritten:

"(b) The application shall contain at least the following information:

…

(3) The governance structure of the school including the names of the initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement. A teacher employed by the board of directors to teach in the charter school
may serve as a nonvoting member of the board of directors for the charter school.

SECTION 1.5. G.S. 115C-238.29D(a) reads as rewritten:

"(a) The State Board may grant final approval of an application if it finds the following:

(i) that the application meets the requirements set out in this Part and such other requirements as may be adopted by the State Board of Education.

(ii) that the applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner.

(iii) that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A.

The State Board shall act by January 15 of a calendar year on all applications and appeals it receives prior to a date established by the Office of Charter Schools for receipt of applications in the prior calendar year. In reviewing applications for the establishment of charter schools within a local school administrative unit, the State Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(a1) The State Board shall make final decisions on the approval or denial of applications by August 15 of a calendar year on all applications it receives prior to a date established by the Office of Charter Schools for receipt of applications in that application cycle. The State Board may make the final decision for approval contingent upon the successful completion of a planning period prior to enrollment of students."

SECTION 2. G.S. 115C-238.29D(d) reads as rewritten:

"(d) The State Board of Education may grant the initial charter for a period not to exceed 10 years. The State Board of Education may renew the charter upon the request of the chartering entity for subsequent periods not to exceed 10 years each. The renewal may be for less than 10 years if any one of the following applies:

(1) The charter school has not provided financially sound audits for the prior three years.

(2) The charter school's student academic outcomes for the past three years have not been comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

(3) The charter school is not in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter granted by the State Board of Education.

The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards."

SECTION 2.5.(a) G.S. 115C-238.29D(f) reads as rewritten:

"(f) It shall not be considered a material revision of a charter application and shall not require prior approval of the State Board for a charter school to do any of the following:

(1) Increase its enrollment during the charter school's second year of operation and annually thereafter by up to twenty percent (20%) of the school's previous year's enrollment.

(2) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.

(3) Expand to offer one grade higher than the charter school currently offers if the charter school has operated for at least three years and has not been identified as having inadequate performance as provided in G.S. 115C-238.29G(a1)."
(4) Expand to offer one grade higher or lower than the charter school currently offers if the charter school meets all of the following criteria:

a. The charter school's student academic outcomes for the year prior to the expansion must have been at least comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

b. The charter school has provided financially sound audits for the year prior to the expansion.

c. The charter school is in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter granted by the State Board of Education.

d. The charter school has been in operation for less than three years. The charter school shall provide documentation of the requirements of this subdivision to the State Board of Education. The charter school shall be permitted to expand to offer the higher or lower grade unless the State Board of Education finds that the charter school has failed to meet the requirements of this subdivision or other exceptional circumstances exist which justify not permitting the grade expansion."

SECTION 2.5.(b) G.S. 115C-238.29D(f)(4), as enacted by this section, expires September 1, 2015.

SECTION 3. G.S. 115C-238.29F is amended by adding a new subsection to read:

"(b1) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability."

SECTION 4. G.S. 115C-238.29F(g)(5) reads as rewritten:

"(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. A charter school whose mission is single-sex education may limit admission on the basis of sex. Within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

SECTION 4.5. G.S. 115C-238.29F(g)(5a) reads as rewritten:

"(5a) The charter school may give enrollment priority to any of the following:

a. Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this subsection, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.

b. Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.
c. Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:
   1. Children of the school's full-time employees.
   2. For its first year of operation, children of the initial members
      Children of the charter school's board of directors.

   d. A student who was enrolled in the charter school within the two
      previous school years but left the school (i) to participate in an
      academic study abroad program or a competitive admission
      residential program or (ii) because of the vocational opportunities of
      the student's parent."

SECTION 5. G.S. 115C-238.29F is amended by adding a new subsection to read:

"(m) Open Meetings and Public Records. — The charter school and board of directors of
the private nonprofit corporation that operates the charter school are subject to the Public
Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of
Chapter 143 of the General Statutes. Notwithstanding the requirements of Chapter 132 of the
General Statutes, inspection of charter school personnel records for those employees directly
employed by the board of directors of the charter school shall be subject to the requirements of
Article 21A of this Chapter.

The charter school and board of directors of the private nonprofit corporation that operates
the charter school shall use the same schedule established by the Department of Cultural
Resources for retention and disposition of records of local school administrative units."

SECTION 5.2. G.S. 115C-238.29H(c) reads as rewritten:

"(c) The local school administrative unit shall also provide each charter school to which
it transfers a per pupil share of its local current expense fund with all of the following
information within the 30-day time period provided in subsection (b) of this section:

   (1) The total amount of monies the local school administrative unit has in each
       of the funds listed in G.S. 115C-426(c).
   (2) The student membership numbers used to calculate the per pupil share of the
       local current expense fund.
   (3) How the per pupil share of the local current expense fund was calculated.
   (4) Any additional records requested by a charter school from the local school
       administrative unit in order for the charter school to audit and verify the
       calculation and transfer of the per pupil share of the local current expense
       fund."

SECTION 5.6. G.S. 115C-238.29H(d) reads as rewritten:

"(d) Prior to commencing an action under subsection (b) of this section, the complaining
party shall give the other party 15 days' written notice of the alleged violation. The court shall
award the prevailing party reasonable attorneys' fees and costs incurred in an action under
subsection (b) of this section. The court shall order any delinquent funds, costs, fees, and
interest to be paid in equal monthly installments and shall establish a time for payment in full
that shall be no later than three years one year from the entry of any judgment."

SECTION 6. Upon recommendations by the Office of Charter Schools and the
Charter Schools Advisory Board and pursuant to G.S. 115C-239.29G(a1)(2), the State Board of
Education shall adopt a process and rules for the competitive bid process for the assumption of
a charter school that has inadequate performance and could have its charter terminated or not
renewed by the State Board of Education. At a minimum, the State Board shall require
interested entities to meet the following criteria:

   (1) Have operated another charter school in the State for three years.
   (2) Can provide three years of financially sound audits for the charter school
       they are currently operating in the State.
(3) Have student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the currently operating charter school is located.

The State Board of Education shall adopt rules and procedures required by this section by January 15, 2015, and report to the Joint Legislative Education Oversight Committee by February 1, 2015.

SECTION 6.5. Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State. The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process adopted by the State Board of Education shall, at a minimum, require a board of directors of a charter school to demonstrate one of the following in order to qualify for fast-track replication:

(1) A charter school in this State governed by the board of directors has student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located and can provide three years of financially sound audits.

(2) The board of directors agrees to contract with an education management organization or charter management organization that can demonstrate that it can replicate high-quality charter schools in the State that have proven student academic success and financial soundness.

The State Board of Education shall ensure that the rules for a fast-track replication process provide that decisions by the State Board of Education on whether to grant a charter through the replication process are completed in less than 150 days. The State Board of Education shall adopt rules and procedures required by this section by December 15, 2014, and report to the Joint Legislative Education Oversight Committee by February 15, 2015.

SECTION 6.6.(a) G.S. 20-84(b) is amended by adding a new subdivision to read:

"(b) Permanent Registration Plates. – The Division may issue permanent plates for the following motor vehicles:

(3a) A motor vehicle that is owned and exclusively operated by a nonprofit corporation authorized under G.S. 115C-238.29D to operate a charter school and identified by a permanent decal or painted marking disclosing the name of the nonprofit corporation. The motor vehicle shall only be used for student transportation and official charter school related activities.

..."

SECTION 6.6.(b) This section is repealed July 1, 2015.

SECTION 7. The Revisor of Statutes is authorized to renumber and recodify Part 6A of Article 16 of Chapter 115C of the General Statutes to a more suitable location.

SECTION 7.3. If House Bill 712, 2013 Regular Session, becomes law, the lead-in language for Section 7 of that bill is amended by deleting the citation "Article 9 of Chapter 115 of the General Statutes" and replacing it with the citation "Article 9 of Chapter 115C of the General Statutes."

SECTION 8. Except as otherwise provided, this act is effective when it becomes law and applies beginning with the 2014-2015 school year. Section 5.6 of this act applies to actions filed on or after the effective date of this act.

In the General Assembly read three times and ratified this the 28th day of July, 2014. Became law upon approval of the Governor at 5:05 p.m. on the 6th day of August, 2014.
Session Law 2014-102  S.B. 853

AN ACT TO MODERNIZE THE BUSINESS COURT BY MAKING TECHNICAL, CLARIFYING, AND ADMINISTRATIVE CHANGES TO THE PROCEDURES FOR COMPLEX BUSINESS CASES, TO STREAMLINE THE PROCESS OF CORPORATE REORGANIZATION UTILIZING HOLDING COMPANIES, AND TO ESTABLISH A BUSINESS COURT MODERNIZATION SUBCOMMITTEE OF THE JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND GLOBAL ENGAGEMENT OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-27 reads as rewritten:

"§ 7A-27. Appeals of right from the courts of the trial divisions.
(a) Appeal lies of right directly to the Supreme Court in any of the following cases:
(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.
(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.
(3) From any interlocutory order of a Business Court Judge that does any of the following:
   a. Affects a substantial right.
   b. In effect determines the action and prevents a judgment from which an appeal might be taken.
   c. Discontinues the action.
   d. Grants or refuses a new trial.

(b) Appeal lies of right directly to the Court of Appeals in any of the following cases:
(1) From any final judgment of a superior court, other than the one described in subsection (a) of this section, or one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.
(2) From any final judgment of a district court in a civil action.
(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding which does any of the following:
   a. Affects a substantial right.
   b. In effect determines the action and prevents a judgment from which an appeal might be taken.
   c. Discontinues the action.
   d. Grants or refuses a new trial.
   e. Determines a claim prosecuted under G.S. 50-19.1.
(4) From any other order or judgment of the superior court from which an appeal is authorized by statute."

SECTION 2. G.S. 7A-45.3 reads as rewritten:

"§ 7A-45.3. Superior court judges designated for complex business cases.
The Chief Justice may exercise the authority under rules of practice prescribed pursuant to G.S. 7A-34 to designate one or more of the special superior court judges authorized by G.S. 7A-45.1 to hear and decide complex business cases as prescribed by the rules of practice. Any judge so designated shall be known as a Business Court Judge and shall preside in the Business Court. If there is more than one business court judge, the Chief Justice may designate one of them as the Senior Business Court Judge. If there is no designation by the Chief Justice, the judge with the longest term of service on the court shall serve as Senior Business Court
Judge until the Chief Justice makes an appointment to the position. The presiding Business Court Judge shall issue a written opinion in connection with any order granting or denying a motion under G.S. 1A-1, Rule 12, 56, 59, or 60, or any order finally disposing of a complex business case, other than an order effecting a settlement agreement or jury verdict."

SECTION 3. G.S. 7A-45.4 reads as rewritten:

"§ 7A-45.4. Designation of complex business cases.
(a) Any party may designate as a mandatory complex business case an action that involves a material issue related to any of the following:

(1) The law governing corporations, except charitable and religious organizations qualified under G.S. 55A-1-40(4) on the grounds of religious purpose, partnerships, limited liability companies, and limited liability partnerships, including issues concerning governance, involuntary dissolution of a corporation, mergers and acquisitions, breach of duty of directors, election or removal of directors, enforcement or interpretation of shareholder agreements, and derivative actions. Disputes involving the law governing corporations, except charitable and religious organizations qualified under G.S. 55A-1-40(4) on the grounds of religious purpose, partnerships, and limited liability companies, including disputes arising under Chapters 55, 55A, 55B, 57D, and 59 of the General Statutes.

(2) Securities law, including proxy disputes and tender offer disputes. Disputes involving securities, including disputes arising under Chapter 78A of the General Statutes.

(3) Antitrust law, except claims based solely on unfair competition under G.S. 75-1.1. Disputes involving antitrust law, including disputes arising under Chapter 75 of the General Statutes that do not arise solely under G.S. 75-1.1 or Article 2 of Chapter 75 of the General Statutes.

(4) State trademark or unfair competition law, except claims based solely on unfair competition under G.S. 75-1.1. Disputes involving trademark law, including disputes arising under Chapter 80 of the General Statutes.

(5) Intellectual property law, including software licensing disputes. Disputes involving the ownership, use, licensing, lease, installation, or performance of intellectual property, including computer software, software applications, information technology and systems, data and data security, pharmaceuticals, biotechnology products, and bioscience technologies.

(6) The Internet, electronic commerce, and biotechnology.

(7) Tax law, when the dispute has been the subject of a contested tax case for which judicial review is requested under G.S. 105-241.16 or the dispute is a civil action under G.S. 105-241.17.

(8) Disputes involving trade secrets, including disputes arising under Article 24 of Chapter 66 of the General Statutes.

(9) Contract disputes in which all of the following conditions are met:
   a. At least one plaintiff and at least one defendant is a corporation, partnership, or limited liability company, including any entity authorized to transact business in North Carolina under Chapter 55, 55A, 55B, 57D, or 59 of the General Statutes.
   b. The complaint asserts a claim for breach of contract or seeks a declaration of rights, status, or other legal relations under a contract.
   c. The amount in controversy computed in accordance with G.S. 7A-243 is at least one million dollars ($1,000,000).
   d. All parties consent to the designation.

(b) Any party may designate a civil action or a petition for judicial review under G.S. 105-241.16 as a mandatory complex business case by filing a Notice of Designation in the
Superior Court in which the action has been filed and simultaneously serving the notice on each opposing party or counsel and on the Special Superior Court Judge for Complex Business Cases who is then the senior Business Court Judge. A copy of the notice shall also be sent contemporaneously by e-mail or facsimile transmission to the Chief Justice of the Supreme Court for approval of the designation of the action as a mandatory complex business case and assignment to a specific Business Court Judge. The following actions shall be designated as mandatory complex business cases:

1. An action involving a material issue related to tax law that has been the subject of a contested tax case for which judicial review is requested under G.S. 105-241.16, or a civil action under G.S. 105-241.17 containing a constitutional challenge to a tax statute, shall be designated as a mandatory complex business case by the petitioner or plaintiff;

2. An action described in subdivision (1), (2), (3), (4), (5), or (8) of subsection (a) of this section in which the amount in controversy computed in accordance with G.S. 7A-243 is at least five million dollars ($5,000,000) shall be designated as a mandatory complex business case by the party whose pleading caused the amount in controversy to equal or exceed five million dollars ($5,000,000);

3. An action involving regulation of pole attachments brought pursuant to G.S. 62-350 shall be designated as a mandatory complex business case by the plaintiff.

(c) A party designating an action as a mandatory complex business case shall file a Notice of Designation in the Superior Court in which the action has been filed, shall contemporaneously serve the notice on each opposing party or counsel and on the Special Superior Court Judge for Complex Business Cases who is then the senior Business Court Judge, and shall contemporaneously send a copy of the notice by e-mail to the Chief Justice of the Supreme Court for approval of the designation of the action as a mandatory complex business case. The Notice of Designation shall, in good faith and based on information reasonably available, succinctly state the basis of the designation and include a certificate by or on behalf of the designating party that the civil action meets the criteria for designation as a mandatory complex business case pursuant to subsection (a) or (b) of this section.

(d) The Notice of Designation shall be filed:

1. By the plaintiff, the third-party plaintiff, or the petitioner for judicial review contemporaneously with the filing of the complaint, third-party complaint, or the petition for judicial review in the action.

2. By any intervenor when the intervenor files a motion for permission to intervene in the action.

3. By any defendant or any other party within 30 days of receipt of service of the pleading seeking relief from the defendant or party.

4. By any party whose pleading caused the amount in controversy computed in accordance with G.S. 7A-243 to equal or exceed five million dollars ($5,000,000) contemporaneously with the filing of that pleading.

(e) Within 30 days after service of the Notice of Designation, any other party may, in good faith, file and serve an opposition to the designation of the action as a mandatory complex business case. The opposition to the designation of the action shall assert all grounds on which the party opposing designation objects to the designation, and any grounds not asserted shall be deemed conclusively waived. Within 30 days after the entry of an order staying a pending action pursuant to subsection (g) of this section, any party opposing the stay shall file an objection with the Business Court asserting all grounds on which the party objects to the case proceeding in the Business Court, and any grounds not asserted shall be deemed conclusively waived. Based on the opposition or ex mero motu, on its own motion, the Business Court Judge may shall rule by written order on the opposition or objection and determine that whether the action should not be designated as a mandatory complex business case. If a party disagrees with
the decision, the party may appeal to the Chief Justice of the Supreme Court in accordance with G.S. 7A-27(a).

(f) Once a designation is filed under subsection (d) of this section, and after preliminary approval by the Chief Justice, a case shall be designated and administered a complex business case. All proceedings in the action shall be before the Business Court Judge to whom it has been assigned unless and until an order has been entered under subsection (e) of this section ordering that the case not be designated a mandatory complex business case or the Chief Justice revokes approval. If complex business case status is revoked or denied, the action shall be treated as any other civil action, unless it is designated as an exceptional civil case or a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(g) If an action required to be designated as a mandatory complex business case pursuant to subsection (b) of this section is not so designated, the Superior Court in which the action has been filed shall, by order entered sua sponte, stay the action until it has been designated as a mandatory complex business case by the party required to do so in accordance with subsection (b) of this section.

(h) Nothing in this section is intended to permit actions for personal injury grounded in tort to be designated as mandatory complex business cases or to confer, enlarge, or diminish the subject matter jurisdiction of any court."

SECTION 4. G.S. 7A-305 reads as rewritten:

"§ 7A-305. Costs in civil actions.

(a) In every civil action in the superior or district court, except for actions brought under Chapter 50B of the General Statutes, shall be assessed:

(2) For support of the General Court of Justice, the sum of one hundred eighty dollars ($180.00) in the superior court and the sum of one hundred thirty dollars ($130.00) in the district court except that if the case is assigned to a magistrate the sum shall be eighty dollars ($80.00). If a case is assigned to a special superior court judge as a complex business case under G.S. 7A-45.3, upon assignment the party filing the notice of designation under G.S. 7A-45.4 or the motion for complex business designation shall pay an additional one thousand dollars ($1,000) for support of the General Court of Justice; if a case is assigned to a special superior court judge as a complex business case under G.S. 7A-45.3 by a court on its own motion, upon assignment the plaintiff shall pay an additional one thousand dollars ($1,000) for support of the General Court of Justice. If a case is designated as a mandatory complex business case under G.S. 7A-45.4, upon assignment to a Business Court Judge, the party filing the designation shall pay an additional one thousand one hundred dollars ($1,100) for support of the General Court of Justice. If a case is designated as a mandatory complex business case under Rule 2.1 and Rule 2.2 of the General Rules of Practice for the Superior and District Courts, upon assignment to a Business Court Judge, the plaintiff shall pay an additional one thousand one hundred dollars ($1,100) for support of the General Court of Justice. Sums collected under this subdivision shall be remitted to the State Treasurer. The State Treasurer shall remit the sum of one dollar and fifty cents ($1.50) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4, and ninety-five cents ($0.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19.
(d) The following expenses, when incurred, are assessable or recoverable, as the case may be. The expenses set forth in this subsection are complete and exclusive and constitute a limit on the trial court's discretion to tax costs pursuant to G.S. 6-20:

... (12) The fee assessed pursuant to subdivision (2) of subsection (a) of this section upon assignment of a case to a special superior court judge as a complex business case.

..."

SECTION 5. G.S. 7A-343 reads as rewritten:

"§ 7A-343. Duties of Director.

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

... (8) Prepare and submit an annual report on the work of the Judicial Department to the Chief Justice, and transmit a copy to each member of the General Assembly. The annual report shall include the activities of each North Carolina Business Court site, including the number of new, closed, and pending cases, the average age of pending cases, and the annual expenditures for the prior fiscal year.

(8a) Prepare and submit a semiannual report on the activities of each North Carolina business court site to the Chief Justice and to each member of the General Assembly. The semiannual report required under this subdivision shall be separate from the report required under subdivision (8) of this section and shall include the total number of civil cases pending in each business court site over three years after being designated as a mandatory complex business case, motions pending over six months after being filed, and civil cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.

..."

SECTION 6.(a) Article 11 of Chapter 55 of the General Statutes is amended by adding a new section to read:

"§ 55-11-11. Merger to effect a holding company reorganization.

(a) The following definitions apply in this section:

(1) "Company official" has the same meaning as in G.S. 57D-1-03.

(2) "Constituent corporation" means the original corporation incorporated under the laws of this State or limited liability company organized under the laws of this State that is a party to a merger that is intended to create a holding company structure under a plan of merger that satisfies the requirements of this section.

(3) "Holding company" means a corporation incorporated under the laws of this State or limited liability company organized under the laws of this State that from its incorporation or organization until consummation of a merger governed by this section was at all times a direct or indirect wholly owned subsidiary of the constituent corporation and whose capital stock is issued in the merger.

(4) "Manager" has the same meaning as in G.S. 57D-1-03.

(5) "Organizational documents" means the articles of incorporation of a corporation or the articles of organization of a limited liability company.

(6) "Surviving entity" means the corporation incorporated under the laws of this State or limited liability company organized under the laws of this State that is the surviving entity in a merger of a constituent corporation with or into a single direct or indirect wholly owned subsidiary of the constituent

625
corporation, which immediately following the merger is a direct or indirect wholly owned subsidiary of the holding company.

(b) Notwithstanding the requirements of G.S. 55-11-03, unless expressly required by its articles of incorporation, no vote of shareholders of a constituent corporation is required to authorize a merger with or into a single direct or indirect wholly owned subsidiary of the constituent corporation if all of the following conditions are satisfied:

1. The constituent corporation and the direct or indirect wholly owned subsidiary of the constituent corporation are the only constituent entities to the merger.

2. Each share or fraction of a share of the capital stock of the constituent corporation outstanding immediately prior to the effective time of the merger is converted in the merger into a share or equal fraction of a share of capital stock of a holding company having the same designations, rights, powers, and preferences, and the qualifications, limitations, and restrictions thereof as the share or fraction of a share of the capital stock of the constituent corporation being converted in the merger.

3. The holding company and the constituent corporation are both corporations of this State and the direct or indirect wholly owned subsidiary that is the other constituent entity to the merger is a corporation or limited liability company of this State.

4. The articles of incorporation and bylaws of the holding company immediately following the effective time of the merger contain provisions identical to the articles of incorporation and bylaws of the constituent corporation immediately prior to the effective time of the merger other than provisions, if any, regarding any of the following:
   a. The incorporator or incorporators.
   b. The corporate name.
   c. The registered office and agent.
   d. The initial board of directors and the initial subscribers for shares.
   e. Any provisions contained in any amendment to the articles of incorporation that were necessary to effect a change, exchange, reclassification, subdivision, combination, or cancellation of stock, if the change, exchange, reclassification, subdivision, combination, or cancellation has become effective.

5. As a result of the merger the constituent corporation or its successor becomes or remains a direct or indirect wholly owned subsidiary of the holding company.

6. The directors of the constituent corporation become or remain the directors of the holding company upon the effective time of the merger.

7. Except as provided in subsections (c) and (d) of this section, the organizational documents of the surviving entity immediately following the effective time of the merger contain provisions identical to the articles of incorporation of the constituent corporation immediately prior to the effective time of the merger other than provisions, if any, regarding any of the following:
   a. The incorporator or incorporators.
   b. The corporate or entity name.
   c. The registered office and agent.
   d. The initial board of directors and the initial subscribers for shares.
   e. References to members rather than stockholders or shareholders.
   f. References to interests, units, or other similar terms rather than stock or shares.
g. References to managers, managing members, or other members of the governing body rather than directors.

h. Any provisions contained in any amendment to the articles of incorporation that were necessary to effect a change, exchange, reclassification, subdivision, combination, or cancellation of stock, if the change, exchange, reclassification, subdivision, combination, or cancellation has become effective.

(8) The shareholders of the constituent corporation do not recognize gain or loss for United States federal income tax purposes as determined by the board of directors of the constituent corporation.

(c) Notwithstanding the provisions of subdivision (7) of subsection (b) of this section, if the organizational documents of the surviving entity do not contain the following provisions, they shall be amended in the merger to contain provisions requiring all of the following:

(1) Any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members, or other members of the governing body of the surviving entity, that requires for its adoption under this Chapter or its organizational documents the approval of the shareholders or members of the surviving entity shall, by specific reference to this subsection, require, in addition, the approval of the shareholders of the holding company, or any successor by merger, by the same vote as is required by this Chapter or by the organizational documents of the surviving entity. For purposes of this subdivision, any surviving entity that is not a corporation shall include in the amendment a requirement that the approval of the shareholders of the holding company be obtained for any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members, or other members of the governing body of the surviving entity, which would require the approval of the shareholders of the surviving entity if the surviving entity were a corporation subject to this Chapter.

(2) Any amendment of the organizational documents of a surviving entity that is not a corporation that would, if adopted by a corporation subject to this Chapter, be required to be included in the articles of incorporation of the corporation shall, by specific reference to this subsection, require, in addition, the approval of the shareholders of the holding company, or any successor by merger, by the same vote as is required by this Chapter or by the organizational documents of the surviving entity.

(3) The business and affairs of a surviving entity that is not a corporation shall be managed by or under the direction of a board of directors, board of managers, or other governing body consisting of individuals who are subject to the same fiduciary duties applicable to, and who are liable for breach of those duties to the same extent as, directors of a corporation subject to this Chapter.

(d) Notwithstanding the provisions of subdivision (7) of subsection (b) of this section, the organizational documents of the surviving entity may be amended in the merger to reduce the number of classes and shares of capital stock or other equity interests or units that the surviving entity is authorized to issue and to eliminate any provision authorized by G.S. 55-8-06.

(e) Neither subsection (c) of this section nor any provision of a surviving entity's organizational documents required by this section shall be deemed or construed to require approval of the shareholders of the holding company to elect or remove directors or managers, managing members, or other members of the governing body of the surviving entity.
(f) From and after the effective time of a merger adopted by a constituent corporation by action of its board of directors and without any vote of shareholders pursuant to this section, the following provisions apply:

(1) To the extent the restrictions of Articles 9 and 9A of this Chapter applied to the constituent corporation and its shareholders at the effective time of the merger, such restrictions shall apply to the holding company and its shareholders immediately after the effective time of the merger as though it were the constituent corporation.

(2) If the corporate name of the holding company immediately following the effective time of the merger is the same as the corporate name of the constituent corporation immediately prior to the effective time of the merger, the shares of capital stock of the holding company into which the shares of capital stock of the constituent corporation are converted in the merger shall be represented by the stock certificates that previously represented shares of capital stock of the constituent corporation.

(3) To the extent a shareholder of the constituent corporation immediately prior to the merger had standing to institute or maintain derivative litigation on behalf of the constituent corporation, nothing in this section limits or extinguishes that standing.

(g) If a plan of merger is adopted by a constituent corporation by action of its board of directors and without any vote of shareholders pursuant to this section, but otherwise in accordance with G.S. 55-11-01, the secretary or assistant secretary of the constituent corporation shall certify on the plan of merger that the plan has been adopted pursuant to this section and that the conditions specified in subsection (b) of this section have been satisfied. This certification on the plan of merger is not required if a certificate of merger or consolidation is registered in lieu of filing the plan of merger. The plan so adopted and certified shall then be filed and become effective, in accordance with G.S. 55-11-05. That filing is a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to the filing.

(h) Except as otherwise provided in this section:

(1) The provisions of G.S. 55-11-06(a) and G.S. 55-11-06(c) shall apply to any merger effected pursuant to this section.

(2) The provisions of Article 13 of this Chapter shall not apply to any merger effected pursuant to this section.

SECTION 6.(b) G.S. 55-11-06(a) reads as rewritten:

"§ 55-11-06. Effect of merger or share exchange.
(a) When a merger pursuant to G.S. 55-11-01, 55-11-04, 55-11-07, or 55-11-09 takes effect:
..."

SECTION 7. G.S. 1A-1, Rule 8(a)(2) reads as rewritten:

..."

(2) A demand for judgment for the relief to which he deems himself entitled. Relief in the alternative or of several different types may be demanded. In all actions involving a material issue related to any of the subjects listed in G.S. 7A-45.4(a)(1), (2), (3), (4), (5), or (8), the pleading shall state whether or not relief is demanded for damages incurred or to be incurred in an amount equal to or exceeding five million dollars ($5,000,000). In all negligence actions, and in all claims for punitive damages in any civil action, wherein the matter in controversy exceeds the sum or value of ten thousand dollars ($10,000), the pleading shall not state the demand for monetary relief, but shall state that the relief demanded is for damages incurred or to
be incurred in excess of ten thousand dollars ($10,000). However, at any time after service of the claim for relief, any party may request of the claimant a written statement of the monetary relief sought, and the claimant shall, within 30 days after such service, provide such statement, which shall not be filed with the clerk until the action has been called for trial or entry of default entered. Such statement may be amended in the manner and at times as provided by Rule 15."

SECTION 8.(a) A Subcommittee on Business Court Modernization ("Subcommittee") is created within the Joint Legislative Economic Development and Global Engagement Oversight Committee ("Committee").

SECTION 8.(b) The Subcommittee shall consist of no fewer than six members, with an equal number of Senate and House members appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives from among their respective chambers' membership on the Committee. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate one member to serve as co-chairs of the Subcommittee. The Subcommittee may meet at any time upon the call of either co-chair. A co-chair or other member of the Subcommittee continues to serve until a successor is appointed. Members of the Subcommittee serve at the pleasure of the appointing officer.

SECTION 8.(c) The Subcommittee may study the implementation of this act and its efforts to modernize complex business cases and legislative improvement to the operations and management of the General Court of Justice.

SECTION 8.(d) A quorum is a majority of members of the Subcommittee. No action may be taken except by a majority vote at a meeting at which a quorum is present.

SECTION 8.(e) The Subcommittee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Subcommittee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02.

SECTION 8.(f) Members of the Subcommittee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1, 138-5 and 138-6, as appropriate.

SECTION 8.(g) All expenses of the Subcommittee shall be paid from the Legislative Services Commission's Reserve for Studies. Individual expenses of five thousand dollars ($5,000) or less, including per diem, travel, and subsistence expenses of members of the Subcommittee, and clerical expenses shall be paid upon the authorization of a co-chair of the Subcommittee. Individual expenses in excess of five thousand dollars ($5,000) shall be paid upon the written approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

SECTION 8.(h) The Legislative Services Officer shall assign professional and clerical staff to assist the Subcommittee in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support staff to the Subcommittee.

SECTION 8.(i) The Subcommittee may submit an interim report on the results of its study, including any proposed legislation, to the Committee at any time. The Subcommittee shall submit a final report on the results of its study, including any proposed legislation, to the Committee prior to the convening of the 2015 General Assembly. The Committee shall submit a final report of its findings and recommendations to the 2015 General Assembly by filing the report with the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Legislative Library. The Subcommittee shall terminate upon the convening of the 2015 General Assembly or upon the filing of its final report with the Committee, whichever occurs first.

SECTION 9. Section 1 of this act becomes effective October 1, 2014, and applies to actions designated as mandatory complex business cases on or after that date. Sections 3 and 4 of this act become effective October 1, 2014, and apply to actions commenced or petitions filed on or after that date. Section 6 of this act becomes effective October 1, 2014, and applies.
to plans of merger adopted on or after that date. Section 7 of this act is effective when it becomes law and applies to actions commenced on or after that date. Unless otherwise provided by this act, the remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of August, 2014.

Became law upon approval of the Governor at 5:05 p.m. on the 6th day of August, 2014.

Session Law 2014-103 H.B. 366

AN ACT TO (1) MAINTAIN THE CONFIDENTIALITY OF ENVIRONMENTAL INVESTIGATIONS FOR AGRICULTURAL OPERATIONS AND DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ADOPT RULES FOR A FORMAL COMPLAINT PROCEDURE; (2) CLARIFY THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT ORDINANCES RELATED TO FERTILIZER; (3) REWRITE THE LANDSCAPE CONTRACTOR LICENSING STATUTES; (4) STUDY THE STATE’S PARTICIPATION IN THE COMMERCIAL VEHICLE SAFETY ALLIANCE NORTH AMERICAN STANDARD INSPECTION PROGRAM; (5) CLARIFY THE MEANING OF THE TERMS "PLANTING AND HARVESTING SEASON" AND "PLANTING AND HARVESTING PERIOD" FOR PURPOSES OF APPLYING FEDERAL LAWS OR REGULATIONS RELATING TO HOURS OF SERVICE RULES FOR CERTAIN DRIVERS TRANSPORTING AGRICULTURAL PRODUCTS; (6) AMEND THE CHAIRMANSHIP OF THE AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION; (7) ALLOW THE COMMISSIONER OF AGRICULTURE TO APPOINT LAW ENFORCEMENT OFFICERS TO CARRY OUT THE LAW ENFORCEMENT RESPONSIBILITIES OF THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES; (8) AMEND THE HORSE INDUSTRY PROMOTION ACT; (9) ALLOW THE USE OF PESTICIDES TO CONTROL MOLES; (10) CLASSIFY TRESPASSING ON AN AGRICULTURAL FACILITY AS A FIRST DEGREE TRESPASS; (11) REQUIRE WRITTEN CONSENT TO OPERATE AN ALL-TERRAIN VEHICLE ON PROPERTY OWNED BY ANOTHER; (12) ALLOW DRAINAGE DISTRICTS TO MAINTAIN DITCHES IN BUFFER ZONES; (13) CLARIFY PERIODIC INSPECTIONS AUTHORITY OF THE NORTH CAROLINA HOUSING FINANCE AGENCY; (14) PERMIT SECURITY GRILLES AT ALL EXITS OF A BUILDING SUBJECT TO CERTAIN CONDITIONS; (15) DESIGNATE THE "GOT TO BE NC" MARKETING CAMPAIGN AS THE OFFICIAL AGRICULTURAL MARKETING CAMPAIGN FOR THE STATE; (16) ALLOW CERTIFICATION OF PRIVATE PESTICIDE APPLICATORS; AND (17) EXEMPT STATE FAIR ADMISSION FEES FROM RULE MAKING.

The General Assembly of North Carolina enacts:

MAINTAIN THE CONFIDENTIALITY OF ENVIRONMENTAL INVESTIGATIONS FOR AGRICULTURAL OPERATIONS AND DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ADOPT RULES FOR A FORMAL COMPLAINT PROCEDURE

SECTION 1.(a) Article 21 of Chapter 143 of the General Statutes is amended by adding two new sections to read:

"§ 143-215.9D. Agricultural operation investigations confidential.
Complaints of violations of this Article relating to an agricultural operation and all other records accumulated in conjunction with the investigation of these complaints shall be considered confidential records and may be released only by order of a court of competent jurisdiction."
jurisdiction. If the Department determines that a violation has occurred, the complaint of the violation and all records accumulated in conjunction with the investigation of the complaint shall be considered public records pursuant to G.S. 132-6. Any information obtained by the Department from any law enforcement agency, administrative agency, or regulatory organization on a confidential or otherwise restricted basis in the course of such an investigation shall be confidential and exempt from the requirements of G.S. 132-6(a) to the same extent that it is confidential in the possession of the providing agency or organization.

"§ 143-215.9E. Initial consideration of complaint.

(a) When a complaint alleging a violation of this Article is filed with the Department, the Department may, at its sole discretion, request additional information to be provided by the complainant within a specified period of time of no less than seven business days.

(b) The Department may decline to accept or further investigate a complaint about an agricultural operation if, after an initial assessment of the complaint, the Department finds reasonable grounds to believe that the complaint is frivolous or was filed in bad faith."

SECTION 1.(b) The Department of Environment and Natural Resources shall adopt rules developing a system for receiving, investigating, and responding to environmental complaints about agricultural operations in accordance with Article 2A of Chapter 150B of the General Statutes, the Administrative Procedure Act.

CLARIFY THE AUTHORITY OF LOCAL GOVERNMENTS TO ADOPT ORDINANCES RELATED TO FERTILIZER

SECTION 2.(a) If Senate Bill 38, 2013 Regular Session, becomes law, then G.S. 106-678, as enacted by Senate Bill 38, reads as rewritten:

"§ 106-678. Authority to regulate fertilizers.

No county, city, or other political subdivision of the State shall adopt or continue in effect any ordinance or resolution regulating the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, manufacture, or application of fertilizer. Nothing in this section shall prohibit a county, city, or other political subdivision of the State from exercising its planning and zoning authority under Article 19 of Chapter 160A of the General Statutes or Article 18 of Chapter 153A of the General Statutes, or from exercising its fire prevention or inspection authority. Nothing in this section shall limit the authority of the Department of Environment and Natural Resources or the Environmental Management Commission to enforce water quality standards. Nothing in this section shall prohibit a county, city, or other political subdivision of the State from adopting ordinances regulating fertilizers to protect water quality, provided that the ordinances have been approved by the Environmental Management Commission or the Department of Environment and Natural Resources as part of a local plan or National Pollutant Discharge Elimination System permit application and do not exceed the State's minimum requirements to protect water quality as established by the Environmental Management Commission under Part 1, Article 21 of Chapter 143 of the General Statutes. Nothing in this section shall prohibit a county or city from exercising its authority to regulate explosive, corrosive, inflammable, or radioactive substances pursuant to G.S. 153A-128 or G.S. 160A-183."

SECTION 2.(b) If Senate Bill 38, 2013 Regular Session, does not become law, then Article 56 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ 106-678. Authority to regulate fertilizers.

No county, city, or other political subdivision of the State shall adopt or continue in effect any ordinance or resolution regulating the use, sale, distribution, storage, transportation, disposal, formulation, labeling, registration, manufacture, or application of fertilizer. Nothing in this section shall prohibit a county, city, or other political subdivision of the State from exercising its planning and zoning authority under Article 19 of Chapter 160A of the General Statutes or Article 18 of Chapter 153A of the General Statutes or from exercising its fire prevention or inspection authority. Nothing in this section shall limit the authority of the
Department of Environment and Natural Resources or the Environmental Management Commission to enforce water quality standards. Nothing in this section shall prohibit a county, city, or other political subdivision of the State from adopting ordinances regulating fertilizers to protect water quality, provided that the ordinances have been approved by the Environmental Management Commission or the Department of Environment and Natural Resources as part of a local plan or National Pollutant Discharge Elimination System permit application and do not exceed the State's minimum requirements to protect water quality as established by the Environmental Management Commission under Part 1 of Article 21 of Chapter 143 of the General Statutes. Nothing in this section shall prohibit a county or city from exercising its authority to regulate explosive, corrosive, inflammable, or radioactive substances pursuant to G.S. 153A-128 or G.S. 160A-183.”

REWRITE THE LANDSCAPE CONTRACTOR LICENSING STATUTES

SECTION 3.(a) G.S. 89D-1 through G.S. 89D-10 are repealed.

SECTION 3.(b) Chapter 89D of the General Statutes is amended by adding the following new sections to read:

"§ 89D-11. Definitions. The following definitions apply in this Chapter:

(1) Board. – The North Carolina Landscape Contractors' Licensing Board.

(2) Landscape construction or contracting. – The act of providing services as a landscape contractor, as defined in this section, for compensation or other consideration.

(3) Landscape contractor. – Any person who, for compensation or other consideration, does any of the following:

a. Engages in the business requiring the art, experience, ability, knowledge, science, and skill to prepare contracts and bid for the performance of landscape services, including installing, planting, repairing, and managing gardens, lawns, shrubs, vines, trees, or other decorative vegetation, including the finish grading and preparation of plots and areas of land for decorative utilitarian treatment and arrangement.

b. Practices the act of horticulture consultation or planting design for employment purposes.

c. Constructs, installs, or maintains landscape drainage systems and cisterns; provided the landscaping contractor makes no connection to pipes, fixtures, apparatus, or appurtenances installed upon the premises, or in a building, to supply water thereto or convey sewage or other waste therefrom as defined in G.S. 87-21.

d. Designs, installs, or maintains low-voltage landscape lighting systems, provided (i) the work does not exceed the scope of the exception set forth in G.S. 87-43.1(7) and (ii) the low-voltage lighting systems do not exceed 50 volts and constitute a Class II or Class III cord and plug connected power system.

e. Engages in the construction of garden pools, retaining walls, walks, patios, or other decorative landscape features.

(4) Person. – An individual, firm, partnership, association, corporation, or other legal entity.

"§ 89D-12. License required; use of seal; posting license.

(a) Except as otherwise provided in this Chapter, no person shall engage in the practice of landscape construction or contracting, use the designation "landscape contractor," or advertise using any title or description that implies licensure as a landscape contractor unless the person is licensed as a landscape contractor as provided by this Chapter. All landscape construction or contracting performed by a partnership, association, corporation, firm, or other
group shall be performed under an individual who is readily available to exercise supervision over the landscape construction and contracting work and who is licensed by the Board under this Chapter.

(b) Nothing in this Chapter shall be construed to authorize a landscape contractor to engage in any of the following:

1. The practice of landscape architecture, as defined in G.S. 89A-1.
2. The practice of engineering, as defined in G.S. 89C-3.
3. Practice as a well contractor certified under Article 7A of Chapter 87 of the General Statutes.
4. The practice of irrigation contracting, as defined in G.S. 89G-1.
5. The practice of architecture, as defined in G.S. 83A-1.
6. The practice of plumbing, heating group number one, heating group number two, heating group number three, fire sprinkler, or fuel piping contracting, as defined in G.S. 87-21, provided the landscaping contractor may install piping, fittings, valves, and associated components for the purpose of landscape contracting that is downstream of a potable water source, groundwater source, or grey water source, and downstream of a backflow prevention assembly.
7. The practice of electrical contracting, as defined in G.S. 87-43.

(c) A landscape contractor licensed under this Chapter is not required to be licensed as a general contractor under Article 1 of Chapter 87 of the General Statutes if the licensed landscape contractor is performing landscape construction or contracting work valued at an amount greater than thirty thousand dollars ($30,000).

(d) Upon licensure by the Board, each landscape contractor shall obtain a seal of the design authorized by the Board and bearing the name of the licensee, the number of the license, and the legend "N.C. Licensed Landscape Contractor." A landscape contractor may use the seal only while the license is valid.

(e) Every landscape contractor issued a license under this Chapter shall display the license conspicuously in the landscape contractor's place of business. Every landscape contractor shall display the license number issued to the contractor by the Board on all business cards, contracts, and vehicles used by the contractor in the landscape contracting business.


The provisions of this Chapter shall not apply to the following:

1. Any federal, State, or local governmental agency performing landscaping on public property.
2. The North Carolina Department of Transportation (NCDOT). However, for landscape installations or establishment periods for any project that exceeds the current contract amount requiring performance and payment bonds according to State law, NCDOT shall require a licensed landscape contractor to perform the work. NCDOT, at its discretion, may require a licensed landscape contractor for landscape projects of any cost.
3. Any property owner performing landscape work on his or her own property.
4. Any person or business owning or operating a golf course.
5. Any landscaping work where the price of all contracts for labor, material, and other items for a given job site during any consecutive 12-month period is less than thirty thousand dollars ($30,000). A local governmental unit shall not enact a local ordinance or regulation requiring licensure for landscaping work performed pursuant to this subdivision.
6. A general contractor licensed under Article 1 of Chapter 87 of the General Statutes who possesses a classification under G.S. 87-10(b) as a building contractor, a residential contractor, or a public utilities contractor.
(7) Any person or business licensed as an electrical contractor under Article 4 of Chapter 87 of the General Statutes who is designing, installing, or maintaining any electric work, wiring, devices, appliances, or equipment.

(8) Any person or business licensed as a plumbing contractor under Article 2 of Chapter 87 of the General Statutes who is installing pipes, fixtures, apparatus, or appurtenances to supply water thereto or convey sewage or other waste therefrom, including the installation, repair, or maintenance of water mains, water taps, services lines, water meters, or backflow prevention assemblies supplying water for irrigation systems or repairs to an irrigation system.

(9) A professional engineer licensed pursuant to Chapter 89C of the General Statutes.

(10) A professional landscape architect licensed under Chapter 89A of the General Statutes.

(11) An individual or a business engaged in any of the following activities while performing that activity:
   a. Clearing and grading plots and areas of land.
   b. Erosion control.
   c. Arboriculture, including consultations on pruning and removal of trees.
   d. The installation of sod, seed, or plugs by sod producers certified by the Plant Industry Division of the North Carolina Department of Agriculture and Consumer Services.
   e. Landscape construction performed by utilities contractors for the purpose of grading and erosion control.
   f. Lawn mowing, turf edging, and debris removal services.
   g. Turf management or lawn care services only, including fertilization, aeration, weed control, or other turf management or lawn care practices other than mowing or edging.
   h. Design, installation, and maintenance of on-site wastewater disposal or reuse systems within the on-site wastewater permit specifications.

(12) Any person performing landscaping work on a farm for use in agriculture production, farming, or ranching.

§ 89D-14. The North Carolina Landscape Contractors' Licensing Board.
   (a) There is created the North Carolina Landscape Contractors' Licensing Board. The Board shall consist of nine members appointed as follows:

(1) One member appointed by the Governor who is a member of the general public.

(2) One member appointed by the Commissioner of Agriculture pursuant to recommendations from The North Carolina Green Industry Council.

(3) One member appointed by the Board of Directors of the North Carolina Nursery and Landscape Association, Inc., who is a practicing nurseryman operating a nursery certified by the North Carolina Department of Agriculture and Consumer Services Plant Industry Division.

(4) Four members who are licensed landscape contractors in the business of landscape construction or contracting. One of the four members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives pursuant to recommendations from The North Carolina Green Industry Council; one shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate pursuant to recommendations from the Carolinas Irrigation Association, who is also a licensed irrigation contractor; and two shall be
appointed by the Board of Directors of the North Carolina Nursery and Landscape Association, Inc.

(5) One member appointed by the Board of Directors of the North Carolina Chapter of the American Society of Landscape Architects who is a registered landscape architect.

(6) One member appointed by the President of The University of North Carolina from within the land grant university community who is knowledgeable in landscaping methods and practices.

(b) All appointments shall be for three-year terms. No member shall serve more than two complete consecutive terms.

(c) A vacancy on the Board created by death, resignation, or otherwise shall be filled in the same manner as the original appointment, except that all unexpired terms of Board members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies shall serve the remainder of the unexpired term and until their successors are appointed and qualified.

(d) The Board shall elect annually a chair and other officers as it deems necessary to carry out the purposes of this Chapter and shall hold meetings at least twice a year. A majority of the Board shall constitute a quorum.

(e) Each member of the Board may receive per diem and reimbursement for travel and subsistence as set forth in G.S. 93B-5.

(f) The Board shall be entitled to the services of the Attorney General in connection with the affairs of the Board or may, in its discretion, employ an attorney to assist or represent it in the enforcement of this Chapter.


The Board shall have the following powers and duties:

(1) Administer and enforce the provisions of this Chapter.

(2) Adopt, amend, or repeal rules to carry out the provisions of this Chapter.

(3) Examine and determine the qualifications and fitness of applicants for licensure and licensure renewal.

(4) Issue, renew, deny, restrict, suspend, or revoke licenses.

(5) Reprimand or otherwise discipline licensees under this Chapter.

(6) Receive and investigate complaints from members of the public.

(7) Conduct investigations to determine whether violations of this Chapter exist or constitute grounds for disciplinary action against licensees under this Chapter.

(8) Conduct administrative hearings in accordance with Article 3A of Chapter 150B of the General Statutes.

(9) Seek injunctive relief through any court of competent jurisdiction for violations of this Chapter.

(10) Collect fees required by G.S. 89D-21 and any other moneys permitted by law to be paid to the Board.

(11) Require licensees to file and maintain an adequate surety bond.

(12) Establish and approve continuing education requirements for persons licensed under this Chapter.

(13) Employ a secretary-treasurer and any other clerical personnel the Board deems necessary to carry out the provisions of this Chapter and to fix compensation for employees.

(14) Maintain a record of all proceedings conducted by the Board and make available to licensees and other concerned parties an annual report of all Board action.

(15) Adopt and publish a code of professional conduct for all persons licensed under this Chapter.
(16) Adopt and publish a code of minimum practice standards for landscape construction and contracting.

(17) Adopt a seal containing the name of the Board for use on licenses and official reports issued by the Board.

"§ 89D-16. Application for license; qualifications; examination; issuance.

(a) Upon application to the Board and payment of the required fees, an applicant for licensure as a landscape contractor may sit for the examination if the applicant submits evidence demonstrating the applicant's qualifications for licensure under this Chapter as prescribed in rules adopted by the Board and meets all of the following qualifications:

(1) Is at least 18 years of age.

(2) Is of good moral character as determined by the Board.

(3) Provides evidence of business identification as required by the Board.

(4) Files with the Board and maintains a corporate surety bond executed by a company authorized to do business in this State or an irrevocable letter of credit issued by an insured institution. The surety bond or the letter of credit shall be in the amount of ten thousand dollars ($10,000). The surety bond or letter of credit shall be approved by the Board as to form and shall be conditioned upon the obligor faithfully conforming to and abiding by the provisions of this Chapter. Any person claiming to be injured by an act of a licensed landscape contractor that constitutes a violation of this Chapter may institute an action to recover against the licensee and the surety.

(b) If the applicant meets all the qualifications in subsection (a) of this section, the applicant shall be required to pass an examination administered by the Board before the Board may issue the license. The Board shall establish the scope and subject matter of the examination to be administered. The Board shall administer examinations at least twice a year at a time and place to be determined by the Board.

(c) When the Board determines that an applicant has met all the qualifications for licensure, submitted the required fee, and passed the examination, the Board shall issue a license to the applicant.

"§ 89D-17. Corporations; partnerships; persons doing business under trade name.

(a) The Board may issue a license in the name of a corporation if the corporation complies with the following:

(1) One or more officers or full-time employees, or both, empowered to act for the corporation are individuals licensed under this Chapter.

(2) Only the officers or employees described in subdivision (1) of this subsection execute contracts for landscape construction or contracting in the name of a corporation and are readily available to exercise supervision over the work performed pursuant to the contract.

(b) The Board may issue a license in the name of a limited liability company if the company complies with the following:

(1) One or more managers, as defined in G.S. 57D-1-03, executives, or full-time employees, or a combination thereof, are individuals licensed under this Chapter.

(2) Only the managers, executives, or employees described in subdivision (1) of this subsection execute contracts for landscape construction or contracting in the name of the limited liability company and are readily available to exercise supervision over the work performed pursuant to the contract.

(c) The Board may issue a license in the name of a partnership if the partnership complies with the following:

(1) One or more general partners or full-time employees empowered to act for the partnership are individuals licensed under this Chapter.

(2) Only the partners or employees described in subdivision (1) of this subsection execute contracts for landscape construction or contracting in the
name of the partnership and are readily available to exercise supervision over the work performed pursuant to the contract.

(d) The Board may issue a license in an assumed or designated trade name if the owner of the business complies with the following:

(1) The owner or one or more full-time employees empowered to act for the owner is an individual licensed under this Chapter.

(2) Only the persons described in subdivision (1) of this subsection execute contracts for landscape construction or contracting in the assumed or designated trade name of the business and are readily available to exercise supervision over the work performed pursuant to the contract.

(e) When the Board issues a license under this section, the Board shall indicate on the license the name and license number of the individual licensee connected to the corporation, partnership, or business conducted under an assumed or designated trade name.

(f) A person licensed pursuant to this section shall be readily available to exercise supervision over a contract for landscape construction or contracting until the contract is completed.

(g) When a licensee executes a contract for landscape construction or contracting in any capacity other than as a sole proprietor contracting on the licensee's own behalf, the person on whose behalf the licensee is executing the contract shall be licensed under this section.

(h) A corporation, partnership, or person doing business under an assumed or designated trade name shall notify the Board in accordance with rules adopted by the Board if an individual licensee who is indicated in the license issued under this section ceases to be an officer, partner, owner, or employee of the corporation, partnership, or person doing business under the assumed or designated trade name. If the corporation, partnership, or person no longer has an officer, general partner, owner, or employee described in subdivision (1) of subsection (a), subdivision (1) of subsection (b), or subdivision (1) of subsection (c) of this section, the corporation, partnership, or person shall have 120 days from the date the officer, general partner, owner, or employee ceases the relationship with the corporation, partnership, or person to satisfy the requirements described in subdivision (1) of subsection (a), subdivision (1) of subsection (b), or subdivision (1) of subsection (c) of this section. The Board may, in its discretion, grant the corporation, partnership, or person a period greater than 120 days to satisfy the requirements described in subdivision (1) of subsection (a), subdivision (1) of subsection (b), or subdivision (1) of subsection (c) of this section as it deems appropriate. After 120 days, or a time period greater than 120 days as approved by the Board, if the corporation, partnership, or person does not have an officer, general partner, owner, or employee as described in subdivision (1) of subsection (a), subdivision (1) of subsection (b), or subdivision (1) of subsection (c) of this section, the license issued under this section is automatically suspended and the corporation, partnership, or person shall cease practicing landscape construction or contracting.

§ 89D-18. Licensing of nonresidents.

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

(1) Delinquent income tax debt. – The amount of income tax due as stated in a final notice of assessment issued to a taxpayer by the Secretary of Revenue when the taxpayer no longer has the right to contest the amount.

(2) Foreign corporation. – A corporation as defined in G.S. 55-1-40.

(3) Foreign entity. – A foreign corporation, a foreign limited liability company, or a foreign partnership.

(4) Foreign limited liability company. – A company as defined in G.S. 57D-1-03.

(5) Foreign partnership. – One of the following that does not have a permanent place of business in this State:

a. A foreign limited partnership as defined in G.S. 59-102.
h. A general partnership formed under the laws of a jurisdiction other
than this State.

(b) Licensing. – Except as provided in this section, the Board may issue a license to a
nonresident individual or a foreign entity that meets the requirements for licensure under this
Chapter.

(c) Certificate of Authority Required. – The Board shall not issue a license for a foreign
corporation unless the corporation has obtained a certificate of authority from the Secretary of
State pursuant to Article 15 of Chapter 55 of the General Statutes. The Board shall not issue a
license for a foreign limited liability company unless the company has obtained a certificate of
authority from the Secretary of State pursuant to Article 7 of Chapter 57D of the General
Statutes.

(d) Information. – The Board, upon request, shall provide the Secretary of Revenue the
name, address, and tax identification number of every nonresident individual and foreign entity
licensed by the Board. The information to be provided under this section shall be in a form
required by the Secretary of Revenue.

(e) Delinquents. – If the Secretary of Revenue determines that any nonresident
individual or foreign entity licensed by the Board owes a delinquent income tax debt, the
Secretary of Revenue may notify the Board of the nonresident individual or foreign entity and
instruct the Board not to renew the nonresident individual or foreign entity's license. The Board
shall not renew the license of a nonresident individual or foreign entity identified by the
Secretary of Revenue unless the Board receives a written statement from the Secretary that (i)
the debt has been paid or (ii) the debt is being paid pursuant to an installment agreement.

§ 89D-19. Reciprocity.

The Board may issue a license, without examination, to any person who is a landscape
contractor licensed, certified, or registered in another state or country if the requirements for
licensure, certification, or registration in the other state or country are substantially equivalent
to the requirements for licensure in this State.

§ 89D-20. License renewal and continuing education.

(a) Every license issued under this Chapter shall be renewed on or before the first day
of August of each year. Any person who desires to continue to practice shall apply for a license
renewal and shall submit the required fee. Licenses that are not renewed shall be automatically
revoked. A license may be renewed at any time within one year after its expiration if (i) the
applicant pays the required renewal fee and late renewal fee, (ii) the Board finds that the
applicant has not used the license in a manner inconsistent with the provisions of this Chapter
or engaged in the practice of landscape construction or contracting after notice of revocation,
and (iii) the applicant is otherwise eligible for licensure under the provisions of this Chapter.
When necessary, the Board may require licensees to demonstrate continued competence as a
condition of license renewal.

(b) As a condition of license renewal, a licensee shall meet the continuing education
requirements set by the Board. Each licensee shall complete seven continuing education units
per year. The Board may suspend a licensee's license for 30 days for failure to obtain
continuing education units required by this subsection. Upon payment of a reinstatement fee,
submission to the Board of proof of the continuing education units required by this subsection,
and payment of the license renewal fee and late renewal fee, the licensee's license shall be
reinstated. Failure to request a reinstatement of the license and failure to pay the reinstatement
fee, renewal fee, and late renewal fee shall result in the forfeiture of a license. Upon forfeiture,
a person shall be required to submit a new application and retake the examination as provided
in this Chapter.

§ 89D-21. Expenses and fees.

(a) The Board may impose the following fees not to exceed the amounts listed below:

(1) Application fee $100.00
(2) Examination fee 250.00
(3) Individual license fee and individual license renewal 100.00

638
(4) Initial corporate, limited liability company, partnership, or trade name license 100.00
(5) Corporate, limited liability company, partnership, or trade name license renewal 100.00
(6) Late renewal fee 50.00
(7) Reinstatement fee 250.00
(8) License by reciprocity 250.00
(9) Duplicate license 25.00

(b) When the Board uses a testing service for the preparation, administration, or grading of examinations, the Board may charge the applicant the actual cost of the examination services and a prorated portion of the examination fee.

§ 89D-22. Disciplinary action.
(a) The Board may deny, restrict, suspend, or revoke a license or refuse to issue or renew a license if a licensee or applicant does any of the following:
(1) Employs the use of fraud, deceit, or misrepresentation in obtaining or attempting to obtain a license or the renewal of a license.
(2) Practices or attempts to practice landscape construction or contracting by fraudulent misrepresentation.
(3) Commits an act of gross malpractice or incompetence as determined by the Board.
(4) Has been convicted of or pled guilty or no contest to a crime that indicates that the person is unfit or incompetent to practice as a landscape contractor or that indicates that the person has deceived or defrauded the public.
(5) Has been declared incompetent by a court of competent jurisdiction.
(6) Has willfully violated any provision in this Chapter or any rules adopted by the Board.
(7) Uses or attempts to use the seal in a fraudulent or unauthorized manner.
(8) Fails to file the required surety bond or letter of credit or to keep the bond or letter of credit in force.

(b) The Board may assess costs, including reasonable attorneys' fees and investigatory costs, in a proceeding under this section against an applicant or licensee found to be in violation of this Chapter.

§ 89D-23. Civil penalties.
(a) In addition to taking any of the actions permitted under G.S. 89D-22, the Board may assess a civil penalty not in excess of two thousand dollars ($2,000) for each violation of any section of this Chapter or the violation of any rules adopted by the Board. 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.
(b) Before imposing and assessing a civil penalty and fixing the amount of the penalty, the Board shall, as a part of its deliberations, take into consideration the following factors:
(1) The nature, gravity, and persistence of the particular violation.
(2) The appropriateness of the imposition of a civil penalty when considered alone or in combination with other punishment.
(3) Whether the violation was willful and malicious.
(4) Any other factors that would tend to mitigate or aggravate the violations found to exist.

§ 89D-24. Injunction to prevent violation; notification of complaints.
(a) If the Board finds that a person who does not have a license issued under this Chapter is engaging in the practice of landscape construction or contracting, the Board may appear in its own name in superior court in actions for injunctive relief to prevent any person from violating the provisions of this Chapter or the rules adopted by the Board.
(b) A licensed landscape contractor shall notify the Board of any written complaint filed against the landscape contractor not resolved within 30 days from the date the complaint was filed by registered mail to the Board."

SECTION 3.(c) Members serving on the North Carolina Landscape Contractors' Registration Board on the effective date of this act shall continue to serve until members of the North Carolina Landscape Contractors' Licensing Board, G.S. 89D-14(a), as enacted by Section 3(b) of this act, are appointed.

SECTION 3.(d) Once the term of one of the current public members appointed by the Governor expires, the General Assembly, upon the recommendation of the Speaker of the House of Representatives, shall appoint a licensed landscape contractor in the business of landscape construction and contracting. Once the term of one of the current members appointed by the Commissioner of Agriculture expires, the General Assembly, upon the recommendation of the President Pro Tempore of the Senate, shall appoint a licensed landscape contractor in the business of landscape construction and contracting. All records, staff, funds, and other items of the North Carolina Landscape Contractors' Registration Board are transferred to and made the property of the North Carolina Landscape Contractors' Licensing Board.

SECTION 3.(e) Any person who, on or before December 31, 2014, meets at least one of the following criteria shall be issued a landscape contractor's license by the North Carolina Landscape Contractors' Licensing Board, without the requirement of examination, upon submission of a completed application and payment of the application fee on or before August 1, 2015:

1. Is registered as a landscape contractor.
2. Is licensed as an irrigation contractor.
3. Is certified as a turf grass professional.
4. Has three years of documented experience in the person's own business as a landscape contractor or three years of documented experience as an employee in a landscape contracting business and meets all other requirements and qualifications for licensure as a landscape contractor. Educational experience can be applied toward the three-year experience requirement as follows:
   a. One year of credit for a two-year degree in related educational training.
   b. Two years of credit for a four-year degree in related educational training.
   c. Up to two years of credit for education or business experience in general business management.

Landscape contractors currently registered under Chapter 89D of the General Statutes shall not be required to renew the registration for the 2015 calendar year to qualify for the landscape contractor's license, as enacted by Section 3(b) of this act.

SECTION 3.(f) This section becomes effective August 1, 2015.

STUDY THE STATE'S PARTICIPATION IN THE COMMERCIAL VEHICLE SAFETY ALLIANCE NORTH AMERICAN STANDARD INSPECTION PROGRAM

SECTION 4. The Department of Public Safety shall study the State's participation in the Commercial Vehicle Safety Alliance North American Standard Inspection Program for roadside commercial vehicle safety inspections. The study shall include (i) a history of when North Carolina joined the program; (ii) an explanation of how the program is currently being implemented; (iii) data on how many safety inspection decals are issued annually; and (iv) a geographic analysis of where safety inspection decals are issued within the State. The Department shall report the results of its study to the Agriculture and Forestry Awareness Study Commission on or before February 1, 2015.
CLARIFY THE MEANING OF THE TERMS "PLANTING AND HARVESTING SEASON" AND "PLANTING AND HARVESTING PERIOD" FOR PURPOSES OF APPLYING FEDERAL LAWS OR REGULATIONS RELATING TO HOURS OF SERVICE RULES FOR CERTAIN DRIVERS TRANSPORTING AGRICULTURAL PRODUCTS

SECTION 5. G.S. 20-381 is amended by adding a new subsection to read:

"§ 20-381. Specific powers and duties of Department of Public Safety applicable to motor carriers; agricultural exemption.

... (c) For purposes of 49 C.F.R. § 395.1(k) and any other federal law or regulation relating to hours-of-service rules for drivers engaged in the transportation of agricultural commodities and farm supplies for agricultural purposes, the terms "planting and harvesting season" and "planting and harvesting period" refer to the period from January 1 through December 31 of each year."

AMEND THE CHAIRMANSHIP OF THE AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION

SECTION 6. G.S. 120-150 reads as rewritten:

"§ 120-150. Creation; appointment of members.

There is created an Agriculture and Forestry Awareness Study Commission. Members of the Commission shall be citizens of North Carolina who are interested in the vitality of the agriculture and forestry sectors of the State's economy. Members shall be as follows:

(1) Three appointed by the Governor.
(2) Three appointed by the President Pro Tempore of the Senate.
(3) Three appointed by the Speaker of the House.
(4) The chairs of the House Agriculture Committee.
(5) The chairs of the Senate Committee on Agriculture, Environment, and Natural Resources.
(6) The Commissioner of Agriculture or the Commissioner's designee.
(7) A member of the Board of Agriculture designated by the chair of the Board of Agriculture.
(8) The President of the North Carolina Farm Bureau Federation, Inc., or the President's designee.
(9) The President of the North Carolina State Grange or the President's designee.
(10) The Secretary of Environment and Natural Resources or the Secretary's designee.
(11) The President of the North Carolina Forestry Association, Inc., or the President's designee.

Members shall be appointed for two-year terms beginning October 1 of each odd-numbered year. The Chairs of the House Agriculture Committee and the Chairs of the Senate Committee on Agriculture, Environment, and Natural Resources shall serve as cochairs. The President Pro Tempore of the Senate and the Speaker of the House of Representatives may each appoint an additional member of the Senate and House, respectively, to serve as cochair. If appointed, these cochairs shall be voting members of the Commission."

ALLOW THE COMMISSIONER OF AGRICULTURE TO APPOINT LAW ENFORCEMENT OFFICERS TO CARRY OUT THE LAW ENFORCEMENT RESPONSIBILITIES OF THE DEPARTMENT OF AGRICULTURE

SECTION 7. G.S. 106-900 reads as rewritten:

"§ 106-900. Powers of forest Department of Agriculture and Consumer Services law-enforcement officers.

The Commissioner is authorized to appoint as many forest law enforcement officers as he deems necessary to
carry out the forest law enforcement responsibilities of the Department, investigate and enforce any violation of the laws within the authority of the Department or which occur on Department property. Such officers shall meet the requirements of Chapter 17C of the General Statutes and shall take the oath of office prescribed by Section 7 of Article VI of the North Carolina Constitution. Forest law enforcement officers shall. Of these officers, the Commissioner may designate certain officers to also have all the powers and the duties of a forest ranger enumerated in G.S. 106-898 and G.S. 106-899 and the power to enforce the forest laws. Forest law enforcement officers shall, in addition to their other duties, have the powers of peace officers to enforce the forest laws. Any forest law enforcement officer may arrest, without warrant, any person or persons committing any crime in the officer's presence or whom such officer has probable cause for believing has committed a crime in the officer's presence and bring such person or persons forthwith before a district court or other officer having jurisdiction. Forest Department law enforcement officers shall also have authority to obtain and serve warrants including warrants for violation of any duly promulgated rule of the Department."

AMEND HORSE INDUSTRY PROMOTION ACT

SECTION 8. G.S. 106-822 reads as rewritten:

As used in this Article:

(1) "Commercial horse feed" means any commercial feed, as defined in G.S. 106-284.33, labeled or marketed for equine use.
(2) "Council" means the North Carolina Horse Council.
(3) "Department" means the Department of Agriculture and Consumer Services.
(4) "Equine" means a horse, pony, mule, donkey, or hinny.
(5) "Horse owner" means a person who (i) is a North Carolina resident and (ii) owns or leases an equine."

PESTICIDE USE FOR MOLES

SECTION 9. G.S. 113-300.2 is amended by adding a new subsection to read:

"(g) Notwithstanding any other provision of law, it is lawful to use any pesticide registered by the Pesticide Board to control any species of mole other than the Star-Nosed Mole (Condylura cristata parva), provided that (i) all rules regulating the application of pesticides adopted by the Pesticide Board are followed and (ii) pesticides used to control these species are applied in a manner that minimizes hazards to nontarget species."

ADD AGRICULTURAL FACILITIES TO FIRST DEGREE TRESPASS

SECTION 10.(a) G.S. 14-159.12(c)(1) is amended by adding a new sub-subdivision to read:

"§ 14-159.12. First degree trespass.

(c) Except as otherwise provided in subsection (d) of this section, a violation of subsection (a) of this section is a Class A1 misdemeanor if all of the following circumstances exist:

(1) The offense is committed on the premises of any of the following:
   a. A facility that is owned or operated by an electric power supplier as defined in G.S. 62-133.8(a)(3) and that is either an electric generation facility, a transmission substation, a transmission switching station, a transmission switching structure, or a control center used to manage transmission operations or electrical power generating at multiple plant locations.
b. Any facility used or available for use in the collection, treatment, testing, storing, pumping, or distribution of water for a public water system.

c. Any facility, including any liquefied natural gas storage facility or propane air facility, that is owned or operated by a natural gas local distribution company, natural gas pipeline carrier operating under a certificate of public convenience and necessity from the Utilities Commission, municipal corporation operating a municipally owned gas distribution system, or regional natural gas district organized and operated pursuant to Article 28 of Chapter 160A of the General Statutes used for transmission, distribution, measurement, testing, regulating, compression, control, or storage of natural gas.

d. Any facility used or operated for agricultural activities, as that term is defined in G.S. 106-581.1.

SECTION 10. (b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

REQUIRE WRITTEN CONSENT TO OPERATE ALL TERRAIN VEHICLES ON PRIVATE PROPERTY

SECTION 11. (a) G.S. 14-159.3 reads as rewritten:

"§ 14-159.3. Trespass to land on motorized all terrain vehicle.

(a) No person shall operate any motorized all terrain vehicle:

(1) On any private property not owned by the operator, without the written consent of the owner; or

(2) Within the banks of any stream or waterway, but excluding a sound or the Atlantic Ocean, the adjacent lands of which are not owned by the operator, without the consent of the owner or outside the restrictions imposed by the owner.

(a1) A landowner who gives a person written consent to operate an all-terrain vehicle on his or her property owes the person the same duty of care that he or she owes a trespasser.

(b) A "motorized all terrain vehicle", as used in this section, is a two or more wheeled vehicle designed for recreational off-road use.

(c) A violation of this section shall be a Class 2 misdemeanor.

SECTION 11. (b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

ALLOW DRAINAGE DISTRICTS TO MAINTAIN DITCHES IN BUFFER ZONES

SECTION 12. G.S. 156-82.1 is amended by adding a new subsection to read:

"§ 156-82.1. Duties and powers of the board of drainage commissioners.

(a) The board of drainage commissioners shall proceed with the levying of assessments, issuance of bonds and construction of canals, water retardant structures and other improvements and acquisition of equipment as approved by the court in the adjudication upon the final report of the board of viewers, either in the creation of the district or in subsequent proceedings authorized by Article 7B.

(b) The commissioners shall maintain the canals, water retardant structures, and all other improvements and equipment of the district.

(b1) No State statute or rule or local government ordinance for the establishment, preservation, or maintenance of riparian buffers for the protection of water quality shall apply to the construction, operation, maintenance, or repair of canals, water retardant structures, or other improvements under the control and supervision of a board of drainage commissioners.

..."
CLARIFY PERIODIC INSPECTIONS AUTHORITY OF HOUSING FINANCE AGENCY

SECTION 13.(a)  G.S. 153A-364 reads as rewritten:

"§ 153A-364. Periodic inspections for hazardous or unlawful conditions.

(b) A county may require periodic inspections as part of a targeted effort within a geographic area that has been designated by the county commissioners. The county shall not discriminate in its selection of areas or housing types to be targeted and shall (i) provide notice to all owners and residents of properties in the affected area about the periodic inspections plan and information regarding a public hearing regarding the plan; (ii) hold a public hearing regarding the plan; and (iii) establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards. A residential building or structure that is subject to periodic inspections by the North Carolina Housing Finance Agency (hereinafter "Agency") shall not be subject to periodic inspections under this subsection if the Agency has issued a finding that the building or structure is in compliance with federal standards established by the United States Department of Housing and Urban Development to assess the physical condition of residential property. The owner or manager of a residential building or structure subject to periodic inspections by the Agency shall, within 10 days of receipt, submit to the inspection department a copy of the Compliance Results Letter issued by the Agency showing that the residential building or structure is in compliance with federal housing inspection standards. If the owner or manager fails to submit a copy of the Compliance Results Letter as provided in this subsection, the residential building or structure shall be subject to periodic inspections as provided in this subsection until the Compliance Results Letter is submitted to the inspection department.

..."

SECTION 13.(b)  G.S. 160A-424 reads as rewritten:


(b) A city may require periodic inspections as part of a targeted effort within a geographic area that has been designated by the city council. The municipality shall not discriminate in its selection of areas or housing types to be targeted and shall (i) provide notice to all owners and residents of properties in the affected area about the periodic inspections plan and information regarding a public hearing regarding the plan; (ii) hold a public hearing regarding the plan; and (iii) establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards. A residential building or structure that is subject to periodic inspections by the North Carolina Housing Finance Agency (hereinafter "Agency") shall not be subject to periodic inspections under this subsection if the Agency has issued a finding that the building or structure is in compliance with federal standards established by the United States Department of Housing and Urban Development to assess the physical condition of residential property. The owner or manager of a residential building or structure subject to periodic inspections by the Agency shall, within 10 days of receipt, submit to the inspection department a copy of the Compliance Results Letter issued by the Agency showing that the residential building or structure is in compliance with federal housing inspection standards. If the owner or manager fails to submit a copy of the Compliance Results Letter as provided in this subsection, the residential building or structure shall be subject to periodic inspections as provided in this subsection until the Compliance Results Letter is submitted to the inspection department.

..."

PERMIT SECURITY GRILLES AT ALL EXITS OF A BUILDING SUBJECT TO CERTAIN CONDITIONS

SECTION 14.(a)  Notwithstanding Section 1008.1.4.5 of the 2012 NC State Building Code (Fire Code), horizontal sliding or vertical security grilles shall be permitted at
all exits or exit access doorways, provided that the grilles are openable from the inside without
the use of a key or special knowledge or effort during periods that the space is occupied by
authorized persons and that the grilles remain secured in the full-open position during the
period of occupancy by the general public.

SECTION 14.(b) The Building Code Council shall adopt a rule to amend Section
1008.1.4.5 of the 2012 NC State Building Code (Fire Code) consistent with Section 14(a) of
this section.

SECTION 14.(c) Section 14(a) of this section expires on the date that the rule
adopted pursuant to Section 14(b) of this section becomes effective.

DESIGNATE "GOT TO BE NC" MARKETING CAMPAIGN AS THE OFFICIAL
AGRICULTURAL MARKETING CAMPAIGN FOR THE STATE

SECTION 15. G.S. 106-550 reads as rewritten:

"§ 106-550. Policy as to promotion of use of, and markets for, farm products.

(a) It is declared to be in the interest of the public welfare that the North Carolina
farmers who are producers of livestock, poultry, seafood, field crops and other agricultural
products, including cattle, sheep, broilers, turkeys, commercial eggs, peanuts, cotton, potatoes,
sweet potatoes, peaches, apples, berries, vegetables and other fruits of all kinds, as well as
bulbs and flowers and other agricultural products having a domestic or foreign market, shall be
permitted and encouraged to act jointly and in cooperation with growers, handlers, dealers and
processors of such products in promoting and stimulating, by advertising and other methods,
the increased production, use and sale, domestic and foreign, of any and all of such agricultural
commodities. The provisions of this Article, however, shall not include the agricultural
products of tobacco, strawberries, strawberry plants, porcine animals, or equines, with respect
to which separate provisions have been made.

(b) The "Got to Be NC" marketing campaign of the Department of Agriculture and
Consumer Services shall be the official agricultural marketing campaign for the State."

ALLOW CERTIFICATION OF PRIVATE PESTICIDE APPLICATORS

SECTION 16. G.S. 143-440(b) reads as rewritten:

"(b) The Board may include in any such restricted use regulation the time and conditions
of sale, distribution, or use of such restricted use pesticides, may prohibit the use of any
restricted use pesticide for designated purposes or at designated times; may require the
purchaser or user to certify that restricted use pesticides will be used only as labeled or as
further restricted by regulation; may require the certification and recertification of private
applicants, and charge a fee of up to ten dollars ($10.00), with the fee set at a level to make the
certification/recertification program self-supporting, and, after opportunity for a hearing, may
suspend, revoke or modify the certification for violation of any provision of this Article, or any
rule or regulation adopted thereunder; may adopt rules to classify private applicators; and may,
if it deems it necessary to carry out the provisions of this Part, require that any or all restricted
use pesticides shall be purchased, possessed, or used only under permit of the Board and under
its direct supervision in certain areas and/or under certain conditions or in certain quantities or
concentrations except that any person licensed to sell such pesticides may purchase and possess
such pesticides without a permit. The Board may require all persons issued such permits to
maintain records as to the use of the restricted use pesticides. The Board may authorize the use
of restricted use pesticides by persons licensed under the North Carolina Structural Pest Control
Act without a permit. A nonrefundable fee of ten dollars ($10.00) shall be charged for each
examination required by this section. This examination fee is in addition to the certification or
recertification fee, and any other fee authorized pursuant to any other provision of Article 4C of
Chapter 106 of the General Statutes."

EXEMPT STATE FAIR ADMISSION FEES FROM RULE MAKING

SECTION 17. G.S. 150B-1(d) is amended by adding a new subdivision to read:
"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

(26) The Board of Agriculture in the Department of Agriculture and Consumer Services with respect to annual admission fees for the State Fair. The Board shall annually post the admission fee schedule on its Web site and provide notice of the fee schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d)."

SEVERABILITY AND EFFECTIVE DATE
SECTION 18.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 18.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of August, 2014.

Became law upon approval of the Governor at 5:05 p.m. on the 6th day of August, 2014.

Session Law 2014-104

AN ACT TO PROVIDE FOR A DROPOUT PREVENTION AND RECOVERY PILOT PROGRAM WITH A CHARTER SCHOOL AND TO REQUIRE THE STATE BOARD OF EDUCATION TO REPORT ON UTILIZATION OF PERSONNEL CONTRACTS.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2011-259 is repealed.

SECTION 2. The State Board of Education shall establish a two-year Dropout Prevention and Recovery Pilot Program (Pilot Program). The State Board of Education shall select one charter school that has been approved by the State Board under G.S. 115C-238.29D to provide the educational services and programming for the Pilot Program. The purpose of the Pilot Program is to reengage students and increase the graduation rates in North Carolina through an educational program that provides flexible scheduling and a blended learning environment with individualized and self-paced learning options.

SECTION 3. To be eligible to participate in the Pilot Program, the charter school's enrollment shall only include high school students who have (i) dropped out of high school or (ii) transferred from their high school to the charter school. For the purposes of this act, high school shall include ninth through twelfth grades. Transfer decisions shall be made by the student who is 18 years of age or older or the student's parents or guardians. The charter school, its affiliated charter management organization, or its education management organization must be accredited by the Southern Association of Colleges and Schools as an indicator of quality instructional programming. All teachers employed by the charter school participating in the Pilot Program shall be licensed teachers under G.S. 115C-296.

SECTION 4. The charter school participating in the Pilot Program shall develop and implement an alternative accountability model that meets the guidelines adopted by the State Board of Education for alternative learning programs under G.S. 115C-12(24).

SECTION 5. For the charter school participating in the Pilot Program, the allotments and adjustments shall be made as provided in G.S. 115C-238.29H and shall be adjusted on the basis of the average daily membership in the fifth month of the school year.

SECTION 6. Existing charter schools meeting the criteria as provided in this act may apply to participate in the Pilot Program no later than August 31, 2014. The State Board of
Education shall select by September 30, 2014, the participant for the Pilot Program for the 2014-2015 and 2015-2016 school years.

SECTION 7. The State Board of Education shall submit a report to the Joint Legislative Education Oversight Committee by March 15, 2016, on the outcomes of the Dropout Prevention and Recovery Pilot Program, including (i) the number of students who dropped out of high school, enrolled in the program, and completed a high school diploma, (ii) the results of the alternative accountability model, and (iii) the impact on the ADM Contingency Reserve. The report shall also include any recommendations to enhance the effectiveness and the efficiency of the Pilot Program funding and accountability models.

SECTION 8. The Joint Legislative Education Oversight Committee shall report to the 2016 Regular Session of the 2015 General Assembly on necessary legislation to transition the Pilot Program into alternative charter schools serving high school students who have dropped out of high school.

SECTION 8.5. The State Board of Education and the Charter Schools Advisory Board shall jointly report by December 15, 2014, to the General Assembly on the utilization of contracts for personnel services by local boards of education and charter school boards of directors. The report shall indicate both the purposes and the extent of such contracts prevalent in each local school administrative district and charter schools statewide.

SECTION 9. This act is effective when it becomes law. The Pilot Program shall begin with the 2014-2015 school year and shall conclude at the end of the 2015-2016 school year.

In the General Assembly read three times and ratified this the 31st day of July, 2014. Became law upon approval of the Governor at 5:05 p.m. on the 6th day of August, 2014.

Session Law 2014-105

AN ACT TO ALLOW MONTGOMERY COUNTY EMPLOYEES AND THE DEPENDENTS OF EMPLOYEES TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.47(a), as enacted by Section 3 of S.L. 2014-75, reads as rewritten:

"(a) Eligibility. – The employees and dependents of employees of the following local government units are eligible to participate in the State Health Plan:

(1) Town of Elizabethtown, Montgomery County.
(2) Town of Matthews, Towns of Elizabethtown and Matthews.

..."

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

In the General Assembly read three times and ratified this the 30th day of July, 2014. Became law upon approval of the Governor at 5:06 p.m. on the 6th day of August, 2014.

Session Law 2014-106

AN ACT TO AMEND THE SELECTION CRITERIA FOR ADJUTANT GENERAL OF THE NORTH CAROLINA NATIONAL GUARD, TO ADD AN ASSISTANT ADJUTANT GENERAL FOR THE NORTH CAROLINA NATIONAL GUARD, AND TO ALLOW FOR ADDITIONAL USES OF FAMILY ASSISTANCE CENTER FUNDS FOR SURVIVING FAMILY MEMBERS OF DECEASED NATIONAL GUARD SERVICEMEMBERS.
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127A-19 reads as rewritten:


(a) The military head of the militia shall be the Adjutant General who shall hold the rank of major general with federal recognition at time of appointment or attain the rank of major general pursuant to this section. The Adjutant General shall be appointed by the Governor in the Governor's capacity as commander in chief of the militia, in consultation with the Secretary of Public Safety, and shall serve at the pleasure of the Governor. No person shall be appointed as Adjutant General who has less than five years' commissioned service in an active status in any component of the Armed Forces of the United States. The Adjutant General, while holding this office, may be a member of the active North Carolina National Guard or naval militia. If an appointed Adjutant General does not attain the rank of major general with federal recognition within a reasonable period of time from the date of appointment, the Governor shall replace the Adjutant General with an appointee who meets the criteria in this section. A "reasonable period of time" shall take into account time in grade requirements for promotion or promotions and administrative periods necessary to complete the promotion process.

(b) In order to be eligible for appointment as Adjutant General, a person shall be a resident of the State of North Carolina and meet all of the following requirements:

1. The person shall have a total of at least 10 years of commissioned service in any component or components of the Armed Forces of the United States.

2. The person shall have a minimum of three years commissioned service in the Army or Air National Guard within the six-year period previous to the appointment date.

3. The person, at the time of appointment, shall be one of the following:
   a. A major general with federal recognition or who is eligible for federal recognition.
   b. A brigadier general with federal recognition or who is eligible for federal recognition and who is eligible for promotion to major general with federal recognition.
   c. A colonel with federal recognition or who is eligible for federal recognition; who is eligible for promotion and federal recognition as a brigadier general; and who is eligible for promotion to major general with federal recognition.

4. The person shall have completed all service school or other criteria for promotion to general officer with federal recognition.

5. The person shall have a minimum of 12 months in command of either (i) an Army or Air National Guard unit or (ii) a unit in any component of the Armed Forces of the United States.

(c) Subject to the approval of the Governor and in consultation with the Secretary of Public Safety, the Adjutant General may appoint (i) a deputy adjutant general who may hold the rank of major general, and (ii) an assistant adjutant general for Army National Guard and an assistant adjutant general for Air National Guard, each of whom may hold the rank of brigadier general and who shall serve at the pleasure of the Governor. The Adjutant General may also employ staff members and other personnel as authorized by the Secretary and funded.

1. A deputy adjutant general, who may hold the same rank as the Adjutant General.

2. Two assistant adjutants general for the Army National Guard and an assistant adjutant general for the Air National Guard, each of whom may hold the rank of brigadier general.
The appointees authorized by this subsection shall serve at the pleasure of the Governor. The Adjutant General may also employ staff members and other personnel as authorized by the Secretary and funded.

SECTION 2. The North Carolina National Guard may use funds appropriated to it for Family Assistance Centers for expenses related to support of surviving family members of deceased members of the North Carolina National Guard, including, but not limited to, the costs of providing educational materials; workshops; outreach events; and invitational travel, including per diem and other travel-related expenses.

SECTION 3. This act is effective when it becomes law. Section 1 of this act applies to appointments made on or after the effective date of this act.

In the General Assembly read three times and ratified this the 30th day of July, 2014.

Became law upon approval of the Governor at 5:06 p.m. on the 6th day of August, 2014.

Session Law 2014-107  S.B. 773

AN ACT TO IMPLEMENT (I) THE RECOMMENDATIONS OF THE GENERAL STATUTES COMMISSION TO MODIFY THE SLAYER STATUTE DUE TO THE NEED TO ACCOUNT FOR PROPERTY HELD IN A JOINT TENANCY IN UNEQUAL SHARES, TO CLARIFY THE PROVISIONS FOR FILING CERTIFIED COPIES OF PROBATED WILLS IN OTHER COUNTIES WHERE A DECEDENT HAS REAL PROPERTY, AND TO DELETE THE STATUTORY FORMS FOR JUDGMENT DEBTORS CLAIMING EXEMPTIONS UNDER G.S. 1C-1601 BECAUSE THE ADMINISTRATIVE OFFICE OF THE COURTS ALREADY HAS WIDELY USED FORMS FOR THAT PURPOSE, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND (II) THE RECOMMENDATIONS OF THE NORTH CAROLINA BAR ASSOCIATION TO CLARIFY THE REQUIREMENTS FOR THE TIMELY SUBSTITUTION OF A PERSONAL REPRESENTATIVE IN PLACE OF A DECEDENT IN AN ACTION PENDING AT THE DECEDENT'S DEATH AND TO CLARIFY THAT THE COMMON LAW RULE AGAINST ACCUMULATIONS DOES NOT APPLY TO TRUSTS IN THIS STATE; AND TO MAKE OTHER CHANGES TO THE LAW.

The General Assembly of North Carolina enacts:

PART I. MODIFICATION OF SLAYER STATUTE

SECTION 1.1. G.S. 31A-6 reads as rewritten:


(a) Where the slayer and the decedent hold property with right of survivorship as joint tenants, joint owners, joint obligees or otherwise, otherwise, the following apply:

(1) The decedent's share shall pass immediately upon the death of the decedent to his estate.

(2) The slayer's share shall be held by the slayer during his lifetime for life and at his death shall pass to the estate of the decedent. During his lifetime, the slayer shall have the right to the income from his share of the property subject to the rights of creditors of the slayer's estate.

(b) Where three or more persons, including the slayer and the decedent, hold property with right of survivorship as joint tenants, joint owners, joint obligees or otherwise, the portion of the decedent's share which would have accrued to the slayer as a result of the death of the decedent shall pass to the estate of the decedent. If the slayer becomes the final survivor, one half of the property then held by the slayer shall pass immediately to the estate of the decedent, and upon the death of the slayer the remaining interest of the slayer shall pass to the estate of
the decedent. During his lifetime the slayer shall have the right to the income from his share of the property subject to the rights of creditors of the slayer; otherwise, the following apply:

1. The decedent's share is converted effective upon the decedent's death to that of a tenant in common and passes to the decedent's estate.

2. The remaining persons, including the slayer, continue to hold their shares with right of survivorship.

3. If the slayer becomes the final survivor, upon the slayer's death, the slayer's share, which includes the other shares that passed to the slayer as the final survivor, shall pass to the decedent's estate.

(c) During the slayer's lifetime, the slayer shall have the right to the income from the slayer's share subject to the rights of the slayer's creditors.

(d) Nothing in this section prohibits a partitioning of the property pursuant to Chapter 46 of the General Statutes or severing the joint tenancy in any manner provided by law. Any share taken by the slayer by reason of partition or severance shall be subject to subdivision (3) of subsection (b) of this section.

SECTION 1.2. This Part becomes effective October 1, 2014, and applies to property subject to Article 3 of Chapter 31A of the General Statutes as to decedents dying on or after that date.

PART II. CLARIFY THE PROVISIONS FOR FILING CERTIFIED COPIES OF PROBATED WILLS IN OTHER COUNTIES WHERE A DECEDENT HAS REAL PROPERTY

SECTION 2.1. G.S. 28A-2A-13 reads as rewritten:

"§ 28A-2A-13. Wills filed in clerk's office; certified copies filed for real property in other counties.

(a) All original probated wills shall remain in the clerk's office, among the public records of the court where the same shall be proved, and to such wills any person may have access, as to the other records. wills were probated.

(b) If said a probated will contains a devise of real estate, devises real property outside the county where said will was probated, then a copy of the said will, together with the probate of the same, a copy of the will and a copy of the certificate of probate of the will, certified under the hand and seal of the clerk of the superior court of said the county where the will was probated, may be recorded in the book of wills and filed in the office of the clerk of the superior court of any other county in this State in which said land is situated with the real property is situated. The filing of the probated will in the county where the real property is situated shall have the same effect as to passing the title to said real estate for purposes of G.S. 31-39(c) as to the priorities of claims against the real property as if said the will had originally been probated and filed in said county and the clerk of the superior court of said last mentioned county had in that county and as if the clerk of superior court of that county had jurisdiction to probate the same will."

SECTION 2.2. G.S. 31-39(c) reads as rewritten:

"(c) A will duly probated in one county of this State is not effective to pass title to an interest in real property located in any other county of this State as against lien creditors or purchasers for valuable consideration from the intestate heirs at law of a decedent unless a certified copy of the will is and a certified copy of the certificate of probate of the will are filed in the office of the clerk of superior court in the county where the real property lies within the time limitation set forth in subsection (b) of this section."

SECTION 2.3. This Part becomes effective October 1, 2014, and applies to estates of decedents dying before, on, or after that date.

PART III. DELETE STATUTORY FORMS IN G.S. 1C-1603

SECTION 3.1. G.S. 1C-1603 reads as rewritten:
"§ 1C-1603. Procedure for setting aside exempt property.

(a) Motion or Petition; Notice. –

(1) A judgment debtor may have his exempt property designated by motion after judgment has been entered against him. A judgment debtor, that person's exempt property may be designated by motion.

(2) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 10.

(3) The clerk or district court judge may determine that particular property is not exempt even though there has been no proceeding to designate the exemption.

(4) After judgment, except as provided in G.S. 1C-1603(a)(3) subdivision (3) of this subsection or when exemptions have already been designated, the clerk may not issue an execution or writ of possession unless notice from the court has been served upon the judgment debtor advising the debtor of the debtor's rights. The judgment creditor shall cause the notice, which shall be accompanied by the form for the statement by the debtor under subsection (c) of this section, to be served on the debtor as provided in G.S. 1A-1, Rule 4(j)(1). If the judgment debtor cannot be served as provided above, under G.S. 1A-1, Rule 4(j)(1), the judgment creditor may serve the judgment debtor by mailing a copy of the notice to the judgment debtor at the debtor's last known address. Proof of service by certified or registered mail or personal service is as provided in G.S. 1A-1, Rule 4. The judgment creditor may prove service by mailing to last known address by filing a certificate that the notice was served indicating the circumstances warranting the use of such service and the date and address of service.

(5) The Administrative Office of the Courts must provide a form for the notice from the court required by subdivision (4) of this subsection. The notice shall be substantially in the following form:

   a. The judgment debtor has the right to retain an interest in certain property free from collection efforts by the judgment creditor.

   b. To preserve that right, the judgment debtor is required to respond to the notice by filing a motion or petition to claim exempt property, including a schedule of assets that are claimed as exempt, no later than 20 days after the debtor receives the notice, and that the judgment debtor must also mail or take a copy to the judgment creditor at the address provided in the notice.

   c. The judgment debtor has the option to request a hearing to claim exemptions rather than filing a schedule of assets.

   d. The judgment debtor may have exemptions under State and federal law that are in addition to those listed on the form for the debtor's statement that is included with the notice, such as Social Security benefits, unemployment benefits, workers' compensation benefits, and earnings for the debtor's personal services rendered within the last 60 days.

   e. There is a procedure for challenging an attachment or levy on the judgment debtor's property.

   f. The judgment debtor may wish to consider hiring an attorney.

   g. Failure to respond within the required time results in the loss of statutory rights.

NORTH CAROLINA IN THE GENERAL COURT
____________________ COUNTY OF JUSTICE DISTRICT
                      COURT DIVISION
CvD

651
**NOTICE OF PETITION (OR MOTION) TO SET OFF DEBTOR’S EXEMPT PROPERTY**

**GREETINGS:**

You have been named as a “judgment debtor” in a proceeding initiated by a “judgment creditor”. A “judgment debtor” is a person who a court has declared owes money to another, the “judgment creditor”. The purpose of this proceeding is to make arrangements to collect that debt from you personally or from property you own.

It is important that you respond to this notice no later than 20 days after you receive it because you may lose valuable rights if you do nothing. You may wish to consider hiring an attorney to help you with this proceeding to make certain that you receive all the protections to which you are entitled under the North Carolina Constitution and laws.

**NOTICE TO JUDGMENT DEBTOR:**

THERE ARE CERTAIN EXEMPTIONS UNDER STATE AND FEDERAL LAW THAT YOU ARE ENTITLED TO CLAIM IN ADDITION TO THE EXEMPTIONS LISTED ON THE “SCHEDULE OF DEBTOR’S PROPERTY AND REQUEST TO SET ASIDE EXEMPT PROPERTY” THAT IS ENCLOSED WITH THIS NOTICE.

These exemptions may include social security benefits, unemployment benefits, workers’ compensation benefits, and earnings for your personal services rendered within the last 60 days. There is available to you a prompt procedure for challenging an attachment or levy on your property.

**(b) Contents of Motion or Petition. –** The motion or petition must:

1. Name the judgment debtor;
2. Name the judgment creditors of the debtor insofar as they are known to the movant;
3. If it is a motion to modify a previously allocated exemption, describe the change of condition (if the movant received notice of the exemption hearing) and the modification desired.

**(c) Statement by the Debtor. –** When proceedings are instituted, the judgment debtor shall file with the court a schedule of:

1. The debtor’s assets, including their location;
2. The debtor’s debts and the names and addresses of the debtor’s creditors;
3. The property that the debtor desires designated as exempt.

The form for the statement shall be substantially as follows:

**NOTICE TO JUDGMENT DEBTOR:**

THERE ARE CERTAIN EXEMPTIONS UNDER STATE AND FEDERAL LAW THAT YOU ARE ENTITLED TO CLAIM IN ADDITION TO THE EXEMPTIONS LISTED BELOW.

These exemptions may include social security benefits, unemployment benefits, workers’ compensation benefits, and earnings for your personal services rendered within the last 60 days.
days. There is available to you a prompt procedure for challenging an attachment or levy on your property.

I, ___________, being duly sworn do deposes and say:

(fill in your name)

1. That I am a citizen and resident of ____________________________ County, North Carolina;
2. That I was born on ____________________;  
   (date of birth)
3. That I am (married to __________________) (spouse's name)
   (not married)
4. That the following persons live in my household and are in substantial need of my support:

<table>
<thead>
<tr>
<th>NAME</th>
<th>RELATIONSHIP TO DEBTOR</th>
<th>AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>__________________</td>
<td>______________________</td>
<td>_____</td>
</tr>
<tr>
<td>__________________</td>
<td>______________________</td>
<td>_____</td>
</tr>
<tr>
<td>__________________</td>
<td>______________________</td>
<td>_____</td>
</tr>
<tr>
<td>__________________</td>
<td>______________________</td>
<td>_____</td>
</tr>
</tbody>
</table>

(Use additional space, as necessary)

5. That (I own) (I am purchasing) (I rent) (choose one; mark out the other choices) a (house) (trailer) (apartment) (choose one; mark out the other choices) located at ________________________________________________________ which is my residence.  
   (address, city, zip code)
6. That I (do) (do not) own any other real property. If other real property is owned, list that property on the following lines; if no other real property is owned, mark "not applicable" on the first line.

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

7. That the following persons are, so far as I am able to tell, all of the persons or companies to whom I owe money:

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

8. That I wish to claim my interest in the following real or personal property, or in a cooperative that owns property, that I use as a residence or my dependent uses as a residence. I also wish to claim my interest in the following burial plots for myself or my dependents. I understand that my total interest claimed in the residence and burial plots may not exceed $35,000, except that if I am unmarried and am 65 years of age or older, I am entitled to claim a total exemption in the residence and burial plots not to exceed $60,000 so long as the property was previously owned by me as a tenant by the entirety or as a joint tenant with rights of survivorship, and the former co-owner of the property is deceased.

I understand that I am not entitled to this exemption if I take the homestead exemption provided by the Constitution of North Carolina in other property. I understand that if I wish to claim more than one parcel exempt I must attach additional pages setting forth the following information for each parcel claimed exempt.

Property Location:
   County _______ Township ____________________
   Street Address ________________________________
Legal Description:
Number by which county tax assessor identifies property ______________________
Description (Attach a copy of your deed or other instrument of conveyance that describes
the property and indicate here: ________ or describe the property in as much detail as possible.
Attach additional sheets if necessary.)

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

Record Owner(s) ________________________________________________________
______________________________________________________________________
______________________________________________________________________

Estimated Value: ________________________________________________________

Lienholders:
(1) Name ____________________ Current Balance _________________________
Address __________________________________________________________
(2) Name ____________________ Current Balance _________________________
Address __________________________________________________________
(3) Name ____________________ Current Balance _________________________
Address __________________________________________________________
(4) If others, attach additional pages.

If you are unmarried and 65 years of age or older, specify which, if any, property listed
above was previously owned by you as a tenant by the entireties or as a joint tenant with rights
of survivorship and as to which the former co-owner of the property is deceased:

9. That I wish to claim the following life insurance policies whose sole beneficiaries are
(my wife) (my children) (my wife and children) as exempt:
Name of Insurer Policy Number Face Value Beneficiary(ies)
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

10. That I wish to claim the following items of health care aid necessary for (myself) (my
dependents) to work or sustain health:
Item Purpose Person using item
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

11. That I wish to claim the following implements, professional books, or tools (not to
exceed $2,000), of my trade or the trade of my dependent. I understand that such property
purchased within 90 days of this proceeding may not be exempt:
Item Estimated Value
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

12. That I wish to claim the following personal property consisting of household
furnishings, household goods, wearing apparel, appliances, books, animals, crops or musical
instruments as exempt from the claims of my creditors. I affirm, that these items of personal
property are held primarily for my personal, family or household use or for such use by my
dependents.

I understand that I am entitled to personal property worth the sum of $5,000. I understand
that I am also entitled to $1,000 for each person dependent on me for support, but not to exceed
$4,000 for dependents. I further understand that I am entitled to this amount after deduction
from the value of the property the amount of any valid lien or purchase money security interest
and that property purchased within 90 days of this proceeding may not be exempt.
13. That I wish to claim my interest in the following motor vehicle as exempt from the claims of my creditors. I understand that I am entitled to my interest in a motor vehicle worth the sum of $3,500 after deduction of the amount of any valid liens or purchase money security interests. I understand that a motor vehicle purchased within 90 days of this proceeding may not be exempt.

<table>
<thead>
<tr>
<th>Make and Year</th>
<th>Name(s) of Title Owner</th>
<th>Name(s) of Lien Holder(s)</th>
<th>Estimated Value of Debtor's Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. That I wish to claim as exempt the following compensation that I received or to which I am entitled for the personal injury of myself or a person upon whom I was dependent for support, including compensation from a private disability policy or an annuity, or compensation that I received for the death of a person upon whom I was dependent for support. I understand that this compensation is not exempt from claims for funeral, legal, medical, dental, hospital or health care charges related to the accident or injury that resulted in the payment of the compensation to me. I understand that if I wish to claim more than one amount of compensation exempt, I must attach additional pages setting forth the following information for each amount of compensation claimed exempt:

(a) amount of compensation

(b) method of payment: lump sum or installments

(If installments, state amount, frequency and duration of payments)

(c) name and relationship to debtor of person(s) injured or killed giving rise to compensation

(d) location/source of compensation if received in lump or installments, including name and account number of any disability policy or annuity

(e) unpaid debts arising out of the injury or death giving rise to compensation

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Services Rendered</th>
<th>Amount of Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. That I wish to claim the following property as exempt because I claimed residential real or personal property as exempt that is worth less than $35,000 or I made no claim for a residential exemption under section (8) above. I understand that I am entitled to an exemption of up to $5,000 in any property only if I made no claim under section (8) above or a claim that was less than $35,000 under section (8) above. I understand that I am entitled to claim any unused amount that I was permitted to make under section (8) above up to a maximum of $5,000 in any property. (Examples: (a) if you claim $34,000 under section (8), $1,000 allowed here; (b) if you claim $20,000 under section (8), $5,000 allowed here; (c) if you claim $35,000 under section (8), no claim allowed here.) I further understand that the amount of my claim under this section is after the deduction from the value of this property of the amount of any valid lien or purchase money security interests and that tangible personal property purchased within 90 days of this proceeding may not be exempt.
PERSONAL PROPERTY:

<table>
<thead>
<tr>
<th>Property Location</th>
<th>Amount of Liens</th>
<th>Value of or Purchase Money</th>
<th>Security Interests</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

REAL PROPERTY (I understand that if I wish to claim more than one parcel exempt, I must attach additional pages setting forth the following information for each parcel claimed exempt):

Property Location

- County  
- Township  
- Street Address  

Legal Description:

- Number by which county tax assessor identifies property

Description (Attach a copy of your deed or other instrument of conveyance that describes the property and indicate here: _____ or describe the property in as much detail as possible. Attach additional sheets if necessary.)

Record Owner(s):

-  
-  
-  
-  

Estimated Value:

Lienholders:

1. Name  Current Balance
   Address

2. Name  Current Balance
   Address

3. Name  Current Balance
   Address

4. If others, attach additional pages.

16. That I wish to claim as exempt the following retirement plans that I have that are individual retirement plans as described in the Internal Revenue Code or that are treated in the same manner as an individual retirement plan under the Internal Revenue Code, including individual retirement accounts and Roth retirement accounts as described in section 408(a) and section 408A of the Internal Revenue Code, individual retirement annuities as described in section 408(b) of the Internal Revenue Code, and accounts established as part of a trust described in section 408(c) of the Internal Revenue Code.

<table>
<thead>
<tr>
<th>Type of Retirement Account</th>
<th>Name of Account</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. That I wish to claim as exempt the following funds I hold in a college savings plan, not to exceed $25,000. I understand that to qualify for this exemption, the college savings plan
must qualify as a college savings plan under section 529 of the Internal Revenue Code, and the college savings plan must be for my child and must actually be used for my child's college or university expenses. I understand I may not exempt any funds I placed in this account within the preceding 12 months, except to the extent that any contributions were made in the ordinary course of my financial affairs and were consistent with my past pattern of contributions.

<table>
<thead>
<tr>
<th>College Savings Plan</th>
<th>Account Number</th>
<th>Value</th>
<th>Name(s) of Child(ren) Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. That I wish to claim as exempt the following retirement benefits to which I am entitled to under the retirement plans of other states and governmental units of other states. I understand that these benefits are exempt only to the extent these benefits are exempt under the laws of the state or governmental unit under which the benefit plan was established.

<table>
<thead>
<tr>
<th>State/Government Unit</th>
<th>Name of Retirement Plan</th>
<th>Identifying Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. That I wish to claim as exempt any alimony, support, separate maintenance, or child support payments or funds that I have received or that I am entitled to receive. I understand that these payments are exempt only to the extent that they are reasonably necessary for my support or for the support of a person dependent on me for support.

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>Person Paying Support</th>
<th>Amount &amp; Location of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20. That the following is a complete listing of all of my assets that I have not claimed as exempt under any of the preceding paragraphs:

<table>
<thead>
<tr>
<th>Item</th>
<th>Location</th>
<th>Estimated value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This the ____ day of ____, ____.

Judgment Debtor

Sworn to and Subscribed before me this ____ day of ____, ____.

Notary Public _____________________________ My Commission Expires: ____

(c1) Form for Debtor's Statement. – The Administrative Office of the Courts must provide a form for the schedule required under subsection (c) of this section. The form must include a statement to the effect that North Carolina law and federal law also exempt certain other property not included in the form, such as Social Security benefits, unemployment benefits, workers' compensation benefits, and earnings for the debtor's personal services rendered within the last 60 days.

(d) Notice to Persons Affected. – If the judgment debtor moves to designate his exemptions, a copy of the motion and schedule must be served on the judgment creditor as provided in G.S. 1A-1, Rule 5.

(e) Procedure for Setting Aside Exempt Property. –

(1) When served with the notice provided in G.S. 1C-1603(a)(4) under subdivision (4) of subsection (a) of this section, the judgment debtor may either file a motion to designate his exemptions with a schedule of assets or may request, in writing, a hearing before the clerk to claim exemptions.

(2) If the judgment debtor does not file a motion to designate exemptions with a schedule of assets within 20 days after notice of his the debtor's rights was
served in accordance with G.S. 1C-1603(a)(4) subdivision (4) of subsection (a) of this section, or if he the debtor does not request a hearing before the clerk within 20 days after service of the notice of rights and appear at the requested hearing, the judgment debtor has waived the exemptions provided in this Article and in Sections 1 and 2 of Article X of the North Carolina Constitution. Upon request of the judgment creditor, the clerk shall issue a writ of execution or writ of possession.

(3) If the judgment debtor moves to designate his exemptions by filing a motion and schedule of assets, the judgment creditor must be served as provided in G.S. 1C-1603(d) subsection (d) of this section.

(4) If the judgment debtor requests a hearing before the clerk to claim exemptions, the clerk must set a hearing date and give notice of the hearing to the judgment debtor and judgment creditor. At the hearing, the judgment debtor may claim his exemptions.

(5) The judgment creditor has 10 days from the date served with a motion and schedule of assets or from the date of a hearing to claim exemptions to file an objection to the judgment debtor's schedule of exemptions.

(6) If the judgment creditor files no objection to the schedule filed by the judgment debtor or claimed at the requested hearing, the clerk must enter an order designating the property allowed by law and scheduled by the judgment debtor as exempt property. Upon request of the judgment creditor, the clerk shall issue an execution or writ of possession except for exempt property.

(7) If the judgment creditor objects to the schedule filed or claimed by the judgment debtor, the clerk must place the motion for hearing by the district court judge, without a jury, at the next civil session.

(8) The district court judge must determine the value of the property. The district court judge or the clerk, upon order of the judge, may appoint a qualified person to examine the property and report its value to the judge. Compensation of that person must be advanced by the person requesting the valuation and is a court cost having priority over the claims.

(9) The district court judge must enter an order designating exempt property. Supplemental reports and orders may be filed and entered as necessary to implement the order.

(10) Where the order designating exemptions indicates excess value in exempt property, the clerk, in an execution, may order the sale of property having excess value and appropriate distribution of the proceeds.

(11) The clerk or district court judge may permit a particular item of property having value in excess of the allowable exemption to be retained by the judgment debtor upon his the debtor's making available to judgment creditors money or property not otherwise available to them in an amount equivalent to the excess value. Priorities of judgment creditors are the same in the substituted property as they were in the original property.

(12) Appeal from a designation of exempt property by the clerk is to the district court judge. A party has 10 days from the date of entry of an order to appeal. Appeal from a designation of exempt property by a district court judge is to the Court of Appeals. Decisions of the Court of Appeals with regard to questions of valuation of property are final as provided in G.S. 7A-28. Other questions may be appealed as provided in G.S. 7A-30 and 7A-31.

(f) Notation of Order on Judgment Docket. – A notation of the order setting aside exempt property must be entered by the clerk of court on the judgment docket opposite the judgment that was the subject of the enforcement proceeding. If real property located in a county other than the county in which the judgment was rendered is designated as exempt and
Session Laws-2014

S.L. 2014-107

the judgment has already been docketed in that county, the clerk must send a notice of the designation of exempt property to the county where the property is located. The clerk of the county where the land is located shall enter a notation of the designation of exempt property on the judgment docket. If a judgment is docketed in a county where real property is located after that real property has been designated as exempt, the transcript of judgment must indicate that the exemptions have been designated. The clerk in the county receiving the transcript must enter the notation of designation of exempt property as well as docket the judgment.

(g) Modification. – The judge's exemption may be modified by motion in the original exemption proceeding by anyone who did not receive notice of the exemption hearing. Also, the debtor's exemption may be modified upon a change of circumstances, by motion in the original exemption proceeding, made by the debtor or anyone interested. A substantial change in value may constitute changed circumstances. Modification may include the substitution of different property for the exempt property.

(h) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1224, s. 14."

SECTION 3.2. This Part becomes effective October 1, 2014. This Part does not affect any debtor's statements issued before that date.

PART IV. CLARIFY TIME FRAME FOR SUBSTITUTION OF PERSONAL REPRESENTATIVE

SECTION 4.1. G.S. 28A-19-1(c) reads as rewritten:

"(c) In an action pending against the decedent at the time of the decedent's death, which action survives at law, the court may order the substitution of the personal representative or collector for the decedent on motion therefor and that motion will constitute the presentation of a claim, provided that substitution occurs within the time specified for the presentation of claims under G.S. 28A-19-3, any claim pending in the action, provided that the substitution or a motion for substitution is made within the time specified for the presentation of claims under G.S. 28A-19-3, and no further presentation is necessary. Such claim will be deemed to have been presented from the time of the substitution, or motion therefor. Neither the timely substitution of the personal representative nor timely motion therefor as provided in this subsection extends the time for filing additional claims."

PART V. CLARIFY THAT COMMON LAW RULE AGAINST ACCUMULATIONS NO LONGER APPLIES TO TRUSTS

SECTION 5.1. G.S. 41-23(h) reads as rewritten:

"(h) The provisions of G.S. 41-15 and G.S. 41-15, the common law rule against perpetuities, and the common law rule against accumulations do not apply to trusts created or administered in this State."

PART VI. ALLOW VIDEOCONFERENCING BETWEEN A TREATMENT FACILITY AND A COURTROOM IN INPATIENT COMMITMENT HEARINGS

SECTION 6.1. G.S. 122C-268(g) reads as rewritten:

"(g) Hearings may be held in an appropriate room not used for treatment of clients at the facility in which the respondent is being treated if it is located within the judge's district court district as defined in G.S. 7A-133, by interactive videoconferencing between a treatment facility and a courtroom, or in the judge's chambers. A hearing may not be held in a regular courtroom, over objection of the respondent, if in the discretion of a judge a more suitable place is available."

PART VII. EFFECTIVE DATE

SECTION 7.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2014. Became law upon approval of the Governor at 5:07 p.m. on the 6th day of August, 2014.

659
AN ACT TO MAKE VARIOUS CHANGES TO LAWS AFFECTING THE DEPARTMENT OF TRANSPORTATION AND THE DIVISION OF MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

DWI INTERLOCK VIOLATION/DMV HEARING SITE

SECTION 1.(a) G.S. 20-17.8(j) reads as rewritten:

"(j) Right to Hearing Before Division; Issues. – If the person's license is revoked pursuant to subsection (g) of this section, before the effective date of the order issued under subsection (i) of this section, the person may request in writing a hearing before the Division. Except for the time referred to in G.S. 20-16.5, if the person shows to the satisfaction of the Division that the person's license was surrendered to the court and remained in the court's possession, then the Division shall credit the amount of time for which the license was in the possession of the court against the revocation period required by subsection (g) of this section. If the person properly requests a hearing, the person retains the person's license, unless it is revoked under some other provision of law, until the hearing is held, the person withdraws the request, or the person fails to appear at a scheduled hearing. The hearing officer may subpoena any witnesses or documents that the hearing officer deems necessary. The person may request the hearing officer to subpoena the charging officer, the chemical analyst, or both to appear at the hearing if the person makes the request in writing at least three days before the hearing. The person may subpoena any other witness whom the person deems necessary, and the provisions of G.S. 1A-1, Rule 45, apply to the issuance and service of all subpoenas issued under the authority of this section. The hearing officer is authorized to administer oaths to witnesses appearing at the hearing. The hearing must be conducted in the county where the charge was brought, and except when the evidence of the violation is an alcohol concentration report from an ignition interlock system, the hearing may be conducted in the county where the person resides. The hearing must be limited to consideration of whether:

(1) The drivers license of the person had an ignition interlock requirement; and
(2) The person:
   a. Was driving a vehicle that was not equipped with a functioning ignition interlock system; or
   b. Did not personally activate the ignition interlock system before driving the vehicle; or
   c. Drove the vehicle in violation of an applicable alcohol concentration restriction prescribed by subdivision (b)(3) of this section.

If the Division finds that the conditions specified in this subsection are met, it must order the revocation sustained. If the Division finds that the condition of subdivision (1) is not met, or that none of the conditions of subdivision (2) are met, it must rescind the revocation. If the revocation is sustained, the person must surrender the person's license immediately upon notification by the Division. If the revocation is sustained, the person may appeal the decision of the Division pursuant to G.S. 20-25."

SECTION 1.(b) This section becomes effective October 1, 2014, and applies to hearings requested on or after that date.

SINGLE LICENSE PLATE RENEWAL STICKER

SECTION 2.(a) G.S. 20-66(c) reads as rewritten:

"(c) Renewal Stickers. – A single registration renewal sticker issued by the Division must be displayed on the registration plate that it renews in the place prescribed by the Commissioner and must indicate the period for which it is displayed and the registration plate on which it is valid. Except where physical differences between a registration renewal sticker
and a registration plate render a provision of this Chapter inapplicable, the provisions of this Chapter relating to registration plates apply to registration renewal stickers."

**SECTION 2.(b)** This section becomes effective January 1, 2015.

**PERMANENT REGISTRATION PLATE CHANGES**

**SECTION 3.(a)** G.S. 20-84(b) is amended by adding two new subdivisions to read:

"(b) Permanent Registration Plates. – The Division may issue permanent plates for the following motor vehicles:

(18) A motor vehicle that is owned and operated by a sanitary district created under Part 2 of Article 2 of Chapter 130A of the General Statutes.

(19) Any motor vehicle owned by a federally recognized tribe."

**SECTION 3.(b)** This section is effective when it becomes law.

**CLARIFY APPLICATION OF DEALER FEE DISCLOSURE REQUIREMENTS**

**SECTION 4.(a)** G.S. 20-101.1 is amended by adding a new subsection to read:

"(d) This section does not apply to a dealer fee related to the online registration of a motor vehicle when the dealer fee is separately stated on the buyer's order, purchase order, retail installment sales agreement, lease, or bill of sale."

**SECTION 4.(b)** This section becomes effective October 1, 2014.

**MOTOR VEHICLE DEALER LICENSE PROBATION AUTHORIZED**

**SECTION 5.(a)** G.S. 20-294 reads as rewritten:

"§ 20-294. Grounds for denying, suspending, placing on probation, or revoking licenses.

The Division may deny, suspend, place on probation, or revoke a license issued under this Article for any one or more of the following grounds:

1. Making a material misstatement in an application for a license.
2. Willfully and intentionally failing to comply with this Article, Article 15 of this Chapter, or G.S. 20-52.1, 20-75, 20-79.1, 20-79.2, 20-108, 20-109, or a rule adopted by the Division under this Article.
3. Failing to have an established salesroom, if the license holder is a motor vehicle dealer, or failing to have an established office, if the license holder is a wholesaler.
4. Willfully defrauding any retail buyer, to the buyer's damage, or any other person in the conduct of the licensee's business.
5. Employing fraudulent devices, methods or practices in connection with compliance with the requirements under the laws of this State with respect to the retaking of motor vehicles under retail installment contracts and the redemption and resale of such motor vehicles.
6. Using unfair methods of competition or unfair deceptive acts or practices.
7. Knowingly advertising by any means, any assertion, representation or statement of fact which is untrue, misleading or deceptive in any particular relating to the conduct of the business licensed or for which a license is sought.
8. Knowingly advertising a used motor vehicle for sale as a new motor vehicle.
9. Being convicted of an offense set forth under G.S. 20-106, 20-106.1, 20-107, or 20-112 while holding such a license or within five years next preceding the date of filing the application; or being convicted of a felony involving moral turpitude under the laws of this State, another state, or the United States.
10. Submitting a bad check to the Division of Motor Vehicles in payment of highway use taxes collected by the licensee.
(11) Knowingly giving an incorrect certificate of title, or failing to give a certificate of title to a purchaser, a lienholder, or the Division, as appropriate, after a vehicle is sold.

(12) Making a material misstatement in an application for a dealer license plate.

(13) Failure to pay a civil penalty imposed under G.S. 20-287."

SECTION 5.(b) This section becomes effective October 1, 2014.

CHANGE TO MOTOR VEHICLE DEALER LICENSE SERVICE OF HEARING ORDER

SECTION 6.(a) G.S. 20-296 reads as rewritten:

"§ 20-296. Notice and hearing upon denial, suspension, revocation, placing on probation, or refusal to renew license.

No license shall be suspended or revoked, placed on probation, or renewal thereof refused, until a written notice of the complaint made has been furnished to the licensee against whom the same is directed, and a hearing thereon has been had before the Commissioner, or a person designated by him. At least 10 days' written notice of the time and place of such hearing shall be given to the licensee by certified mail with return receipt requested to his last known address as shown on his license or other record of information in possession of the Division. At any such hearing, the licensee shall have the right to be heard personally or by counsel. After hearing, the Division shall have power to suspend, revoke, place on probation, or refuse to renew the license in question. Immediate notice of any such action shall be given to the licensee in the manner herein provided in the case of notices of hearing in accordance with G.S. 1A-1, Rule 4(j) of the Rules of Civil Procedure."

SECTION 6.(b) This section becomes effective October 1, 2014, and applies to notices given on or after that date.

DOT MINORITY/WOMEN BUSINESS PROGRAM

SECTION 7.(a) G.S. 136-28.4(e) reads as rewritten:

"(e) This section expires August 31, 2015."

SECTION 7.(b) This section becomes effective when it becomes law.

NOTIFY PROPERTY OWNERS OF RIGHT-OF-WAY TRANSFERS

SECTION 8.(a) G.S. 136-66.10 reads as rewritten:

"§ 136-66.10. Dedication of right-of-way under local ordinances.

(a) Whenever a tract of land located within the territorial jurisdiction of a city or county's zoning or subdivision control ordinance or any other land use control ordinance authorized by local act is proposed for subdivision or for use pursuant to a zoning or building permit, and a portion of it is embraced within a corridor for a street or highway on a plan established and adopted pursuant to G.S. 136-66.2, a city or county zoning or subdivision ordinance may provide for the dedication of right-of-way within that corridor pursuant to any applicable legal authority, or:

(1) A city or county may require an applicant for subdivision plat approval or for a special use permit, conditional use permit, or special exception, or for any other permission pursuant to a land use control ordinance authorized by local act to dedicate for street or highway purpose, the right-of-way within such corridor if the city or county allows the applicant to transfer density credits attributable to the dedicated right-of-way to contiguous land owned by the applicant. No dedication of right-of-way shall be required pursuant to this subdivision unless the board or agency granting final subdivision plat approval or the special use permit, conditional use permit, special exception, or permission shall find, prior to the grant, that the dedication does not result in the deprivation of a reasonable use of the original tract and that the dedication is either reasonably related to the traffic generated by the
proposed subdivision or use of the remaining land or the impact of the
dedication is mitigated by measures provided in the local ordinance.

(2) If a city or county does not require the dedication of right-of-way within the
corridor pursuant to subdivision (1) of this subsection or other applicable
legal authority, but an applicant for subdivision plat approval or a zoning or
building permit, or any other permission pursuant to a land use control
ordinance authorized by local act elects to dedicate the right-of-way, the city
or county may allow the applicant to transfer density credits attributable to
the dedicated right-of-way to contiguous land that is part of a common
development plan or to transfer severable development rights attributable to
the dedicated right-of-way to noncontiguous land in designated receiving
districts pursuant to G.S. 136-66.11.

(3) Units of local government that require or accept right-of-way dedications
under this subsection shall notify the applicant and the property owner when
the local government begins review of or negotiations for a right-of-way
dedication and associated density credit transfer, whichever first occurs. If
the property owner is not the applicant, then the property owner shall be
given notification of right-of-way dedications and any related density credit
transfers under this subsection. The notification shall be sent to the last
known address for the owner and shall include a copy of this section and any
local ordinances, policies, or procedures governing the calculation and
application of the density credit transfer.

(b) When used in this section, the term "density credit" means the potential for the
improvement or subdivision of part or all of a parcel of real property, as permitted under the
terms of a zoning and/or subdivision ordinance, and/or other land use control ordinance
authorized by local act, expressed in dwelling unit equivalents or other measures of
development density or intensity or a fraction or multiple of that potential that may be
transferred to other portions of the same parcel or to contiguous land in that is part of a
common development plan.

SECTION 8. (b) This section becomes effective October 1, 2014, and applies to
dedications occurring on or after that date.

REVENUE LAWS STUDY COMMITTEE/DIGITAL DISPATCHING SERVICES

SECTION 9. (a) The Revenue Laws Study Committee is directed to study the
registration requirements, fees, and penalties applicable to for-hire passenger vehicles,
including for-hire passenger vehicles directed by digital dispatching services. The Committee
shall report its findings, together with any recommended legislation, to the 2015 Regular
Session of the 2015 General Assembly upon its convening.

SECTION 9. (b) This section is effective when it becomes law.

EFFECTIVE DATE

SECTION 10. Except as otherwise provided, this act is effective when it becomes
law.

In the General Assembly read three times and ratified this the 2nd day of August,
2014.

Became law upon approval of the Governor at 5:07 p.m. on the 6th day of August,
2014.

Session Law 2014-109

AN ACT TO MODIFY P3 ETHICS REPORTING REQUIREMENT IN S.L. 2014-18.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-431A(h), as enacted by S.L. 2014-18, reads as rewritten:
"(h) Applicable Laws. – A North Carolina nonprofit corporation with which the Department contracts pursuant to this section is subject to the requirements of (i) Chapter 132 of the General Statutes and (ii) Article 33C of Chapter 143 of the General Statutes. Officers, employees, and members of the governing board of the corporation are public servants, as defined in G.S. 138A-3, and are subject to the requirements of Chapter 138A of the General Statutes. Officers, members of the governing board, and employees of the corporation whose annual compensation is equal to or greater than sixty-eight thousand dollars ($68,000) are not subject to G.S. 138A-22."

SECTION 2. This act becomes effective July 1, 2014.
In the General Assembly read three times and ratified this the 1st day of August, 2014.
Became law upon approval of the Governor at 5:09 p.m. on the 6th day of August, 2014.

Session Law 2014-110  S.B. 648
AN ACT TO CREATE TRANSPARENCY IN CONTRACTS BETWEEN THE ATTORNEY GENERAL AND PRIVATE ATTORNEYS, TO PREVENT THE ABUSE OF PATENTS, TO ALLOW FOR SHAREHOLDER ASSENT TO EXCLUSIVE FORUM, AND TO LIMIT ASBESTOS-RELATED LIABILITIES FOR CERTAIN SUCCESSOR CORPORATIONS.

The General Assembly of North Carolina enacts:

PART I. CREATE TRANSPARENCY IN CONTRACTS BETWEEN THE ATTORNEY GENERAL AND PRIVATE ATTORNEYS

SECTION 1.1. Chapter 114 of the General Statutes is amended by adding a new Article to read:

"Article 2A.

"§ 114-9.2. Title.
This Article shall be known and may be cited as the "Transparency in Private Attorney Contracts Act (TIPAC)."

"§ 114-9.3. Definitions.
The following definitions apply in this Article:

(1) Contingency fee contract. – A contract entered into by a State agency to retain private counsel that contains a contingency fee arrangement, including, but not limited to, pure contingency fee agreements and hybrid agreements, including a contingency fee aspect.

(2) Government attorney. – An attorney employed by the State as a staff attorney in a State agency.

(3) Private attorney. – An attorney in private practice or employed by a private law firm.

(4) State. – The State of North Carolina, including State officers, departments, boards, commissions, divisions, bureaus, councils, and units of organization, however designated, of the executive branch of State government and any of its agents.

(5) State agency. – Every agency, institution, department, bureau, board, or commission of the State of North Carolina authorized by law to retain private counsel.

"§ 114-9.4. Procurement.
(a) A State agency may not enter into a contingency fee contract with a private attorney unless the Attorney General makes a written determination prior to entering into the contract.
that contingency fee representation is both cost-effective and in the public interest. Any written
determination shall include specific findings for each of the following factors:

(1) Whether there exist sufficient and appropriate legal and financial resources
within the Attorney General's office to handle the matter.

(2) The time and labor required; the novelty, complexity, and difficulty of the
questions involved; and the skill requisite to perform the attorney services
properly.

(3) The geographic area where the attorney services are to be provided.

(4) The amount of experience desired for the particular kind of attorney services
to be provided and the nature of the private attorney's experience with
similar issues or cases.

(b) If the Attorney General makes the determination described in subsection (a) of this
section, the Attorney General shall request proposals from private attorneys to represent the
State agency on a contingency fee basis and draft a written request for proposals from private
attorneys, unless the Attorney General determines that requesting proposals is not feasible
under the circumstances and sets forth the basis for this determination in writing. A request for
proposals under this provision is not subject to Article 3 of Chapter 143 of the General Statutes.
Until the conclusion of the legal proceeding or other matter for which the services of the private
attorney were sought, all proposals received shall be maintained by the Attorney General and
shall not be deemed a public record within the meaning of Chapter 132 of the General Statutes.

§ 114-9.5. Contingency Fees.

(a) The Attorney General may not give permission under G.S. 114-2.3 for a State
agency to enter into a contingency fee contract that provides for the private attorney to receive
an aggregate contingency fee, exclusive of reasonable costs and expenses, in excess of:

(1) Twenty-five percent (25%) of any damages up to ten million dollars
($10,000,000); plus

(2) Twenty percent (20%) of any portion of such damages between ten million
dollars ($10,000,000) and fifteen million dollars ($15,000,000); plus

(3) Fifteen percent (15%) of any portion of such damages between fifteen
million dollars ($15,000,000) and twenty million dollars ($20,000,000); plus

(4) Ten percent (10%) of any portion of such damages between twenty million
dollars ($20,000,000) and twenty-five million dollars ($25,000,000); plus

(5) Five percent (5%) of any portion of such damages exceeding twenty-five
million dollars ($25,000,000).

(b) In no event shall the aggregate contingency fee exceed fifty million dollars
($50,000,000), exclusive of reasonable costs and expenses, and irrespective of the number of
lawsuits filed or the number of private attorneys retained to achieve the recovery.

(c) A contingency fee shall not be based on penalties or civil fines awarded or any
amounts attributable to penalties or civil fines.


(a) Decisions regarding disposition of the case are reserved exclusively to the discretion
of the State agency in consultation with a government attorney.

(b) The Attorney General shall develop a standard addendum to every contract for
contingency fee attorney services that shall be used in all cases, describing in detail what is
expected of both the contracted private attorney and the State agency, including, without
limitation, the requirement listed in subsection (a) of this section.
"§ 114-9.7. Oversight. (a) Until the conclusion of the legal proceeding or other matter for which the services of the private attorney have been retained, the executed contingency fee contract and the Attorney General's written determination pursuant to G.S. 114-9.4 shall not be deemed a public record within the meaning of Chapter 132 of the General Statutes. All records maintained under this subsection shall be made available to the State Auditor for oversight purposes, upon request. (b) The amount of any payment of contingency fees pursuant to a contingency fee contract subject to this Article shall be posted on the Attorney General's Web site within 15 days after the payment of those contingency fees to the private attorney and shall remain posted on the Web site for at least 365 days thereafter. (c) Any private attorney under contract to provide services to a State agency on a contingency fee basis shall maintain all records related to the contract in accordance with the Revised North Carolina Rules of Professional Conduct. (d) By February 1 of each year following a year in which a State agency entered into a contingency fee contract with a private attorney, the Attorney General shall submit a report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives describing the use of contingency fee contracts with private attorneys in the preceding calendar year. To the fullest extent possible without waiving the evidentiary privileges of the State in any pending matters, the report shall: (1) Identify each new contingency fee contract entered into during the year and each previously executed contingency fee contract that remains current during any part of the year, (2) Include the name of the private attorney with whom the department has contracted in each instance, including the name of the attorney's law firm, (3) Describe the nature and status of the legal matter that is the subject of each contract, (4) Provide the name of the parties to each legal matter, (5) Disclose the amount of recovery, (6) Disclose the amount of any contingency fee paid, (7) Include copies of any written determinations made under G.S. 114-9.4.

"§ 114-9.8. No expansion of authority. Nothing in this Article shall be construed to expand the authority of any State agency or officer or employee of this State to enter into contracts for legal representation where no authority previously existed."

SECTION 1.2. G.S. 114-2.3 reads as rewritten: "§ 114-2.3. Use of private counsel limited. (a) Every agency, institution, department, bureau, board, or commission of the State, authorized by law to retain private counsel, shall obtain written permission from the Attorney General prior to employing private counsel. This section does not apply to counties, cities, towns, other municipal corporations or political subdivisions of the State, or any agencies of these municipal corporations or political subdivisions, or to county or city boards of education. (b) Article 2A of this Chapter applies to any contract to retain private counsel authorized by the Attorney General under this section."

SECTION 1.3. Sections 1.1 and 1.2 of this act are effective when they become law and apply to any contract to retain private counsel authorized by the Attorney General entered into on or after that date.

PART II. PREVENT THE ABUSE OF PATENTS

SECTION 2.1. Chapter 75 of the General Statutes is amended by adding a new Article to read:
"Article 8.

§ 75-136. Title.
This Article shall be known and may be cited as the "Abusive Patent Assertions Act."

§ 75-137. Purpose.

(a) The General Assembly finds the following:

1. North Carolina is home to a growing high-technology, knowledge-based economy. With its top-tier research universities and active technology sector, North Carolina is poised to continue its growth. To continue growing, North Carolina must attract new, small, and mid-sized technology companies. Doing so will help provide jobs for North Carolina's residents and boost North Carolina's economy. North Carolina also is home to companies in retail, manufacturing, and other industries, many of whom are customers of technology companies. Those other businesses are more likely to succeed if not inhibited by abusive and bad-faith demands and litigation.

2. Patents encourage research, development, and innovation. Patent holders have legitimate rights to enforce their patents.

3. The General Assembly does not wish to interfere with good-faith patent litigation or the good-faith enforcement of patents. The General Assembly also recognizes that North Carolina is preempted from passing any law that conflicts with federal patent law.

4. Patent litigation can be technical, complex, and expensive. The expense of patent litigation, which may cost millions of dollars, can be a significant burden on companies. North Carolina wishes to help its businesses avoid these costs by encouraging the most efficient resolution of patent infringement claims without conflicting with federal law.

5. In order for North Carolina companies to be able to respond promptly and efficiently to patent infringement assertions against them, it is necessary that they receive specific information regarding how their product, service, or technology may have infringed the patent at issue. Receiving this information at an early stage will facilitate the resolution of claims and lessen the burden of potential litigation on North Carolina companies.

6. Abusive patent litigation, and especially the assertion of bad-faith infringement claims, can harm North Carolina companies. A business that receives a letter asserting such claims faces the threat of expensive and protracted litigation and may feel that it has no choice but to settle and to pay a licensing fee even if the claim is meritless. This is especially so for small- and medium-sized companies and nonprofits that lack the resources to investigate and defend themselves against infringement claims.

7. Not only do bad-faith patent infringement claims impose a significant burden on individual North Carolina businesses, they also undermine North Carolina's efforts to attract and nurture technology and other companies. Funds used to avoid the threat of bad-faith litigation are no longer available to invest, produce new products, expand, or hire new workers, thereby harming North Carolina's economy.

8. North Carolina has a strong interest in patent matters involving its citizens and its businesses, including protecting its citizens and businesses against abusive patent assertions and ensuring North Carolina companies are not subjected to abusive patent assertion by entities acting in bad faith.

9. In lawsuits involving abusive patent assertions, an accused infringer prevailing on the merits may be awarded costs and, less frequently, fees. These awards do not serve as a deterrent to abusive patent assertion entities who have limited liability, as these companies may hold no cash or other
assets. North Carolina has a strong interest in making sure that prevailing North Carolina companies sued by abusive patent assertions entities can recover what is awarded to them.

(b) The General Assembly seeks, by this narrowly tailored act, to strike a balance between (i) the interests of efficient and prompt resolution of patent infringement claims, protection of North Carolina businesses from abusive and bad-faith assertions of patent infringement, and building of North Carolina's economy and (ii) the intentions to respect federal law and be careful to not interfere with legitimate patent enforcement actions. Except as specifically set forth in this act regarding bad-faith patent assertions, nothing in this act is intended to alter current law concerning piercing the corporate veil or otherwise concerning personal liability of principals in business entities.

§ 75-138. Definitions.
The following definitions apply in this Article:

(1) Affiliate. – A business establishment, business, or other legal entity that wholly or substantially owns, is wholly or substantially owned by, or is under common ownership with another entity.

(2) Demand. – A letter, e-mail, or other communication asserting or claiming that a target has engaged in patent infringement or should obtain a license to a patent.


(4) Interested party. – A person, other than the party alleging infringement, that (i) is an assignee of the patent or patents at issue; (ii) has a right, including a contingent right, to enforce or sublicense the patent or patents at issue; or (iii) has a direct financial interest in the patent or patents at issue, including the right to any part of an award of damages or any part of licensing revenue. A "direct financial interest" does not include either of the following:

a. An attorney or law firm providing legal representation in the civil action alleging patent infringement if the sole basis for the financial interest of the attorney or law firm in the patent or patents at issue arises from the attorney or law firm's receipt of compensation reasonably related to the provision of the legal representation.

b. A person whose sole financial interest in the patent or patents at issue is ownership of an equity interest in the party alleging infringement, unless such person also has the right or ability to influence, direct, or control the party alleging infringement.

(5) Operating entity. – A person primarily engaged in, when evaluated with its affiliates over the preceding 24-month period and when disregarding the selling and licensing of patents, one or more of the following activities:

a. Research and technical or experimental work to create, test, qualify, modify, or validate technologies or processes for commercialization of goods or services;

b. Manufacturing; or

c. The provision of goods or commercial services.

(6) Target. – A North Carolina person that meets one or more of the following:

a. The person has received a demand or is the subject of an assertion or allegation of patent infringement.

b. The person has been threatened with litigation or is the defendant of a filed lawsuit alleging patent infringement.

c. The person has customers who have received a demand asserting that the person's product, service, or technology has infringed a patent.
§ 75-139. Abusive patent assertions.

(a) It is unlawful for a person to make a bad-faith assertion of patent infringement. A court may consider the following factors as evidence that a person has made a bad-faith assertion of patent infringement:

(1) The demand does not contain all of the following information:
   a. The patent application number or patent number;
   b. The name and address of the patent owner or owners and assignee or assignees, if any;
   c. Factual allegations concerning the specific areas in which the target's products, services, and technology infringe the patent or are covered by specific identified claims in the patent;
   d. An explanation of why the person making the assertion has standing, if the United States Patent and Trademark Office's assignment system does not identify the person asserting the patent as the owner.

(2) Prior to sending the demand, the person failed to conduct an analysis comparing the claims in the patent to the target's products, services, and technology, or the analysis was done but does not identify specific areas in which the products, services, and technology are covered by the claims in the patent.

(3) The demand lacks the information described in subdivision (1) of this subsection, the target requests the information, and the person fails to provide the information within a reasonable period of time.

(4) The person demands payment of a license fee or response within an unreasonably short period of time.

(5) The person offers to license the patent for an amount that is not based on a reasonable estimate of the value of the license, or the person offers to license the patent for an amount that is based on the cost of defending a potential or actual lawsuit.

(6) The claim or assertion of patent infringement is meritless, and the person knew or should have known that the claim or assertion is meritless; or the claim or assertion relies on an interpretation of the patent that was disclaimed during prosecution, and the person making the claim or assertion knows or should have known about the disclaimer, or would have known about the disclaimer if the person reviewed the patent's prosecution history.

(7) The claim or assertion of patent infringement is deceptive.

(8) The person or its subsidiaries or affiliates have previously or concurrently filed or threatened to file one or more lawsuits based on the same or similar claim of patent infringement and (i) those threats or lawsuits lacked the information described in subdivision (1) of this subsection or (ii) the person attempted to enforce the claim of patent infringement in litigation and a court found the claim to be meritless.

(9) The person making the claim or assertion sent the same demand or substantially the same demand to multiple recipients and made assertions against a wide variety of products and systems without reflecting those differences in a reasonable manner in the demands.

(10) The person making the claim or assertion is aware of, but does not disclose, any final, nonfinal, or preliminary postgrant finding of invalidity or unpatentability involving the patent.

(11) The person making the claim or assertion seeks an injunction when that is objectively unreasonable under the law.

(12) Any other factor the court finds relevant.

(b) A court may consider the following factors as evidence that a person has not made a bad-faith assertion of patent infringement:
1. The demand contains the information described in subdivision (1) of subsection (a) of this section.

2. Where the demand lacks the information described in subdivision (1) of subsection (a) of this section and the target requests the information, the person provides the information within a reasonable period of time.

3. The person engages in a good-faith effort to establish that the target has infringed the patent and to negotiate an appropriate remedy.

4. The person makes a substantial investment in the use of the patent or in the production or sale of a product or item that the person reasonably believes is covered by the patent. "Use of the patent" in the preceding sentence means actual practice of the patent and does not include licensing without actual practice.

5. The person is either (i) the inventor or joint inventor of the patent or, in the case of a patent filed by and awarded to an assignee of the original inventor or joint inventor, is the original assignee or (ii) an institution of higher education or a technology transfer organization owned or affiliated with an institution of higher education.

6. The person has demonstrated good-faith business practices in previous efforts to enforce the patent, or a substantially similar patent, or has successfully enforced the patent, or a substantially similar patent, through litigation.

7. Any other factor the court finds relevant.

(c) This Article does not apply to any of the following:

1. A demand letter or assertion of patent infringement arising under any of the following:
   b. 7 U.S.C. § 2321, et seq.
   c. 21 U.S.C. § 301, et seq.
   e. 35 U.S.C. § 271(e)(2).

2. A demand letter or assertion of patent infringement by or on behalf of (i) an institution of higher education incorporated under the laws of and with its principal offices in North Carolina or (ii) a technology transfer organization owned by or affiliated with the institution of higher education.

3. A demand letter or assertion of patent infringement by or on behalf of a nonprofit research organization recognized as exempt from federal income tax under 26 U.S.C. § 501(c)(3) incorporated under the laws of and with its principal offices in North Carolina, or a technology transfer organization owned by or affiliated with the organization.

4. A demand letter or assertion of patent infringement made by an operating entity or its affiliate.

(d) Subject to the provisions of subsections (a) and (b) of this section, and provided the activities are not carried out in bad faith, nothing in this section shall be construed to deem it an unlawful practice for any person who owns or has the right to license or enforce a patent to do any of the following:

1. Advise others of that ownership or right of license or enforcement.
2. Communicate to others that the patent is available for license or sale.
3. Notify another of the infringement of the patent.
4. Seek compensation on account of past or present infringement or for a license to the patent.
"§ 75-140. Bond.

(a) Upon motion by a target and a finding by the court that a target has established a reasonable likelihood that a person has made a bad-faith assertion of patent infringement in violation of this Chapter, the court shall require the person to post a bond in an amount equal to a good-faith estimate of the target's fees and costs to litigate the claim and amounts reasonably likely to be recovered under G.S. 75-141, conditioned upon payment of any amounts finally determined to be due to the target. A hearing shall be held if either party so requests. A bond ordered pursuant to this section shall not exceed five hundred thousand dollars ($500,000).

(b) The court may waive the bond requirement of subsection (a) of this section if it finds the person has available assets equal to the amount of the proposed bond or for other good cause shown.

(c) If the person asserting patent infringement fails within 30 days to pay any fee or cost ordered by a court in a matter related to the asserted patent infringement, the amount not paid shall be paid out of the bond posted under subsection (a) of this section without affecting the obligation of the person asserting patent infringement to pay any remainder of those fees or costs not paid out of the bond.

"§ 75-141. Enforcement; remedies; damages.

(a) The Attorney General shall have the same authority under this Article to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under this Chapter. In an action brought by the Attorney General pursuant to this section, the court may award or impose any relief available under this Chapter.

(b) A target or a person aggrieved by a violation of this Article or by a violation of rules adopted under this Article may bring an action in superior court against a person who has made a bad-faith assertion of patent infringement. A court may award to a plaintiff who prevails in an action brought pursuant to this subsection one or more of the following remedies:

(1) Equitable relief.
(2) Damages.
(3) Costs and fees, including reasonable attorneys' fees.
(4) Exemplary damages in an amount equal to fifty thousand dollars ($50,000) or three times the total of damages, costs, and fees, whichever is greater.

(c) A court may award to a defendant who prevails in an action brought pursuant to this section costs and fees, including reasonable attorneys' fees, if the court finds the action was not well-grounded in fact and warranted by existing law or was interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

(d) Joinder of Interested Parties. – In an action arising under subsection (a) or (b) of this section, the court shall grant a motion by the Attorney General or a target to join an interested party if the moving party shows that the party alleging infringement has no substantial interest in the patent or patents at issue other than making demands or asserting such patent claim in litigation.

(e) In an action arising under subsection (a) or (b) of this section, any person who has delivered or sent, or caused another to deliver or send, a demand to a target in North Carolina has purposefully availed himself or herself of the privileges of conducting business in this State and shall be subject to suit in this State, whether or not the person is transacting or has transacted any other business in this State. This Article shall be construed as a special jurisdiction statute in accordance with G.S. 1-75.4(2).

(f) If a party is unable to pay an amount awarded by the court pursuant to subsection (a) or (b) of this section, the court may find any interested party joined pursuant to subsection (d) of this section jointly and severally liable for the abusive patent assertion and make the award recoverable against any or all of the joined interested parties.

(g) This Article shall not be construed to limit rights and remedies available to the State of North Carolina or to any person under any other law and shall not alter or restrict the
Attorney General's authority under this Article with regard to conduct involving assertions of patent infringement.”

SECTION 2.2. Section 2.1 of this act is effective when it becomes law and applies to causes of actions commenced on or after that date and demands made on or after that date.

PART III. SHAREHOLDER ASSENT TO EXCLUSIVE FORUM

SECTION 3. Article 7 of Chapter 55 of the General Statutes is amended by adding a new section to read:

"§ 55-7-50. Exclusive forum or venue provisions valid.
A provision in the articles of incorporation or bylaws of a corporation that specifies a forum or venue in North Carolina as the exclusive forum or venue for litigation relating to the internal affairs of the corporation shall be valid and enforceable.”

PART IV. LIMIT SUCCESSOR ASBESTOS-RELATED LIABILITIES

SECTION 4.1. Chapter 99E of the General Statutes is amended by adding a new Article to read:

"Article 5.
"Successor Asbestos-Related Liability.

The following definitions apply in this Article:

(1) Asbestos claim. – Any claim, wherever or whenever made, for damages, losses, indemnification, contribution, or other relief arising out of, based on, or in any way related to asbestos, including any of the following:
   a. The health effects of exposure to asbestos, including a claim for personal injury or death, mental or emotional injury, risk of disease or other injury, or the costs of medical monitoring or surveillance.
   b. Any claim made by or on behalf of any person exposed to asbestos or a representative, spouse, parent, child, or other relative of the person.
   c. Any claim for damage or loss caused by the installation, presence, or removal of asbestos.

(2) Corporation. – Any corporation established under either domestic or foreign charter and includes a corporate subsidiary and any business entity in which a corporation participates or is a stockholder, a partner, or a joint venturer.

(3) Successor. – A corporation that assumes or incurs or has assumed or incurred successor asbestos-related liabilities through operation of law, including, but not limited to, a merger or consolidation or plan of merger or consolidation related to such consolidation or merger or by appointment as administrator or as trustee in bankruptcy, debtor in possession, liquidation, or receivership and that became a successor before January 1, 1972. Successor includes any of that successor corporation's successors.

(4) Successor asbestos-related liability. – Any liabilities, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, which are related in any way to asbestos claims and were assumed or incurred by a corporation as a result of or in connection with a merger or consolidation, or the plan of merger or consolidation related to the merger or consolidation with or into another corporation, or that are related in any way to asbestos claims based on the exercise of control or the ownership of stock of the corporation before the merger or consolidation. The term includes liabilities that, after the time of the merger or consolidation for which the fair market value of total gross assets is determined under G.S. 99E-43, were or are paid or otherwise discharged or committed to be paid or otherwise discharged, by or on behalf of the corporation or by a successor of the corporation, or by or
on behalf of a transferor in connection with settlements, judgments, or other discharges in this State or another jurisdiction.

(5) Transferor. – A corporation from which successor asbestos-related liabilities are or were assumed or incurred.

"§ 99E-41. Applicability.

The limitations in G.S. 99E-42 shall apply to any successor but shall not apply to any of the following:

(1) Workers' compensation benefits paid by or on behalf of an employer to an employee under the provisions of Chapter 97 of the General Statutes, or a comparable workers' compensation law of another jurisdiction.

(2) Any claim against a corporation that does not constitute a successor asbestos-related liability.

(3) Any obligation under the National Labor Relations Act, 29 U.S.C. § 151, et seq., as amended, or under any collective bargaining agreement.

(4) A successor that, after a merger or consolidation, continued in the business of mining asbestos or in the business of selling or distributing asbestos fibers or in the business of manufacturing, distributing, removing, or installing asbestos-containing products which were the same or substantially the same as those products previously manufactured, distributed, removed, or installed by the transferor.

"§ 99E-42. Limitation on successor asbestos-related liability.

(a) Except as further limited in subsection (b) of this section, the cumulative successor asbestos-related liabilities of a successor corporation are limited to the fair market value of the total gross assets of the transferor determined as of the time of the merger or consolidation. The successor corporation does not have responsibility for successor asbestos-related liabilities in excess of this limitation.

(b) If the transferor had assumed or incurred successor asbestos-related liabilities in connection with a prior merger or consolidation with a prior transferor, then the fair market value of the total assets of the prior transferor determined as of the time of the earlier merger or consolidation shall be substituted for the limitation set forth in subsection (a) of this section for purposes of determining the limitation of liability of a successor corporation.

"§ 99E-43. Establishing fair market value of total gross assets.

(a) A successor corporation may establish the fair market value of total gross assets for the purpose of the limitations under G.S. 99E-35 through any method reasonable under the circumstances, including either of the following:

(1) By reference to the going concern value of the assets or to the purchase price attributable to or paid for the assets in an arms-length transaction.

(2) In the absence of other readily available information from which the fair market value can be determined, by reference to the value of the assets recorded on a balance sheet.

(b) Total gross assets include intangible assets.

(c) To the extent total gross assets include any liability insurance that was issued to the transferor whose assets are being valued for purposes of this section, the applicability, terms, conditions, and limits of such insurance shall not be affected by this statute nor shall this statute otherwise affect the rights and obligations of an insurer, transferor, or successor under any insurance contract and/or any related agreements, including, without limitation, preenactment settlements resolving coverage-related disputes, and the rights of an insurer to seek payment for applicable deductibles, retrospective premiums, or self-insured retentions or to seek contribution from a successor for uninsured or self-insured periods or periods where insurance is uncollectible or otherwise unavailable. Without limiting the foregoing, to the extent total gross assets include any such liability insurance, a settlement of a dispute concerning any such liability insurance coverage entered into by a transferor or successor with the insurers of the
transferor before the effective date of this act shall be determinative of the total coverage of such liability insurance to be included in the calculation of the transferor's total gross assets.

"§ 99E-44. Adjustment.
(a) Except as provided in subsections (b), (c), and (d) of this section, the fair market value of total gross assets at the time of the merger or consolidation shall increase annually at a rate equal to the sum of the following:

(1) The prime rate as listed in the first edition of the Wall Street Journal published for each calendar year since the merger or consolidation, unless the prime rate is not published in that edition of the Wall Street Journal, in which case any reasonable determination of the prime rate on the first day of the calendar year may be used.
(2) One percent (1%).
(b) The rate defined in subsection (a) of this section shall not be compounded.
(c) The adjustment of the fair market value of total gross assets shall continue as provided in subsection (a) of this section until the date the adjusted value is first exceeded by the cumulative amounts of successor asbestos-related liabilities paid or committed to be paid by or on behalf of the successor corporation or a predecessor or by or on behalf of a transferor after the time of the merger or consolidation for which the fair market value of total gross assets is determined.
(d) No adjustment of the fair market value of total gross assets shall be applied to any liability insurance that may be included in the definition of total gross assets by subsection (c) of G.S. 99E-43.

"§ 99E-45. Scope of Article; application.
(a) This Article shall be liberally construed with regard to successors.
(b) This Article shall apply to all asbestos claims filed against a successor on or after the effective date of this act.

SECTION 4.2. Section 4.1 of this act becomes effective January 1, 2015.

PART V. SEVERABILITY AND EFFECTIVE DATE

SECTION 5.1. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 5.2. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of August, 2014.

Became law upon approval of the Governor at 5:09 p.m. on the 6th day of August, 2014.

Session Law 2014-111 S.B. 403

AN ACT TO AMEND AND CLARIFY VARIOUS PROVISIONS OF THE ELECTION LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 163-106(b) reads as rewritten:

"(b) Eligibility to File. – No person shall be permitted to file as a candidate in a party primary if, at the time he offers to file notice of candidacy, he is registered on the appropriate registration book or record as an affiliate of a political party other than that in whose primary he is attempting to file. No person who has changed his political party affiliation or who has changed from unaffiliated status to party affiliation as permitted in G.S. 163-82.17, shall be permitted to file as a candidate in the primary of the party to which he changed unless he has been affiliated with the political party in which he seeks to be a candidate for at least 90 days
prior to the filing date for the office for which he desires to file his notice of candidacy unless that person has been affiliated with that party for at least 90 days as of the date of that person filing such notice of candidacy. A person registered as "unaffiliated" shall be ineligible to file as a candidate in a party primary election."

SECTION 1.(b) This section is effective January 1, 2015, and applies to elections conducted on or after that date.

SECTION 2. G.S. 163-165.6(c) reads as rewritten:
"(c) Order of Candidates on Primary and Nonpartisan Official Ballots. – The order in which candidates shall appear on a county's official ballots in any (i) primary ballot item, whether the primary is partisan or nonpartisan, and (ii) in any nonpartisan general election ballot item under Article 25 of this Chapter shall be determined by the county board of elections using a process designed by the State Board of Elections for random selection. The same random selection process shall be used for all primaries and elections in a calendar year."

SECTION 3. G.S. 163-227.2(g2) reads as rewritten:
"(g2) Notwithstanding the requirements of subsection (g) and (g1) of this section, for any county board of elections that provided for one or more sites as provided in subsection (g) of this section during the 2010 or 2012 general election, that county shall provide, at a minimum, the following:

1. The county board of elections shall calculate the cumulative total number of scheduled voting hours at all sites during the 2012 primary and general elections, respectively, that the county provided for absentee ballots to be applied for and voted under this section. For elections which include a presidential candidate on the ballot, the county shall ensure that at least the same number of hours offered in 2012 is offered for absentee ballots to be applied for and voted under this section through a combination of hours and numbers of one-stop sites during the primary or general election, correspondingly.

2. The county board of elections shall calculate the cumulative total number of scheduled voting hours at all sites during the 2010 primary and general elections, respectively, that the county provided for absentee ballots to be applied for and voted under this section. For elections which do not include a presidential candidate on the ballot, the county shall ensure that at least the same number of hours offered in 2010 is offered for absentee ballots to be applied for and voted under this section through a combination of hours and numbers of one-stop sites during the primary or general election, correspondingly.

As used in this subsection, the phrase "cumulative total number of scheduled voting hours" includes those at the office of the county board of elections or the reasonably proximate alternate site approved under subsection (g) of this section.

The State Board of Elections, to ensure compliance with this subsection, may approve a one-stop site in a building that the county board of elections is not entitled under G.S. 163-129 to demand and use as an election-day voting place, but may deny approval if a member of that board presents evidence that other equally suitable sites were available and the use of the sites chosen would unfairly advantage or disadvantage geographic, demographic, or partisan interests of that county."

SECTION 4. G.S. 115C-47 reads as rewritten:
"§ 115C-47. Powers and duties generally.
In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

(59) To Encourage Student Voter Registration. – Local boards of education are encouraged to adopt policies to promote student voter registration. These policies may include collaboration with county boards of elections to
conduct voter registration and preregistration in high schools. Completion and submission of voter registration forms shall not be a course requirement or graded assignment for students.

SECTION 5. Section 5.3 of S.L. 2013-381 reads as rewritten:

"SECTION 5.3. Education and Publicity Requirements. – The public shall be educated about the photo identification to vote requirements of this act as follows:

(4) Notices of elections published by county boards of elections under G.S. 163-33(8) for the 2014 primary and 2014 general election shall include a brief statement that photo identification will be required to vote in person beginning in 2016.

SECTION 6. G.S. 163-166.14(e) reads as rewritten:

"(e) At any time a voter presents photo identification to a local election official other than on election day, the county board of elections shall have available to the local election official judges of election for the review required under subsection (b) of this section, appointed with the same qualifications as is in Article 5 of this Chapter, except that the individuals may (i) may reside anywhere in the county or (ii) be an employee of the county or the State. Neither the local election official nor the judges of election may be a county board member. The county board is not required to have the same judges of election available throughout the time period a voter may present photo identification other than on election day but shall have at least two judges, who are not of the same political party affiliation, available at all times during that period."

SECTION 7. G.S. 163-166.13(e) reads as rewritten:

"(e) As used in this section, "photo identification" means any one of the following that contains a photograph of the registered voter. In addition, the photo identification shall have a printed expiration date and shall be unexpired, provided that any voter having attained the age of 70 years at the time of presentation at the voting place shall be permitted to present an expired form of any of the following that was unexpired on the voter's 70th birthday. Notwithstanding the previous sentence, in the case of identification under subdivisions (4) through (6) of this subsection, if it does not contain a printed expiration date, it shall be acceptable if it has a printed issuance date that is not more than eight years before it is presented for voting:

(1) A North Carolina drivers license issued under Article 2 of Chapter 20 of the General Statutes, including a learner's permit or a provisional license.
(2) A special identification card for nonoperators issued under G.S. 20-37.7.
(3) A United States passport.
(4) A United States military identification card, except there is no requirement that it have a printed expiration or issuance date.
(5) A Veterans Identification Card issued by the United States Department of Veterans Affairs for use at Veterans Administration medical facilities facilities, except there is no requirement that it have a printed expiration or issuance date.
(6) A tribal enrollment card issued by a federally recognized tribe, provided that if the tribal enrollment card does not contain a printed expiration date, it shall be acceptable if it has a printed issuance date that is not more than eight years before it is presented for voting.
(7) A tribal enrollment card issued by a tribe recognized by this State under Chapter 71A of the General Statutes, provided that card meets all of the following criteria:
   a. Is issued in accordance with a process approved by the State Board of Elections that requires an application and proof of identity
equivalent to the requirements for issuance of a special identification card by the Division of Motor Vehicles under G.S. 20-7 and G.S. 20-37.7.

b. Is signed by an elected official of the tribe.

(8) A drivers license or nonoperators identification card issued by another state, the District of Columbia, or a territory or commonwealth of the United States, but only if the voter's voter registration was within 90 days of the election.

SECTION 8. Section 38.1(b) of S.L. 2013-381 reads as rewritten:

"SECTION 38.1.(b) Article 22J of Chapter 163 of the General Statutes is repealed. repealed, except that the repeal of G.S. 163-278.99E(d) is governed by subsection (l) of this section, which provides that the repeal becomes effective upon exhaustion of the funds for publication of the Judicial Voter Guide in G.S. 163-278.69."

SECTION 9. G.S. 163-278.40H reads as rewritten:

"§ 163-278.40H. Notice of reports due.
The director of the board shall advise, or cause to be advised, no less than five days nor more than 15 days before each report is due each candidate or treasurer whose organizational report has been filed under G.S. 163-278.40A of the specific date each report is due. He The director shall immediately notify any individual, candidate, treasurer, or political committee, to file a statement under this Part if:

(1) It appears that the individual, candidate, treasurer, or political committee has failed to file a statement as required by law or that a statement filed does not conform to this Part; or

(2) A written complaint is filed under oath with the board State Board of Elections by any registered voter of this State alleging that a statement filed with the board does not conform to this Part or to the truth or that an individual, candidate, treasurer, or political committee has failed to file a statement required by this Part."

SECTION 10. G.S. 163-302(a) reads as rewritten:

"(a) In any municipal election, including a primary or general election or referendum, conducted by the county board of elections, absentee voting may, upon resolution of the municipal governing body, be permitted. Such resolution must be adopted no later than 60 days prior to an election in order to be effective for that election. Any such resolution shall remain effective for all future elections unless repealed no later than 60 days before an election. A copy of all resolutions adopted under this section shall be filed with the State Board of Elections and the county board of elections conducting the election within 10 days of passage in order to be effective. Absentee voting shall not be permitted in any municipal election unless such election is conducted by the county board of elections. In addition, absentee voting shall be allowed in any referendum on incorporation of a municipality."

SECTION 11. G.S. 163-231(a) reads as rewritten:

"(a) Procedure for Voting Absentee Ballots. – In the presence of two persons who are at least 18 years of age, and who are not disqualified by G.S. 163-226.3(a)(4) or G.S. 163-237(b1), the voter shall do all of the following:

(5) Require those two persons in whose presence the voter marked that voter's ballots to sign the application and certificate as witnesses and to indicate those persons' addresses. Failure to list a ZIP code does not invalidate the application and certificate.

..."

SECTION 12.(a) G.S. 163-82.15(e) reads as rewritten:

"(e) Unreported Move to Another Precinct Within the County. – If a registrant has moved from an address in one precinct to an address in another precinct within the same county more than 30 days before an election and has failed to notify the county board of the change of
address before the close of registration for that election, the county board shall permit that person to vote in that election. The county board shall permit the registrant described in this subsection to vote at the registrant's new precinct, upon the registrant's written affirmation of the new address, or, if the registrant prefers, at a central location in the county to be chosen by the county board. If the registrant appears at the old precinct, the precinct officials there shall (i) send the registrant to the new precinct or, (ii) if the registrant prefers, to the central location, according to rules which shall be prescribed by the State Board of Elections. Elections, or (iii) permit the voter to vote a provisional ballot and shall count the individual's provisional official ballot for all ballot items on which it determines that the individual was eligible under State or federal law to vote. At the new precinct, the registrant shall be processed by a precinct transfer assistant, according to rules which shall be prescribed by the State Board of Elections. Any voter subject to this subsection may instead vote a provisional ballot according to the provisions of G.S. 163-166.11."

SECTION 12.(b) G.S. 163-166.11(5) is repealed.

SECTION 12.(c) G.S. 163-182.2(a)(4) reads as rewritten:

"(4) If the county board of elections finds that an individual voting a provisional official ballot (i) was registered in the county as provided in G.S. 163-82.1, (ii) voted in the proper precinct under G.S. 163-55 and G.S. 163-57, and (iii) was otherwise eligible to vote, the Provisional provisional official ballots shall be counted by the county board of elections before the canvass. If the county board finds that an individual voting a provisional official ballot is not eligible to vote in one or more ballot items on the official ballot, the board shall not count the official ballot in those ballot items, but shall count the official ballot in any ballot items for which the individual is eligible to vote. Eligibility shall be determined by whether the voter is registered in the county as provided in G.S. 163-82.1 and whether the voter is qualified by residence to vote in the precinct as provided in G.S. 163-55 and G.S. 163-57. Except as provided in G.S. 163-82.15(e), if the county board finds that an individual voting a provisional official ballot (i) did not vote in the proper precinct under G.S. 163-55 and G.S. 163-57, (ii) is not registered in the county as provided in G.S. 163-82.1, or (iii) is otherwise not eligible to vote, the ballot shall not be counted. If a voter was properly registered to vote in the election by the county board, no mistake of an election official in giving the voter a ballot or in failing to comply with G.S. 163-82.15 or G.S. 163-166.11 shall serve to prevent the counting of the vote on any ballot item the voter was eligible by registration and qualified by residency to vote."

SECTION 13.(a) G.S. 138A-22 reads as rewritten:


(a) Every covered person subject to this Chapter who is elected, appointed, or employed, including one appointed to fill a vacancy in elective office, except for public servants (i) included under G.S. 138A-3(30)b., c., f., or g. whose annual compensation from the State is less than sixty thousand dollars ($60,000), or (ii) who are ex officio student members under Chapters 115D and 116 of the General Statutes, shall file a statement of economic interest with the Commission prior to the covered person's initial appointment, election, or employment and no later than April 15 of every year thereafter, except as otherwise filed under subsections (c1) and (d) of this section. A prospective covered person required to file a statement under this Chapter shall not be appointed, employed, or receive a certificate of election, prior to submission by the Commission of the Commission's evaluation of the statement in accordance with this Article. The requirement for an annual filing under this subsection also shall apply to covered persons whose terms have expired but who continue to serve until the covered person's replacement is appointed. Once a statement of economic interest is properly completed and filed under this Article, the statement of economic interest..."
does not need to be supplemented or refiled prior to the next due date set forth in this subsection.

(b) Notwithstanding subsection (a) of this section, individuals hired by, and appointees of, constitutional officers of the State may file a statement of economic interest within 30 days after their appointments or employment when the appointment or employment is made during the first 60 days of the constitutional officer's initial term in that constitutional office.

(c) Notwithstanding subsection (a) of this section, public servants, under G.S. 138A-3(30)j. and k., who have submitted a statement of economic interest under subsection (a) of this section, may be hired, appointed, or elected provisionally prior to submission by the Commission of the Commission's evaluation of the statement in accordance with this Article, subject to dismissal or removal based on the Commission's evaluation.

(c1) A public servant reappointed to a board between January 1 and April 15 shall file a current statement of economic interest prior to the reappointment.

(c2) A public servant appointed to a board determined and designated as nonadvisory under G.S. 138A-3(30)j. and k., who has submitted a statement of economic interest under subsection (a) of this section, may be hired, appointed, or elected provisionally prior to submission by the Commission of the Commission's evaluation of the statement in accordance with this Article, subject to dismissal or removal based on the Commission's evaluation.

(d) A candidate for an office subject to this Article shall file the statement of economic interest at the same place and in the same manner as the notice of candidacy required to be filed under G.S. 163-106 or G.S. 163-323 with the Commission within 10 days of the filing deadline for the office the candidate seeks. An individual who is nominated under G.S. 163-114 after the primary and before the general election, and an individual who qualifies under G.S. 163-122 as an unaffiliated candidate in a general election, shall file a statement of economic interest with the county board of elections of each county in the senatorial or representative district. An individual nominated under G.S. 163-114 shall file the statement within three days following the individual's nomination, or not later than the day preceding the general election, whichever occurs first. An individual seeking to qualify as an unaffiliated candidate under G.S. 163-122 shall file the statement of economic interest within three days of filing the petition required under that section. An individual seeking to have write-in votes counted for that individual in a general election shall file a statement of economic interest within three days of the time the candidate files a declaration of intent. A candidate of a new party chosen by convention shall file a statement of economic interest at the same time as the filing deadline for the office the candidate seeks. A candidate of a new party chosen by convention shall file a statement of economic interest at the same time as the filing deadline for the office the candidate seeks.

(d1) In addition to subsections (a) and (d) of this section, a covered person holding elected office or a former covered person who held elected office subject to this Article shall file a statement of economic interest in all of the following instances, as specified:

(1) Filed on or before April 15 of the year following the year a covered person or former covered person does not file a notice of candidacy or petition for election, or does not receive a certificate of election, to the position making that individual a covered person, with all information provided in the statement of economic interest current as of the last day of December of the preceding year.

(2) Filed on or before April 15 of the year following the year the covered person or former covered person resigns from the position making that individual a covered person, with all information provided in the statement of economic interest current as of the last day in the position.

(e) The State Board of Elections shall provide for notification of the statement of economic interest requirements of this Article to be given to any candidate filing for nomination or election to offices subject to this Article at the time of the filing of candidacy and to any nominee under G.S. 163-114.

(f) Within 10 days of the filing deadline for office of a covered person, the executive director of the State Board of Elections shall send to the State Ethics Commission a list of the
names and addresses of each candidate who have filed as a candidate for office as a covered person. Within five days of an individual otherwise qualifying to be on the ballot, the State Board of Elections shall send notice of that qualification to the State Ethics Commission. A county board of elections shall forward any statements of economic interest filed with the board under this section to the State Board of Elections. The executive director of the State Board of Elections shall forward a certified copy of the statements of economic interest to the Commission for evaluation upon its filing with the State Board of Elections under this section.

(g) The Commission shall issue forms to be used for the statement of economic interest and shall revise the forms from time to time as necessary to carry out the purposes of this Chapter. Except as otherwise set forth in this section and in G.S. 138A-15(h), upon notification by the employing entity, the Commission shall furnish to all other covered persons the appropriate forms needed to comply with this Article.

SECTION 13.(b) This section becomes effective January 1, 2015, and applies to statements of economic interest filed on or after that date.

SECTION 14. G.S. 20-9.2 is amended by adding a new subsection to read:

"(e) This section does not apply to special identification cards issued pursuant to G.S. 20-37.7(d)(5) or (6)."

SECTION 15.(a) G.S. 163-226.3(a)(7) reads as rewritten:

"(7) Except as provided in subsections (1), (2), (3) and (4) of this section, G.S. 163-231(a), G.S. 163-250(a), and G.S. 163-227.2(e), for any voter to permit another person to assist the voter in marking that voter's absentee ballot, to be in the voter's presence when a voter votes an absentee ballot, or to observe the voter mark that voter's absentee ballot."

SECTION 15.(b) G.S. 163-237(b1) reads as rewritten:

"(b1) Candidate Witnessing Absentee Ballots of Nonrelative Made Class 2 Misdemeanor. - A person is guilty of a Class 2 misdemeanor if that person acts as a witness under G.S. 163-231(a) or G.S. 163-250(a) in any primary or election in which the person is a candidate for nomination or election, unless the voter is the candidate's near relative as defined in G.S. 163-230.1(f)."

SECTION 15.(c) G.S. 163-275(16) reads as rewritten:

"(16) For any person falsely to make the certificate provided by G.S. 163-229(b)(2) or G.S. 163-250(a)."

SECTION 15.(d) G.S. 163-89(a) reads as rewritten:

"§ 163-89. Procedures for challenging absentee ballots.
(a) Time for Challenge. – The absentee ballot of any voter may be challenged on the day of any statewide primary or general election or county bond election beginning no earlier than noon and ending no later than 5:00 P.M., or by the chief judge at the time of closing of the polls as provided in G.S. 163-232 and G.S. 163-251(b). The absentee ballot of any voter received by the county board of elections pursuant to G.S. 163-231(b)(ii) or (iii) may be challenged no earlier than noon on the day following the election and no later than 5:00 p.m. on the next business day following the deadline for receipt of such absentee ballots."

SECTION 16. G.S. 163-82.14 is amended by adding a new subsection to read:

"(e) Cooperation on List Maintenance Efforts. – The State Board has the authority to perform list maintenance under this section with the same authority as a county board."

SECTION 17.5.(a) G.S. 163-287 reads as rewritten:

"§ 163-287. Special elections; procedure for calling.
(a) Any county, municipality, or any special district shall have authority to call special elections as permitted by law. Prior to calling a special election, the governing body of the county, municipality, or special district shall adopt a resolution specifying the details of the election, and forthwith deliver the resolution to the local board of elections. The resolution shall call on the local board of elections to conduct the election described in the resolution and shall state the date on which the special election is to be conducted. In setting the date, counties,
municipalities, and special districts are encouraged to set a date that will result in the highest possible voter turnout. However, the special election may be held only as follows:

1. At the same time as any other State, State or county or municipal general election.
2. At the same time as the primary election in any even-numbered year.
3. At the same time as any other election requiring all the precincts in the county to be open.
4. At the same time as a municipal general election, if the special election is within the jurisdiction of the municipality only.

(b) Legal notice of the special election shall be published no less than 45 days prior to the special election. The local board of elections shall be responsible for publishing the legal notice. The notice shall state the date and time of the special election, the issue to be submitted to the voters, and the precincts in which the election will be held. This subsection shall not apply to bond elections.

(c) The last sentence of subsection (a) of this section shall not apply to any special election related to the public health or safety, including a vacancy in the office of sheriff or a bond referendum for financing of health and sanitation systems, if the governing body adopts a resolution stating the need for the special election at a time different from any other State, county, or municipal general election or the primary in any even-numbered year.

(d) The last sentence of subsection (a) of this section shall not apply to municipal incorporation or recall elections pursuant to local act of the General Assembly.

(e) The last sentence of subsection (a) of this section shall not apply to municipal elections to fill vacancies in office pursuant to local act of the General Assembly where more than six months remain in the term of office, and if less than six months remain in the office, the governing board may fill the vacancy for the remainder of the unexpired term notwithstanding any provision of a local act of the General Assembly.

(f) This section shall not impact the authority of the courts or the State Board to order a new election at a time set by the courts or State Board under this Chapter.

SECTION 17.5.(b) This section becomes effective January 1, 2015, and applies to all special elections held on or after that date.

SECTION 18. G.S. 160A-102 reads as rewritten:

"§ 160A-102. Amendment by ordinance.

By following the procedure set out in this section, the council may amend the city charter by ordinance to implement any of the optional forms set out in G.S. 160A-101. The council shall first adopt a resolution of intent to consider an ordinance amending the charter. The resolution of intent shall describe the proposed charter amendments briefly but completely and with reference to the pertinent provisions of G.S. 160A-101, but it need not contain the precise text of the charter amendments necessary to implement the proposed changes. At the same time that a resolution of intent is adopted, the council shall also call a public hearing on the proposed charter amendments, the date of the hearing to be not more than 45 days after adoption of the resolution. A notice of the hearing shall be published at least once not less than 10 days prior to the date fixed for the public hearing, and shall contain a summary of the proposed amendments. Following the public hearing, but not earlier than the next regular meeting of the council and not later than 60 days from the date of the hearing, the council may adopt an ordinance amending the charter to implement the amendments proposed in the resolution of intent.

The council may, but shall not be required to unless a referendum petition is received pursuant to G.S. 160A-103, make any ordinance adopted pursuant to this section effective only if approved by a vote of the people, and may by resolution adopted at the same time call a special election for the purpose of submitting the ordinance to a vote. The date fixed for the special election shall be not more than 90 days the next date permitted under G.S. 163-287(a) that is more than 70 days after adoption of the ordinance.
Within 10 days after an ordinance is adopted under this section, the council shall publish a notice stating that an ordinance amending the charter has been adopted and summarizing its contents and effect. If the ordinance is made effective subject to a vote of the people, the council shall publish a notice of the election in accordance with G.S. 163-287, and need not publish a separate notice of adoption of the ordinance.

The council may not commence proceedings under this section between the time of the filing of a valid initiative petition pursuant to G.S. 160A-104 and the date of any election called pursuant to such petition."

SECTION 18.5.(a) G.S. 163-278.9(j) reads as rewritten:

"(j) Treasurers for each of the following entities shall electronically file each report required by this section that shows a cumulative total for the election cycle in excess of five thousand dollars ($5,000) in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

(1) A candidate for statewide office, if more than five thousand dollars ($5,000).
(2) A State, district, county, or precinct executive committee of a political party, if the committee makes contributions or independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office.
(3) A political committee that makes contributions in excess of five thousand dollars ($5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office.
(4) All other political committees, if more than ten thousand dollars ($10,000)."

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer."

SECTION 18.5.(b) This section becomes effective January 1, 2017, and applies to elections held on or after that date.

SECTION 19. Except as provided herein, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of August, 2014.

Became law upon approval of the Governor at 5:10 p.m. on the 6th day of August, 2014.

Session Law 2014-112

AN ACT TO MAKE CHANGES TO ADMINISTRATION OF THE STATE RETIREMENT SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-5(g) reads as rewritten:

"(g) Election of Optional Allowance. – With the provision that until the first payment on account of any benefit becomes normally due, or his first retirement check has been cashed, any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of such retirement allowance, including any special retirement allowance, in a reduced allowance payable throughout life under the provisions of one of the options set forth below. The election of Option 2, 3, or 6 or nomination of the person thereunder shall be revoked if such person nominated dies prior to the date the first payment becomes normally due or until the first retirement check has been cashed. Such election may be revoked by the member prior to the date the first payment becomes normally due or until his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2, 3, or 5 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first
payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may request to nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage, and may nominate a new spouse to receive the retirement allowance under the previously elected option by written designation duly acknowledged and filed with the Board of Trustees within 120 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. Any member having elected Option 2, 3, 5, or 6 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new option. Except as provided in this section, the member may not change the member's retirement benefit option or the member's designated beneficiary for survivor benefits, if any, after the member has cashed the first retirement check or after the 25th day of the month following the month in which the first check is mailed, whichever comes first.

Option 1.(a) In the Case of a Member Who Retires prior to July 1, 1963. – If he dies before he has received in annuity payments the present value of his annuity as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.

(b) In the Case of a Member Who Retires on or after July 1, 1963, but prior to July 1, 1993. – If he dies within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120 thereof for each month for which he has received a retirement allowance payment, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees; or

Option 2. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement, provided that if the person selected is other than his spouse the reduced retirement allowance payable to the member shall not be less than one half of the retirement allowance without optional modification which would otherwise be payable to him; or

Option 3. Upon his death, one half of his reduced retirement allowance shall be continued throughout the life of, and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement; or

Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until the first payment on account of any benefit becomes normally due, any member may elect to convert his benefit otherwise payable on his account after retirement into a retirement allowance of equivalent actuarial value of such amount that with his benefit under Title II of the Federal Social Security Act, he will receive, so far as possible, approximately the same amount per year before and after the earliest age at which he becomes eligible, effective as of the first of the month following the month of initial entitlement upon application therefor, to receive a social security benefit.

Option 5. For Members Retiring Prior to July 1, 1993. – The member may elect to receive a reduced retirement allowance under the conditions of Option 2 or Option 3, as provided for above, with the modification that if both he and the person nominated die within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120 thereof for each month for which a retirement allowance has been paid, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.
Option 6. A member may elect either Option 2 or Option 3 with the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

Upon the death of a member after the effective date of a retirement for which the member has been approved and following receipt by the Board of Trustees of an election of benefits (Form 6-E or Form 7-E) but prior to the cashing of the first benefit check, the retirement benefit shall be payable as provided by the member's election of benefits under this subsection.

Upon the death of a member after the effective date of a retirement for which the member has been approved but prior to the receipt by the Board of Trustees of an election of benefits (Form 6-E or Form 7-E), properly acknowledged and filed by the member, the member's designated beneficiary for a return of accumulated contributions may elect to receive the benefit, if only one beneficiary is eligible to receive the return of accumulated contributions. If more than one beneficiary is eligible to receive the return of accumulated contributions, the administrator or executor of the member's estate will select an option and name the beneficiary or beneficiaries.

**SECTION 1.(b)** G.S. 128-27(g) reads as rewritten:

"(g) Election of Optional Allowance. – With the provision that until the first payment on account of any benefit becomes normally due, or his first retirement check has been cashed, any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of such retirement allowance, including any special retirement allowance, in a reduced allowance payable throughout life under the provisions of one of the Options set forth below. The election of Option 2, 3, or 6 or nomination of the person thereunder shall be revoked if such person nominated dies prior to the date the first payment becomes normally due or the first retirement check has been cashed. Such election may be revoked by the member prior to the date the first payment becomes normally due or his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2, 3, or 5 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may request to nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage, and may nominate a new spouse to receive the retirement allowance under the previously elected option by written designation duly acknowledged and filed with the Board of Trustees within 120 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. Any member having elected Option 2, 3, 5, or 6 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new option. Except as provided in this section, the member may not change the member's retirement benefit option or the member's designated beneficiary for survivor benefits, if any, after the member has cashed the first retirement check or after the 25th day of the month following the month in which the first check is mailed, whichever comes first.

Option 1.

(a) In the Case of a Member Who Retires prior to July 1, 1965. – If he dies before he has received in annuity payments the present value of his annuity as it was at the time of his retirement, the balance shall be paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees or, if none, to his legal representative.
In the Case of a Member Who Retires on or after July 1, 1965, but prior to July 1, 1993. – If he dies within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less one one-hundred-twentieth thereof for each month for which he has received a retirement allowance payment, shall be paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees or, if none, to his legal representative; or

Option two. Upon his death his reduced retirement allowance shall be continued throughout the life of and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement, provided that if the person selected is other than his spouse the reduced retirement allowance payable to the member shall not be less than one half of the retirement allowance without optional modification which would otherwise be payable to him; or

Option three. Upon his death, one half of his reduced retirement allowance shall be continued throughout the life of, and paid to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement; or

Option four. Adjustment of Retirement Allowance for Social Security Benefits. – Until the first payment on account of any benefit becomes normally due, any member may elect to convert his benefit otherwise payable on his account after retirement into a retirement allowance of equivalent actuarial value of such amount that with his benefit under Title II of the Federal Social Security Act, he will receive, so far as possible, approximately the same amount per year before and after the earliest age at which he becomes eligible, effective as of the first of the month following the month of initial entitlement, upon application therefor, to receive a social security benefit.

Option five. For Members Retiring prior to July 1, 1993. – The member may elect to receive a reduced retirement allowance under the conditions of Option two or Option three, as provided for above, with the modification that if both he and the person nominated die within 10 years from his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120th thereof for each month for which a retirement allowance has been paid, shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees.

Option six. A member may elect either Option two or Option three with the added provision that in the event the designated beneficiary predeceases the member, the retirement allowance payable to the member after the designated beneficiary's death shall be equal to the retirement allowance which would have been payable had the member not elected the option.

Upon the death of a member after the effective date of a retirement for which the member has been approved and following receipt by the Board of Trustees of an election of benefits (Form 6-E or Form 7-E) but prior to the cashing of the first benefit check, the retirement benefit shall be payable as provided by the member's election of benefits under this subsection.

Upon the death of a member after the effective date of a retirement for which the member has been approved but prior to the receipt by the Board of Trustees of an election of benefits (Form 6-E or Form 7-E), properly acknowledged and filed by the member, the member's designated beneficiary for a return of accumulated contributions may elect to receive the benefit, if only one beneficiary is eligible to receive the return of accumulated contributions. If more than one beneficiary is eligible to receive the return of accumulated contributions, the administrator or executor of the member's estate will select an option and name the beneficiary or beneficiaries.

SECTION 2.(a) G.S. 135-8(f) reads as rewritten:

"(f) Collection of Contributions. –

(1) The collection of members' contributions shall be as follows:

a. Each employer shall cause to be deducted on each and every payroll of a member for each and every payroll subsequent to the date of
establishment of the Retirement System the contributions payable by such member as provided in this Chapter, and the employer shall draw his warrant for the amount so deducted, payable to the Teachers’ and State Employees’ Retirement System of North Carolina, and shall transmit the same, together with schedule of the contributions, on such forms as prescribed.

(2) The collection of employers’ contributions shall be made as follows:
   a. Upon the basis of each actuarial valuation provided herein there shall be prepared biennially and certified to the Department of Administration a statement of the total amount necessary for the ensuing biennium to the pension accumulation and expense funds, as provided under subsections (d) and (f) of this section, and these funds shall be handled and disbursed in accordance with the State Budget Act, Chapter 143C of the General Statutes.
   b. Until the first valuation has been made and the rates computed as provided in subsection (d) of this section, the amount payable by employers on account of the normal and accrued liability contributions shall be five and fifty-one one-hundredths percent (5.51%) of the payroll of all teachers and three and sixteen one-hundredths percent (3.16%) for other State employees.
   d. Each board of education in each county and each board of education in each city in which teachers or other employees of the schools receive compensation for services in the public schools from sources other than the appropriation of the State of North Carolina shall pay the Board of Trustees of the State Retirement System such rate of their respective salaries as are paid those of other employees.
   e. Each employer shall transmit monthly to the State Retirement System on account of each employee, who is a member of this System, an amount sufficient to cover the normal contribution and the accrued liability contribution of each member employed by such employer for the preceding month.

(3) In the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees, the Board shall assess the employer with a penalty, in lieu of interest, of 1% per month with a minimum penalty of twenty-five dollars ($25.00). The Board may waive one penalty per employer every five years if the Board finds that the employer has consistently demonstrated good-faith efforts to comply with the set deadline. If within 90 days after request therefor by the Board any employer shall not have provided the System with the records and other information required hereunder or if the full accrued amount of the contributions provided for under this section due from members employed by an employer or from an employer other than the State shall not have been received by the System from the chief fiscal officer of such employer within 30 days after the last due date as herein provided, then, notwithstanding anything herein or in the provisions of any other law to the contrary, upon notification by the Board to the State Treasurer as to the default of such employer as herein provided, any distributions which might otherwise be made to such employer from any funds of the State shall be withheld from such employer until notice from the Board to the State Treasurer that such employer is no longer in default.”

SECTION 2.(b) G.S. 128-30(g) reads as rewritten:

686
(g) Collection of Contributions. –

(1) The collection of members' contributions shall be as follows:

a. Each employer shall cause to be deducted on each and every payroll of a member for each and every payroll subsequent to the date of participation in the Retirement System the contributions payable by such member as provided in this Article. Each employer shall certify to the treasurer of said employer on each and every payroll a statement as vouchers for the amount so deducted.

b. The treasurer of each employer on the authority from the employer shall make deductions from salaries of members as provided in this Article and shall transmit monthly, or at such time as the Board of Trustees shall designate, the amount specified to be deducted, to the secretary-treasurer of the Board of Trustees. The secretary-treasurer of the Board of Trustees after making a record of all such receipts shall deposit them in a bank or banks selected by said Board of Trustees for use according to the provisions of this Article.

(2) The collections of employers' contributions shall be made as follows: Upon the basis of each actuarial valuation provided herein the Board of Trustees shall annually prepare and certify to each employer a statement of the total amount necessary for the ensuing fiscal year to the pension accumulation fund as provided under subsection (d) of this section. Such employer contributions shall be transmitted to the secretary-treasurer of the Board of Trustees together with the employee deductions as provided under sub-subdivision b. of subdivision (1) of this subsection.

(3) In the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees, the Board shall assess the employer with a penalty, in lieu of interest, of 1% per month with a minimum penalty of twenty-five dollars ($25.00). The Board may waive one penalty per employer every five years if the Board finds that the employer has consistently demonstrated good-faith efforts to comply with the set deadline. If within 90 days after request therefor by the Board any employer shall not have provided the System with the records and other information required hereunder or if the full accrued amount of the contributions provided for under this section due from members employed by an employer or from an employer shall not have been received by the Board from the chief fiscal officer of such employer within 30 days after the last due date as herein provided, then, notwithstanding anything herein or in the provisions of any other law to the contrary, upon notification by the Board to the State Treasurer as to the default of such employer as herein provided, any distributions which might otherwise be made to such employer, or the municipality or county of which such employer is an integral part, from any funds of the State or any funds collected by the State shall be withheld from such employer until notice from the Board to the State Treasurer that such employer is no longer in default."

SECTION 3.(a) G.S. 135-5(l) reads as rewritten:

"(l) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is separate and apart from the Retirement System and under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as he shall have nominated by electronic submission prior to completing 10 years of service in a form
approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such death benefit shall be equal to the greater of:

1. The compensation on which contributions were made by the member during the calendar year preceding the year in which his death occurs, or
2. The greatest compensation on which contributions were made by the member during a 12-month period of service within the 24-month period of service ending on the last day of the month preceding the month in which his last day of actual service occurs;
3. (4) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1049, s. 2.

subject to a minimum of twenty-five thousand dollars ($25,000) and to a maximum of fifty thousand dollars ($50,000). Such death benefit shall be payable apart and separate from the payment of the member's accumulated contributions under the System on his death pursuant to the provisions of subsection (f) of this section. For the purpose of the Plan, a member shall be deemed to be in service at the date of his death if his death occurs within 180 days from the last day of his actual service.

The death benefit provided in this subsection (l) shall not be payable, notwithstanding the member's compliance with all the conditions set forth in the preceding paragraph, if his death occurs:

1. After December 31, 1968 and after he has attained age 70; or
2. After December 31, 1969 and after he has attained age 69; or
3. After December 31, 1970 and after he has attained age 68; or
4. After December 31, 1971 and after he has attained age 67; or
5. After December 31, 1972 and after he has attained age 66; or
6. After December 31, 1973 and after he has attained age 65; or
7. After December 31, 1978, but before January 1, 1987, and after he has attained age 70.

Notwithstanding the above provisions, the death benefit shall be payable on account of the death of any member who died or dies on or after January 1, 1974, but before January 1, 1979, after attaining age 65, if he or she had not yet attained age 65, if he or she had not yet attained age 66, was at the time of death completing the work year for those individuals under specific contract, or during the fiscal year for those individuals not under specific contract, in which he or she attained 65, and otherwise met all conditions for payment of the death benefit.

Notwithstanding the above provisions, the Board of Trustees may and is specifically authorized to provide the death benefit according to the terms and conditions otherwise appearing in this Plan in the form of group life insurance, either (i) by purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to transact business in this State for the purpose of insuring the lives of members in service, or (ii) by establishing a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended, for such purpose. To that end the Board of Trustees is authorized, empowered and directed to investigate the desirability of utilizing group life insurance by either of the foregoing methods for the purpose of providing the death benefit. If a separate trust fund is established, it shall be operated in accordance with rules and regulations adopted by the Board of Trustees and all investment earnings on the trust fund shall be credited to such fund.

In administration of the death benefit the following shall apply:

1. For the purpose of determining eligibility only, in this subsection "calendar year" shall mean any period of 12 consecutive months or, if less, the period covered by an annual contract of employment. For all other purposes in this subsection "calendar year" shall mean the 12 months beginning January 1 and ending December 31.
2. Last day of actual service shall be:
a. When employment has been terminated, the last day the member actually worked.

b. When employment has not been terminated, the date on which an absent member's sick and annual leave expire, unless he is on approved leave of absence and is in service under the provisions of G.S. 135-4(h).

c. When a participant's employment is interrupted by reason of service in the Uniformed Services, as that term is defined in section 4303(16) of the Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353, and the participant does not return immediately after that service to employment with a covered employer in this System, the date on which the participant was first eligible to be separated or released from his or her involuntary military service.

(3) For a period when a member is on leave of absence, his status with respect to the death benefit will be determined by the provisions of G.S. 135-4(h).

(4) A member on leave of absence from his position as a teacher or State employee for the purpose of serving as a member or officer of the General Assembly shall be deemed to be in service during sessions of the General Assembly and thereby covered by the provisions of the death benefit. The amount of the death benefit for such member shall be the equivalent of the salary to which the member would have been entitled as a teacher or State employee during the 12-month period immediately prior to the month in which death occurred, not to be less than twenty-five thousand dollars ($25,000) nor to exceed fifty thousand dollars ($50,000).

The provisions of the Retirement System pertaining to Administration, G.S. 135-6, and management of funds, G.S. 135-7, are hereby made applicable to the Plan.

A member who is a beneficiary of the Disability Income Plan provided for in Article 6 of this Chapter, or a member who is in receipt of Workers' Compensation during the period for which he or she would have otherwise been eligible to receive short-term benefits or extended short-term benefits as provided in G.S. 135-105 and dies on or after 181 days from the last day of his or her actual service but prior to the date the benefits as provided in G.S. 135-105 would have ended, shall be eligible for group life insurance benefits as provided in this subsection, notwithstanding that the member is no longer an employee or teacher or that the member's death occurs after the eligibility period after active service. The basis of the death benefit payable hereunder shall be the higher of the death benefit computed as above or a death benefit based on compensation used in computing the benefit payable under G.S. 135-105 and G.S. 135-106, as may be adjusted for percentage post-disability increases, all subject to the maximum dollar limitation as provided above. A member in receipt of benefits from the Disability Income Plan under the provisions of G.S. 135-112 whose right to a benefit accrued under the former Disability Salary Continuation Plan shall not be covered under the provisions of this paragraph.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of twenty-four
months of contributions required under this subsection. Should death occur before the completion of twenty-four months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2004, but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2015, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2023, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of twelve thousand dollars ($12,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2031, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of fourteen thousand dollars ($14,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.
2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if there is no surviving beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 3.(b) G.S. 135-64(i) reads as rewritten:

"(i) Upon the death of a retired member on or after July 1, 2004, but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of a deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon the death of a retired member on or after July 1, 2007, there shall be paid a death benefit to the surviving spouse of a deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 3.(c) G.S. 135-64 is amended by adding two new subsections to read:

"(j) Upon the death of a retired member on or after July 1, 2007, but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of a deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees.
separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

(k) Upon the death of a retired member on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if there is no surviving designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 3.(d) G.S. 120-4.27 reads as rewritten:

"§ 120-4.27. Death benefit.

The designated beneficiary of a member who dies while in service after completing one year of creditable service shall receive a lump-sum payment of an amount equal to the deceased member's highest annual salary, to a maximum of fifteen thousand dollars ($15,000). For purposes of this death benefit "in service" means currently serving as a member of the North Carolina General Assembly. "In service" also means service in the Uniformed Services, as that term is defined in section 4303(16) of the Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353, if that service begins during the member's term of office. If the participant does not return immediately after that service to employment with a covered employer in this System, then the participant shall be deemed "in service" until the date on which the participant was first eligible to be separated or released from his or her involuntary military service.

The death benefit provided by this section shall be designated a group life insurance benefit payable under an employee welfare benefit plan that is separate and apart from the Retirement System but under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Board of Trustees is authorized to provide the death benefit in the form of group life insurance either by purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to transact business in the State of North Carolina for the purpose of insuring the lives of qualified members in service, or by establishing or affiliating with a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after July 1, 1988, but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System
on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of five thousand dollars ($5,000) upon the completion of twenty-four months of contributions required under this subsection. Should death occur before the completion of twenty-four months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after January 1, 1999, but before July 1, 2004, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after July 1, 2004, but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after July 1, 2007, but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of a deceased retired member, or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required
under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired member of the Retirement System or Retirement Fund on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Retirement System on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Retirement System, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if not survived by a designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

SECTION 3.(e) G.S. 128-27(l4) reads as rewritten:

"(14) Death Benefit for Retired Members. – Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2004, but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2007, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal
representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 3.(f) G.S. 128-27 is amended by adding two new subsections to read:

"(l5) Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2007, but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

(l6) Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member, or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars ($10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 4.(a) G.S.135-6(i) reads as rewritten:

"(i) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the Retirement System for the preceding year, the amount of the accumulated cash and securities of the System, and the last balance sheet showing the financial condition of the System by means of an actuarial valuation of the assets and liabilities of the Retirement System. It shall also publish annually a report on supplemental insurance offerings that are made available to retirees and the extent to which retirees participate in those offerings."

SECTION 4.(b) G.S. 128-28(j) reads as rewritten:

"(j) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the Retirement System for the preceding year, the amount of the accumulated cash and securities of the System, and the last balance sheet showing the financial condition of the System by means of an actuarial valuation of the assets..."
and liabilities of the Retirement System. It shall also publish annually a report on supplemental insurance offerings that are made available to retirees and the extent to which retirees participate in those offerings."

SECTION 5.(a) G.S. 135-9 reads as rewritten:
"§ 135-9. Exemption from garnishment, attachment, etc.
Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq., and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a person to a pension, or annuity, or a retirement allowance, to the return of contributions, the pension, annuity or retirement allowance itself, any optional benefit or any other right accrued or accruing to anyone under the provisions of this Chapter, and the moneys in the various funds created by this Chapter, are exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable except as in this Chapter specifically otherwise provided. Application for System approval of a domestic relations order dividing a person's interest under the Retirement System shall be accompanied by an order consistent with the system-designed template order provided on the System's Web site. For orders entered on or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic relations order shall be limited to the lifetime of that former spouse and, upon the death of that former spouse, the former spouse's share shall revert to the member. Notwithstanding any provisions to the contrary, any overpayment of benefits to a member in a State-administered retirement system or the former Disability Salary Continuation Plan or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums paid on behalf of, any member or beneficiary who is later determined to have been ineligible for those benefits, may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

SECTION 5.(b) G.S. 128-31 reads as rewritten:
"§ 128-31. Exemptions from execution.
Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq., and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a person to a pension, an annuity, or a retirement allowance, to the return of contributions, the pension, annuity or retirement allowance itself, any optional benefit or any other right accrued or accruing to anyone under the provisions of this Article, and the moneys in the various funds created by this Article, are exempt from levy and sale, garnishment, attachment, or any other process whatsoever, and shall be unassignable except as in this Article specifically otherwise provided. Application for System approval of a domestic relations order dividing a person's interest under the Retirement System shall be accompanied by an order consistent with the system-designed template order provided on the System's Web site. For orders entered on or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic relations order shall be limited to the lifetime of that former spouse and, upon the death of that former spouse, the former spouse's share shall revert to the member. Notwithstanding any provisions to the contrary, any overpayment of benefits to a member in a State-administered retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of North Carolina, including any benefits paid to, or State Health Plan premiums paid on behalf of, any member who is later determined to have been ineligible for those benefits, may be offset against any retirement allowance, return of contributions or any other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

SECTION 6.(a) G.S. 135-6 is amended by adding a new subsection to read:
"(t) Immunity. – A person serving on the Teachers' and State Employees' Retirement System Board of Trustees shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:
(1) The person was not acting within the scope of that person's official duties.
(2) The person was not acting in good faith."
(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.
(4) The person derived an improper personal financial benefit, either directly or indirectly, from the transaction.
(5) The person incurred the liability from the operation of a motor vehicle.

SECTION 6.(b) G.S. 128-27 is amended by adding a new subsection to read:
"(u) Immunity. – A person serving on the Local Governmental Employees' Retirement System Board of Trustees shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:
(1) The person was not acting within the scope of that person's official duties.
(2) The person was not acting in good faith.
(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.
(4) The person derived an improper personal financial benefit, either directly or indirectly, from the transaction.
(5) The person incurred the liability from the operation of a motor vehicle.

SECTION 7. G.S. 128-27(a)(1) reads as rewritten:
"(1) Any member may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired: Provided, that the said member at the time so specified for his retirement shall have attained the age of 60 years and have at least five years of creditable service or shall have completed 30 years of creditable service, or if a fireman, firefighter or rescue squad worker, he shall have attained the age of 55 years and have at least five years of creditable service.

SECTION 8. Sections 1 and 3 of this act become effective January 1, 2015. Sections 2, 4, 5, and 6 of this act become effective October 1, 2014. The remainder of this act becomes effective September 1, 2014.

In the General Assembly read three times and ratified this the 31st day of July, 2014. Became law upon approval of the Governor at 5:10 p.m. on the 6th day of August, 2014.

Session Law 2014-113 S.B. 163

AN ACT TO DESIGNATE RECLAIMED WATER AS A SOURCE WATER UNDER CERTAIN CONDITIONS.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds that the use of reclaimed water to supplement source waters for potable water treatment is an appropriate and prudent measure in regions of the State with limited water resources under limited conditions.

SECTION 2. G.S. 143-350 is amended by adding a new subdivision to read:
"(4a) "Pretreatment mixing basin" means a basin created from lands that do not include waters of the State and in which raw water is mixed with reclaimed water before it is treated to the standards to make it suitable for potable water supply."

SECTION 3. G.S. 143-355.5 reads as rewritten:
"§ 143-355.5. Water reuse; policy; rule making.
(a) Water Reuse Policy. – It is the public policy of the State that the reuse of treated wastewater or reclaimed water and the use of gray water or captured rain water is critical to meeting the existing and future water supply needs of the State.
(a1) The General Assembly finds that reclaimed water systems permitted and operated under G.S. 143-215.1(d2) in an approved wastewater reuse program can provide water for many beneficial purposes in a way that is both environmentally acceptable and protective of public health. This finding includes and applies to conjunctive facilities that require the relocation of a discharge from one receiving stream to another under all of the following conditions:

1. The relocation is necessary to create an approved comprehensive wastewater reuse program.
2. The reuse program provides significant reuse benefits.
3. The relocated discharge will comply with all applicable water quality standards; will not result in degradation of water quality in the receiving waters; and will not contribute to water quality impairment in the receiving watershed, and will result in net benefits to water quality, such as the elimination of a wastewater discharge in a nutrient sensitive river basin watershed.

(a2) The General Assembly finds that reclaimed water systems permitted and operated under G.S. 143-215.1 in an approved wastewater reuse program can provide water for the beneficial purpose of supplementing the water supply source for potable water in a way that is both environmentally acceptable and protective of public health. Notwithstanding any other provision of law, a local water supply system may combine reclaimed water with other raw water sources before treatment if all of the following conditions are satisfied:

1. The reclaimed water use is not permitted for compliance with flow limitations imposed by a permit issued pursuant to G.S. 143-215.1(a4)(1).
2. The reclaimed water and source water are combined in a pretreatment mixing basin owned and controlled by the drinking water supplier from which water is pumped to the water treatment plant.
3. The pretreatment mixing basin is sized to hold a minimum volume corresponding to five days’ storage at the authorized operating capacity of the water treatment plant under normal operating conditions.
4. The pretreatment mixing basin design and pumping infrastructure incorporate features to ensure mixing of reclaimed water and source water.
5. The reclaimed water is treated to comply with the highest reclaimed water effluent standards established by the Commission.
6. The average daily flow of reclaimed water into the pretreatment mixing basin, as measured over a 24-hour period, is no more than twenty percent (20%) of the sum of the average daily flow of source water and reclaimed water, as measured over the same 24-hour period, into the pretreatment mixing basin.
7. The local water system has implemented conservation and efficiency measures designed to achieve water use reductions.
8. Unbilled leakage from the local water system is maintained below fifteen percent (15%) of annual average potable water consumption of the local water system.
9. The local water system has a master plan that evaluates alternatives for reclaimed water use.
10. The local water system provides public notice to potable water recipients with opportunity for public participation.
11. The potable water supply provided pursuant to this subsection shall comply with all State and federal laws for the provision of safe drinking water.
12. Any discharge into the waters of the State must be pursuant to a permit issued under G.S. 143-215.1.
(b) Water Reuse Rule Making. – The Commission shall encourage and promote safe and beneficial reuse of treated wastewater as an alternative to surface water discharge. The Commission shall adopt rules to:
   (1) Identify acceptable uses of reclaimed water, including toilet flushing, fire protection, decorative water features, and landscape irrigation.
   (2) Facilitate the permitting of reclaimed water systems.
   (3) Establish standards for reclaimed water systems that are adequate to prevent the direct distribution of reclaimed water as potable water. Standards adopted pursuant to this subdivision shall not prohibit the combining of reclaimed water with other raw water sources before treatment pursuant to subsection (a2) of this section.

(c) Gray Water Rule Making. – The Commission shall encourage and promote the safe and beneficial use of gray water. The Commission shall adopt rules to:
   (1) Identify acceptable uses of gray water, including toilet flushing, fire protection, decorative water features, and landscape irrigation.
   (2) Facilitate the permitting of gray water systems.
   (3) Establish standards, in coordination with the Commission for Public Health, for gray water systems that protect public health and safety and the environment and reduce the use of potable water within individual structures.

(d) The Department shall develop policies and procedures to promote the voluntary adoption and installation of gray water systems."

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

In the General Assembly read three times and ratified this the 1st day of August, 2014.

Became law upon approval of the Governor at 5:11 p.m. on the 6th day of August, 2014.

Session Law 2014-114

H.B. 1145

AN ACT TO REQUIRE MOPEDS TO BE REGISTERED WITH THE DIVISION OF MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-53.4. Registration of Mopeds.

Mopeds shall be registered with the Division. The owner of the moped shall pay the same base fee and be issued the same type of registration card and plate issued for a motorcycle. In order to be registered with the Division and operated upon a highway or public vehicular area, a moped must meet the following requirements:

(1) The moped has a manufacturer's certificate of origin.
(2) The moped was designed and manufactured for use on highways or public vehicular areas."

SECTION 2. G.S. 20-51(9) is repealed.

SECTION 3. G.S. 20-76 is amended by adding a new subsection to read:

"(c) Whenever an applicant for the registration of a moped is unable to present a manufacturer's certificate of origin for the moped, the applicant must submit an affidavit stating why the applicant does not have the manufacturer's certificate of origin and attesting that the applicant is entitled to registration. Upon receipt of the application and accompanying affidavit, the Division shall issue the applicant a registration card and plate. The Division may not require the applicant to post a bond as required under subsection (b) of this section. A person damaged by issuance of the registration card does not have a right of action against the Division."

699
SECTION 4. The Joint Legislative Transportation Oversight Committee shall study whether additional statutory changes are needed to ensure the safe operation of mopeds. The report shall include data on (i) the number of mopeds involved in traffic accidents, (ii) the number and types of injuries resulting from traffic accidents involving mopeds, and (iii) the causes for the traffic accidents involving mopeds. The Committee shall also study whether insurance should be required to operate a moped on a public street or highway. The Committee shall report its findings, together with any recommended legislation, to the 2015 Regular Session of the General Assembly upon its convening.

SECTION 5. Sections 1, 2, and 3 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of August, 2014.

Became law upon approval of the Governor at 5:12 p.m. on the 6th day of August, 2014.

Session Law 2014-115

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND THE SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER CHANGES TO THE GENERAL STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1. Subsection (c) of G.S. 1A-1, Rule 59, is rewritten to read:

"(c) Time for serving affidavits. – When a motion for new trial is based upon affidavits they shall be served with the motion. The opposing party has 10 days after such service within which to serve opposing affidavits, which period may be extended for an additional period not exceeding 30 days either by the court for good cause shown or by the parties by written stipulation. The court may permit reply affidavits."

SECTION 2. G.S. 15-11.2 reads as rewritten:

"§ 15-11.2. Disposition of unclaimed firearms not confiscated or seized as trial evidence.

(a) Definition. – For purposes of this section, the term "unclaimed firearm" means a firearm that is found or received by a law enforcement agency and that remains unclaimed by the person who may be entitled to it for a period of 30 days after the publication of the notice required by subsection (b) of this section. The term does not include a firearm that is seized and disposed of pursuant to G.S. 15-11.1 or a firearm that is confiscated and disposed of pursuant to G.S. 14-269.1.

(b) Published Notice of Unclaimed Firearm. – When a law enforcement agency finds or receives a firearm and the firearm remains unclaimed for a period of 180 days, the agency shall publish at least one notice in a newspaper published in the county in which the agency is located. The notice shall include all of the following:

(1) A statement that the firearm is unclaimed and is in the custody of the law enforcement agency.

(2) A statement that the firearm may be sold or otherwise disposed of unless the firearm is claimed within 30 days of the date of the publication of the notice.

(3) A brief description of the firearm and any other information that the chief or head of the law enforcement agency may consider necessary or advisable to reasonably inform the public about the firearm.
(c) Repealed by Session Laws 2013-158, s. 2, effective September 1, 2013, and applicable to any firearm found or received by a local law enforcement agency on or after that date and to any judicial order for the disposition of any firearm on or after that date.

(d) Disposition of Unclaimed Firearm. – If the firearm remains unclaimed for a period of 30 days after the publication of the notice, then the head or chief of the law enforcement agency shall order the disposition of the firearm in one of the following ways:

(1) By having the firearm destroyed if the firearm does not have a legible, unique identification number or is unsafe for use because of wear, damage, age, or modification and will not be disposed of pursuant to subdivision (3) of this subsection. The head or chief of the law enforcement agency shall maintain a record of the destruction of the firearm.

(2) By sale, trade, or exchange by the agency to a federally licensed firearm dealer in accordance with all applicable State and federal firearm laws or by sale of the firearm at a public auction to persons licensed as firearms collectors, dealers, importers, or manufacturers. The head or chief of the law enforcement agency shall dispose of the firearm pursuant to this subdivision only if the firearm has a legible, unique identification number.

(3) By maintaining the firearm for training or experimental purposes or transferring the firearm to a museum or historical society.

(e) Repealed by Session Laws 2013-158, s. 2, effective September 1, 2013, and applicable to any firearm found or received by a local law enforcement agency on or after that date and to any judicial order for the disposition of any firearm on or after that date.

(f) Disbursement of Proceeds of Sale. – If the law enforcement agency sells the firearm pursuant to subdivision (2) of subsection (d) of this section, then the proceeds of the sale shall be retained by the law enforcement agency and used for law enforcement purposes. The receiving law enforcement agency shall maintain a record and inventory of all firearms received pursuant to this section, as well as the disposition of the firearm, including any funds received from a sale of a firearm or any firearms or other property received in exchange or trade of a firearm.”

SECTION 2.1.(a) G.S. 15A-830 reads as rewritten:

"§ 15A-830. Definitions.

(a) The following definitions apply in this Article:

(1) Accused. – A person who has been arrested and charged with committing a crime covered by this Article.

(2) Arresting law enforcement agency. – The law enforcement agency that makes the arrest of an accused.

(3) Custodial agency. – The agency that has legal custody of an accused or defendant arising from a charge or conviction of a crime covered by this Article including, but not limited to, local jails or detention facilities, regional jails or detention facilities, facilities designated under G.S. 122C-252 for the custody and treatment of involuntary clients, or the Division of Adult Correction of the Department of Public Safety.

(4) Investigating law enforcement agency. – The law enforcement agency with primary responsibility for investigating the crime committed against the victim.

(5) Law enforcement agency. – An arresting law enforcement agency, a custodial agency, or an investigating law enforcement agency.

(6) Next of kin. – The victim’s spouse, children, parents, siblings, or grandparents. The term does not include the accused unless the charges are dismissed or the person is found not guilty.

(7) Victim. – A person against whom there is probable cause to believe one of the following crimes was committed:

a. A Class A, B1, B2, C, D, or E felony.
b. A Class F felony if it is a violation of one of the following:
G.S. 14-16.6(b); 14-16.6(c); 14-18; 14-32.1(e); 14-32.2(b)(3); 14-32.3(a); 14-32.4; 14-34.2; 14-34.6(c); 14-41; 14-43.3; 14-43.11; 14-190.17; 14-190.19; 14-202.1; 14-277.3A; 14-288.9; 20-138.5; former G.S. 14-190.19; or former G.S. 14-277.3.

c. A Class G felony if it is a violation of one of the following:
G.S. 14-32.3(b); 14-51; 14-58; 14-87.1; or 20-141.4 or 14-87.1.

d. A Class H felony if it is a violation of one of the following:
G.S. 14-32.3(a); 14-32.3(e); 14-33.2; 14-34.6(b); 14-190.17A; 14-277.3A; former G.S. 14-32.3(c); or former G.S. 14-277.3.

e. A Class I felony if it is a violation of one of the following:
G.S. 14-32.3(b); 14-34.6(b); or 14-190.17A; G.S. 14-32.3(b).

f. An attempt of any of the felonies listed in this subdivision if the attempted felony is punishable as a felony.

g. Any of the following misdemeanor offenses when the offense is committed between persons who have a personal relationship as defined in G.S. 50B-1(b): G.S. 14-33(c)(1); 14-33(c)(2); 14-33(a); 14-34; 14-134.3; 14-277.3A; or former G.S. 14-277.3.

h. Any violation of a valid protective order under G.S. 50B-4.1.

(b) If the victim is deceased, then the next of kin, in the order set forth in the definition contained in this section, is entitled to the victim's rights under this Article. However, the right contained in G.S. 15A-834 may only be exercised by the personal representative of the victim's estate. An individual entitled to exercise the victim's rights as a member of the class of next of kin may designate anyone in the class to act on behalf of the class."

SECTION 2.1.(b) This section does not affect the rights granted by Article 46 of Chapter 15A of the General Statutes to any person who was a victim as defined in G.S. 15A-830 before the effective date of this section.

SECTION 2.2. The title of G.S. 20-28.9 reads as rewritten:
"§ 20-28.9. Authority for the Department of Public Instruction to administer a statewide or regional towing, storage, and sales program for driving while impaired vehicles forfeited."

SECTION 2.3. G.S. 28A-22-7(c) is repealed.

SECTION 2.4. G.S. 31-33 reads as rewritten:
"§ 31-33. Cause transferred to trial docket.
The caveat.

(a) Upon the filing of a caveat, the clerk shall transfer the cause to the superior court for trial by jury. The caveat shall be served upon all interested parties in accordance with G.S. 1A-1, Rule 4 of the Rules of Civil Procedure.

(b) After service under subsection (a) of this section, the caveator shall cause notice of a hearing to align the parties to be served upon all parties in accordance with G.S. 1A-1, Rule 5 of the Rules of Civil Procedure. At the alignment hearing, all of the interested parties who wish to be aligned as parties shall appear and be aligned by the court as parties with the caveators or parties with the propounders of the will. If an interested party does not appear to be aligned or chooses not to be aligned, the judge shall dismiss that interested party from the proceeding, but that party shall be bound by the proceeding.

(c) Within 30 days following the entry of an order aligning the parties, any interested party who was aligned may file a responsive pleading to the caveat, provided, however, that failure to respond to any averment or claim of the caveat shall not be deemed an admission of that averment or claim. An extension of time to file a responsive pleading to the caveat may be granted as provided by G.S. 1A-1, Rule 6 of the Rules of Civil Procedure.

(d) Upon motion of an aligned party, the court may require a caveator to provide security in such sum as the court deems proper for the payment of such costs and damages as may be incurred or suffered by the estate if the estate is found to have been wrongfully
enjoined or restrained. The court may consider relevant facts related to whether a bond should be required and the amount of any such bond, including, but not limited to, (i) whether the estate may suffer irreparable injury, loss, or damage as a result of the caveat and (ii) whether the caveat has substantial merit. Provisions for bringing suit in forma pauperis apply to the provisions of this subsection."

SECTION 3. G.S. 42A-15 reads as rewritten:


A landlord or real estate broker may require a tenant to pay all or part of any required rent, security deposit, or other fees permitted by law in advance of the commencement of a tenancy under this Chapter if these payments are expressly authorized in the vacation rental agreement. If the tenant is required to make any advance payments, other than a security deposit, whether the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these payments in a trust account in an insured bank or savings and loan association in North Carolina no later than three banking days after the receipt of these payments. These payments deposited in a trust account shall not earn interest unless the landlord and tenant agree in the vacation rental agreement that the payments may be deposited in an interest-bearing account. The landlord and tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

SECTION 4. G.S. 53-244.111 reads as rewritten:

"§ 53-244.111. Prohibited acts.

In addition to the activities prohibited under other provisions of this Article, it shall be unlawful for any person in the course of any residential mortgage loan transaction:

(22) For a person acting as a mortgage servicer to fail to mail, at least 45 days before foreclosure is initiated, a notice addressed to the borrower at the borrower's last known address with the following information:

a. An itemization of all past due amounts causing the loan to be in default.

b. An itemization of any other charges that must be paid in order to bring the loan current.

c. A statement that the borrower may have options available other than foreclosure and that the borrower may discuss the options with the mortgage lender, the mortgage servicer, or a counselor approved by the U.S. Department of Housing and Urban Development (HUD).

d. The address, telephone number, and other contact information for the mortgage lender, the mortgage servicer, or the agent for either of them who is authorized to attempt to work with the borrower to avoid foreclosure.

e. The name, address, telephone number, and other contact information for one or more HUD-approved counseling agencies operating to assist borrowers in North Carolina to avoid foreclosure.

f. The address, telephone number, and other contact information for the consumer complaint section of the Office of the Commissioner of Banks-State Home Foreclosure Prevention Project of the Housing Finance Agency.

..."

SECTION 4.1. G.S. 58-50-75(b) reads as rewritten:

"(b) This Part applies to all insurers that offer a health benefit plan and that provide or perform utilization review pursuant to G.S. 58-50-61, the State Health Plan for Teachers and State Employees, and any optional plans or programs operating under Part 2 of Article 3A of Chapter 135 of the General Statutes, the North Carolina Health Insurance Risk Pool, and the Health Insurance Program for Children Statutes. With respect to second-level grievance review
decisions, this Part applies only to second-level grievance review decisions involving noncertification decisions."

SECTION 5. G.S. 95-111.4 reads as rewritten: "§ 95-111.4. Powers and duties of Commissioner.
The Commissioner of Labor is hereby empowered to do all of the following:

(1) To delegate to the Director of the Elevator and Amusement Device Division such powers, duties and responsibilities as the Commissioner determines will best serve the public interest in the safe operation of amusement devices.

(2) To supervise the Director of the Elevator and Amusement Device Division.

(3) To adopt, modify, or revoke such rules and regulations as are necessary for the purpose of carrying out the provisions of this Article including, but not limited to, those governing the design, construction, installation, plans review, testing, inspection, certification, operation, use, maintenance, alteration and relocation of devices subject to the provisions of this Article. The rules and regulations promulgated pursuant to this rulemaking authority shall conform with good engineering and safety standards, formulas and practices.

(4) To enforce rules and regulations adopted under authority of this Article.

(5) To inspect and have tested for acceptance all new and relocated devices subject to the provisions of this Article. Relocated amusement devices shall be inspected upon reassembly at each new location within this State; provided that the Commissioner may provide for less frequent inspections when he determines that the device is of such a type and its use is of such a nature that inspection less often than upon each reassembly would not expose the public to an unsafe condition likely to result in serious personal injury or property damage.

(6) To inspect amusement devices which have been substantially rebuilt or substantially modified so as to change the original action, structure or capacity of the device.

(7) To make maintenance and periodic inspections and tests of all devices subject to the provisions of this Article. Devices located in amusement parks shall be inspected at least once annually.

(8) To issue certificates of operation which certify for use such devices as are found to be in compliance with this Article and the rules and regulations promulgated thereunder.

(9) To have reasonable access, with or without notice, to the devices subject to the provisions of this Article during reasonable hours, for purposes of inspection or testing.

(10) To obtain an Administrative Search and Inspection Warrant in accordance with the provisions of Article 4A of Chapter 15 of the General Statutes.

(11) To investigate accidents involving devices subject to the provisions of this Article to determine the cause of such the accident, and the Commissioner shall have full subpoena powers in conducting such investigation.

(12) To institute proceedings in the civil courts of this State, when a provision of this Article or the rules and regulations promulgated thereunder has been violated.

(13) To adopt, modify or revoke rules and regulations governing the qualifications of inspectors.
To grant exceptions from the requirements of the rules and regulations promulgated under authority of this Article and to permit the use of other devices when such exceptions and uses will not expose the public to an unsafe condition likely to result in serious personal injury or property damage:

To require that before any device subject to the provisions of this Article is erected in this State, or before any additions or alterations which substantially change such device are made, or before the physical spacing between such devices is changed, the owner or his authorized agent shall file with the Commissioner a written notice of his intention to do so and the type of device involved. Should circumstances necessitate, the Commissioner may require that the owner or his authorized agent furnish a copy of the plans, diagrams, specifications or stress analyses of the device before the inspection of the device. When such plans, diagrams, specifications or stress analyses are requested by the Commissioner, the Commissioner shall review them within 10 days of receipt, and upon approval, he shall authorize the device for use by the public.

To prohibit the use of any device subject to the provisions of this Article which is found upon inspection to expose the public to an unsafe condition likely to cause personal injury or property damage. Such a device shall be made operational only upon the Commissioner's determination that such device has been made safe.

To order the payment of all civil penalties provided by this Article. The clear proceeds of funds collected pursuant to a civil penalty order shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

To coordinate enforcement and inspection activity relative to equipment, devices and operations covered by this Article in order to minimize duplication of liability or regulatory responsibility on the part of the employer or owner.

To establish fees not to exceed two hundred fifty dollars ($250.00) for the inspection and issuance of certificates of operation for devices subject to this Article that are in use.

SECTION 6. G.S. 95-148 reads as rewritten:

"§ 95-148. Safety and health programs of State agencies and local governments.

It shall be the responsibility of each administrative department, commission, board, division or other agency of the State and of counties, cities, towns and subdivisions of government to establish and maintain an effective and comprehensive occupational safety and health program which is consistent with the standards and regulations promulgated under this Article. The head of each agency shall:

1. Provide safe and healthful places and conditions of employment, consistent with the standards and regulations promulgated by this Article.
2. Acquire, maintain, and require the use of safety equipment, personal protective equipment, and devices reasonably necessary to protect employees.
3. Consult with and encourage employees to cooperate in achieving safe and healthful working conditions.
4. Keep adequate records of all occupational accidents and illnesses for proper evaluation and corrective action.
5. Consult with the Commissioner as to the adequacy as to form and content of records kept pursuant to this section.
(6) Make an annual report to the Commissioner with respect to occupational
accidents and injuries and the agency's program under this section.

The Commissioner shall transmit annually to the Governor and the General Assembly a
report of the activities of the State agency and instrumentalities under this section. If the
Commissioner has reason to believe that any local government program or program of any
agency of the State is ineffective, the Commissioner shall, after unsuccessfully seeking by
negotiations to abate such failure, include this in the Commissioner's annual report to
the Governor and the General Assembly, together with the reasons therefor, and may
recommend legislation intended to correct such the condition.

The Commissioner shall have access to the records and reports kept and filed by State
agencies and instrumentalities pursuant to this section unless such records and reports are
required to be kept secret in the interest of national defense, in which case the Commissioner
shall have access to such information as will not jeopardize national defense.

Employees of any agency or department covered under this section are afforded the same
rights and protections as granted employees in the private sector.

This section shall not apply to volunteer fire departments not a part of any municipality.

Any municipality with a population of 10,000 or less may exclude its fire department from
the operation of this section by a resolution of the governing body of the municipality, except
that the resolution may not exclude those firefighters who are employees of the municipality.

The North Carolina Fire and Rescue Commission shall recommend regulations and
standards for fire departments."

SECTION 7.(a) G.S. 111-47.1 reads as rewritten:
"§ 111-47.1. Food service at North Carolina aquariums.

(a) Notwithstanding Article 3 of Chapter 111 of the General Statutes, this Article, the
North Carolina Aquariums may operate or contract for the operation of food or vending
services at the North Carolina Aquariums. Notwithstanding G.S. 111-43, the net proceeds of
revenue generated by food and vending services that are provided at the North Carolina
Aquariums and are operated by or whose operation is contracted for by the Division of North
Carolina Aquariums shall be credited to the North Carolina Aquariums Fund.

(b) This section shall not be construed to alter any contract for food or vending services
at the North Carolina Aquariums that is in force at the time this section becomes law, on July 1,
1999."

SECTION 7.(b) G.S. 111-47.2 reads as rewritten:
"§ 111-47.2. Food service at museums and historic sites operated by the Department of
Cultural Resources.

Notwithstanding Article 3 of Chapter 111 of the General Statutes, this Article, the North
Carolina Department of Cultural Resources may operate or contract for the operation of food or
vending services at museums and historic sites operated by the Department. Notwithstanding
G.S. 111-43, the net proceeds of revenue generated by food and vending services provided at
museums and historic sites operated by the Department or a vendor with whom the Department
has contracted shall be credited to the appropriate fund of the museum or historic site where the
funds were generated and shall be used for the operation of that museum or historic site."

SECTION 8. G.S. 113-133.1(e) reads as rewritten:
"(e) Because of strong community interest expressed in their retention, the local acts or
portions of local acts listed in this section are not repealed. The following local acts are retained
to the extent they apply to the county for which listed:

Alleghany: Session Laws 1951, Chapter 665; Session Laws 1977, Chapter 526; Session
Laws 1979, Chapter 556.

Anson: Former G.S. 113-111, as amended by Session Laws 1955, Chapter 286.

Ashe: Former G.S. 113-111; Session Laws 1951, Chapter 665.

Avery: Former G.S. 113-122.

Beaufort: Session Laws 1947, Chapter 466, as amended by Session Laws 1979, Chapter
219; Session Laws 1957, Chapter 1364; Session Laws 1971, Chapter 173.
Bertie: Session Laws 1955, Chapter 1376; Session Laws 1975, Chapter 287.
Bladen: Public-Local Laws 1933, Chapter 550, Section 2 (as it pertains to fox season);
Session Laws 1961, Chapter 348 (as it applies to Bladen residents fishing in Robeson County);
Session Laws 1961, Chapter 1023; Session Laws 1971, Chapter 384.
Brunswick: Session Laws 1975, Chapter 218.
Bruncombe: Public-Local Laws 1933, Chapter 308.
Burke: Public-Local Laws 1921, Chapter 454; Public-Local Laws 1921 (Extra Session),
Chapter 213, Section 3 (with respect to fox seasons); Public-Local Laws 1933, Chapter 422,
Section 3; Session Laws 1977, Chapter 636.
Caldwell: Former G.S. 113-122; Session Laws 1977, Chapter 636; Session Laws 1979,
Chapter 507.
Camden: Session Laws 1955, Chapter 362 (to the extent it applies to inland fishing waters);
Session Laws 1967, Chapter 441.
Carteret: Session Laws 1955, Chapter 1036; Session Laws 1977, Chapter 695.
Caswell: Public-Local Laws 1933, Chapter 311; Public-Local Laws 1937, Chapter 411.
Catawba: Former G.S. 113-111, as amended by Session Laws 1955, Chapter 1037.
Chatham: Public-Local Laws 1937 Chapter 236; Session Laws 1963, Chapter 271.
Chowan: Session Laws 1979, Chapter 184; Session Laws 1979, Chapter 582.
Cleveland: Public Laws 1907, Chapter 388; Session Laws 1951, Chapter 1101; Session
Laws 1979, Chapter 587.
Columbus: Session Laws 1951, Chapter 492, as amended by Session Laws 1955, Chapter
506.
Cumberland: Session Laws 1975, Chapter 748; Session Laws 1977, Chapter 471.
Dare: Session Laws 1973, Chapter 259.
Davie: Former G.S. 113-111, as amended by Session Laws 1947, Chapter 333.
Duplin: Session Laws 1965, Chapter 774; Session Laws 1973 (Second Session 1974),
Chapter 1266; Session Laws 1979, Chapter 466.
Edgecombe: Session Laws 1961, Chapter 408.
Gates: Session Laws 1959, Chapter 298; Session Laws 1975, Chapter 269; Session Laws
1975, Chapter 748.
Greene: Session Laws 1975, Chapter 219; Session Laws 1979, Chapter 360.
Halifax: Public-Local Laws 1925, Chapter 571, Section 3 (with respect to fox-hunting
seasons); Session Laws 1947, Chapter 954; Session Laws 1955, Chapter 1376.
Haywood: Former G.S. 113-111, as modified by Session Laws 1963, Chapter 322.
Henderson: Former G.S. 113-111.
Hertford: Session Laws 1959, Chapter 298; Session Laws 1975, Chapter 269; Session Laws
1975, Chapter 748; Session Laws 1977, Chapter 67.
Hyde: Public-Local Laws 1929, Chapter 354, Section 1 (as it relates to foxes); Session
Laws 1951, Chapter 932.
Iredell: Session Laws 1979, Chapter 577.
Jackson: Session Laws 1965, Chapter 765.
Johnston: Session Laws 1975, Chapter 342.
Jones: Session Laws 1979, Chapter 441.
Lee: Session Laws 1963, Chapter 271; Session Laws 1977, Chapter 636.
Lenoir: Session Laws 1979, Chapter 441.
Lincoln: Public-Local Laws 1925, Chapter 449, Sections 1 and 2; Session Laws 1955,
Chapter 878.
Madison: Public-Local Laws 1925, Chapter 418, Section 4; Session Laws 1951, Chapter
1040.
Martin: Session Laws 1955, Chapter 1376; Session Laws 1977, Chapter 636.

707
Nash: Session Laws 1961, Chapter 408.
New Hanover: Session Laws 1971, Chapter 559; Session Laws 1975, Chapter 95.
Northampton: Session Laws 1955, Chapter 1376; Session Laws 1975, Chapter 269; Session Laws 1975, Chapter 748; Session Laws 1977, Chapter 67; Session Laws 1979, Chapter 548.
Orange: Public-Local Laws 1913, Chapter 547.
Pamlico: Session Laws 1977, Chapter 636.
Pender: Session Laws 1961, Chapter 333; Session Laws 1967, Chapter 229; Session Laws 1969, Chapter 258, as amended by Session Laws 1973, Chapter 420; Session Laws 1977, Chapter 585, as amended by Session Laws 1985, Chapter 421; Session Laws 1977, Chapter 805; Session Laws 1979, Chapter 546.
Polk: Session Laws 1975, Chapter 397; Session Laws 1975, Chapter 269, as amended by Session Laws 1977, Chapter 167.
Randolph: Public-Local Laws 1941, Chapter 246; Session Laws 1947, Chapter 920.
Robeson: Public-Local Laws 1924 (Extra Session), Chapter 92; Session Laws 1961, Chapter 348.
Rockingham: Former G.S. 113-111; Public-Local Laws 1933, Chapter 310.
Rowan: Session Laws 1975, Chapter 269, as amended by Session Laws 1977, Chapter 106, and Session Laws 1977, Chapter 500; Session Laws 1979, Chapter 556.
Rutherford: Session Laws 1973, Chapter 114; Session Laws 1975, Chapter 397, Chapter 114.
Sampson: Session Laws 1979, Chapter 373.
Scotland: Session Laws 1959, Chapter 1143; Session Laws 1977, Chapter 436.
Stokes: Former G.S. 113-111; Public-Local Laws 1933, Chapter 310; Session Laws 1979, Chapter 556.
Surry: Public-Local Laws 1925, Chapter 474, Section 6 (as it pertains to fox seasons); Session Laws 1975, Chapter 269, as amended by Session Laws 1977, Chapter 167.
Swain: Public-Local Laws 1935, Chapter 52; Session Laws 1953, Chapter 270; Session Laws 1965, Chapter 765.
Transylvania: Public Laws 1935, Chapter 107, Section 2, as amended by Public Laws 1935, Chapter 238.
Tyrrell: Former G.S. 113-111; Session Laws 1953, Chapter 685.
Wayne: Session Laws 1975, Chapter 269; Session Laws 1975, Chapter 342, as amended by Session Laws 1977, Chapter 43; Session Laws 1975, Chapter 343, as amended by Session Laws 1977, Chapter 45; Session Laws 1977, Chapter 695.
Wilkes: Former G.S. 113-111, as amended by Session Laws 1971, Chapter 385; Session Laws 1951, Chapter 665; Session Laws 1973, Chapter 106; Session Laws 1979, Chapter 507.
Yadkin: Former G.S. 113-111, as amended by Session Laws 1953, Chapter 199; Session Laws 1979, Chapter 507.
Yancey: Session Laws 1965, Chapter 522.

SECTION 9. G.S. 115C-325(h)(7) reads as rewritten:

"(7) Within five days of being notified of the request for a hearing before a hearing officer, the Superintendent of Public Instruction shall submit to both parties a list of hearing officers trained and approved by the State Board of Education. Within five days of receiving the list, the parties may jointly select a hearing officer from that list, or, if the parties cannot agree to a hearing officer, each party may strike up to one-third of the names on the list and submit its strikeout list to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall then appoint a hearing officer
from those individuals remaining on the list. Further, the parties may jointly
agree on another hearing officer not on the State Board of Education's list, provided that individual is available to proceed in a timely
manner and is willing to accept the terms of appointment required by the
State Board of Education. No person eliminated by the career employee or
superintendent shall be designated as the hearing officer for that case."

SECTION 10. G.S. 130A-294.1(b) reads as rewritten:
"(b) Funds collected pursuant to this section shall be used for personnel and other
resources necessary to:
(1) Provide a high level of technical assistance and waste minimization effort
for the hazardous waste management program.
(2) Provide timely review of permit applications.
(3) Insure that permit decisions are made on a sound technical basis and that
permit decisions incorporate all conditions necessary to accomplish the
purposes of this Part.
(4) Improve monitoring and compliance of the hazardous waste management
program.
(5) Increase the frequency of inspections.
(6) Provide chemical, biological, toxicological, and analytical support for the
hazardous waste management program.
(7) Provide resources for emergency response to imminent hazards associated
with the hazardous waste management program.
(8) Implement and provide oversight of necessary response activities involving
inactive hazardous substance or waste disposal sites.
(9) Provide compliance and prevention activities within the solid waste program
to ensure that hazardous waste is not disposed in solid waste management
facilities."

SECTION 10.1. G.S. 130A-335(f1) reads as rewritten:
"(f1) A preconstruction conference with the owner or developer, or an agent of the owner
or developer, and a representative of the local health department shall be required for any
authorization for wastewater system construction issued with an improvement permit under
G.S. 130-336 when the authorization is greater than five years old. Following
the conference, the local health department shall issue a revised authorization for wastewater
system construction that includes current technology that can reasonably be expected to
improve the performance of the system."

SECTION 11. G.S. 136-93(b) reads as rewritten:
"(b) Except as provided in G.S. 136-133.1(g), no vegetation, including any tree, shrub,
or underbrush, in or on any right-of-way of a State road or State highway shall be planted, cut,
trimmed, pruned, or removed without a written selective vegetation removal permit issued
pursuant to G.S. 136-133.2 and in accordance with the rules of the Department. Requests for a
permit for selective vegetation cutting, thinning, pruning, or removal shall be made by the
owner of an outdoor advertising sign or the owner of a business facility to the appropriate
person in the Division of Highways office on a form prescribed by the Department. For
purposes of this section, G.S. 136-129(4) or G.S. 136-129(5). These provisions shall not be used to
provide visibility to on-premises signs."

SECTION 11.1. G.S. 143-52.2 is repealed.

SECTION 12. G.S. 143-151.57 reads as rewritten:
"§ 143-151.57. Fees.
(a) Maximum Fees. – The Board may adopt fees that do not exceed the amounts set in
the following table for administering this Article:
Item | Maximum Fee
--- | ---
Application for home inspector license | $35.00
Home inspector examination | 80.00
Issuance or renewal of home inspector license | 160.00
Late renewal of home inspector license | 30.00
Application for course approval | 150.00
Renewal of course approval | 75.00
Course fee, per credit hour per licensee | 5.00
Credit for unapproved continuing education course | 50.00
Copies of Board rules or licensure standards | Cost of printing and mailing.

Or renewal 20.00 110.00 20.00

(b) Subsequent Application. – An individual who applied for a license as a home inspector and who failed the home inspector examination is not required to pay an additional application fee if the individual submits another application for a license as a home inspector. The individual must pay the examination fee, however, to be eligible to take the examination again. An individual may take the examination only once every 180 days."

SECTION 13. G.S. 143-151.77 reads as rewritten:

"§ 143-151.77. Enforcement and penalties.
(a) In addition to injunctive relief, the Commissioner may assess and collect a civil penalty against any person who violates any of the provisions of this Article or rules adopted pursuant to this Article, as provided in this subsection. The maximum civil penalty for a violation is five thousand dollars ($5,000). A civil penalty may be assessed from the date of the violation. Each day of a continuing violation may constitute a separate violation.

(b) The Commissioner shall determine the amount of the civil penalty and shall notify the person who is assessed the civil penalty of the amount of the penalty and the reason for assessing the penalty. The notice of assessment shall be served by any means authorized under Rule 4 of G.S. 1A-1 and shall direct the violator to either pay the assessment or contest the assessment within 30 calendar days by filing a petition for a contested case under Article 3 of Chapter 150B of the General Statutes. If a violator does not pay a civil penalty assessed by the Commissioner within 30 calendar days after it is due, the Commissioner shall request that the Attorney General institute a civil action to recover the amount of the assessment. The civil action may be brought in the superior court of any county where the violation occurred. A civil action must be filed within one year of the date the assessment was due. An assessment that is not contested is due when the violator is served with a notice of assessment. An assessment that is contested is due at the conclusion of the administrative and judicial review of the assessment.

(c) In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation, the cost of rectifying the damage, the amount of money the violator saved by noncompliance, whether the violation was committed willfully, the prior record of the violator in complying or failing to comply with this Article, and the action of the person to remedy the violation.

(d) The clear proceeds of civil penalties collected by the Commissioner under this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."
(b) Evidence in a contested case, including records and documents shall be offered and made a part of the record. Other factual information or evidence shall not be considered in determination of the case, except as permitted under G.S. 150B-30 subsection (d) of this section. Documentary evidence may be received in the form of a copy or excerpt or may be incorporated by reference, if the materials so incorporated are available for examination by the parties. Upon timely request, a party shall be given an opportunity to compare the copy with the original if available.

(c) The parties in a contested case under this Article by a stipulation in writing filed with the agency may agree upon any fact involved in the controversy, which stipulation shall be used as evidence at the hearing and be binding on the parties thereto. Parties should agree upon facts when practicable. Except as otherwise provided by law, disposition may be made of a contested case by stipulation, agreed settlement, consent order, waiver, default, or other method agreed upon by the parties.

(d) Official notice may be taken of all facts of which judicial notice may be taken and of other facts within the specialized knowledge of the agency. The noticed fact and its source shall be stated and made known to affected parties at the earliest practicable time, and any party shall on timely request be afforded an opportunity to dispute the noticed fact through submission of evidence and argument. An agency may use its experience, technical competence, and specialized knowledge in the evaluation of evidence presented to it."

SECTION 15.(a) G.S. 153A-357(d) is repealed.
SECTION 15.(b) G.S. 160A-417(c) is repealed.
SECTION 15.1. G.S. 160A-58.64 reads as rewritten:

"§ 160A-58.64. Referendum prior to involuntary annexation ordinance.
(a) After the adoption of the resolution of intent under this Part, the municipality shall place the question of annexation on the ballot. The municipal governing board shall notify the appropriate county board or boards of elections of the adoption of the resolution of intent and provide a legible map and clear written description of the proposed annexation area.
(b) In accordance with G.S. 163-58.55, G.S. 160A-58.55, the municipal governing board shall adopt a resolution setting the date for the referendum and so notify the appropriate county board or boards of elections.
(c) The county board or boards of elections shall cause legal notice of the election to be published. That notice shall include the general statement of the referendum. The referendum shall be conducted, returned, and the results declared as in other municipal elections in the municipality. Only registered voters of the proposed annexation area shall be allowed to vote on the referendum.
(d) The referendum of any number of proposed involuntary annexations may be submitted at the same election; but as to each proposed involuntary annexation, there shall be an entirely separate ballot question.
(e) The ballots used in a referendum shall submit the following proposition:

"[ ] FOR [ ] AGAINST
The annexation of (clear description of the proposed annexation area)."
(f) If less than a majority of the votes cast on the referendum are for annexation, the municipal governing body may not proceed with the adoption of the annexation ordinance or begin a separate involuntary annexation process with respect to that proposed annexation area for at least 36 months from the date of the referendum. If a majority of the votes cast on the referendum are for annexation, the municipal governing body may proceed with the adoption of the annexation ordinance under G.S. 160A-58.55."

SECTION 16.(a) On March 13, 1895, the General Assembly enacted "An act to incorporate the town of Columbus." The act was published in the 1895 "Private Laws of North Carolina," appearing on pages 404 through 406. The session law designation that appears at the beginning of the act is "Chapter 354," although (i) the act is physically located between Chapters 253 and 255, and (ii) pages 404 through 406 have a running header showing Chapter 254 as the session law contained on those pages. There is otherwise no Chapter 254 in the 1895
"Private Laws of North Carolina," and the last session law in that volume is Chapter 353. It therefore appears that the intended session law designation for the act was Chapter 254 and that the published session law number contains a typographical error. The act has been cited at least once in a subsequent session law as "Chapter 354 of the Private Laws of 1895" and was repealed in Chapter 46 of the 1985 Session Laws ("An act to revise and consolidate the charter of the town of Columbus").

SECTION 16.(b) To remove any ambiguity, any reference to "Chapter 354" of the 1895 Private Laws of this State or to "Chapter 254" of the 1895 Private Laws of this State shall be construed as a reference to the act enacted by the General Assembly on March 13, 1895, entitled "An act to incorporate the town of Columbus."

SECTION 16.1. Section 5 of S.L. 2011-84 reads as rewritten:

"SECTION 5. Sections 2, 3, and 4 of this act do not apply to a city or joint agency providing communications service as of January 1, 2011, provided the city or joint agency limits the provision of communications service as provided in G.S. 160A-340.2(c). In the event a city subject to the exemption set forth in this section provides communications service to a customer outside the limits set forth in G.S. 160A-340(c), the city shall have 30 days from the date of notice or discovery to cease providing service to the customer without loss of the exemption."

SECTION 17. Section 60(c) of S.L. 2013-413 reads as rewritten:

"SECTION 60(c) This act Part becomes effective July 1, 2015."

PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER AMENDMENTS

SECTION 18. G.S. 1-72.2 reads as rewritten:

"§ 1-72.2. Standing of legislative officers.

The Speaker of the House of Representatives and the President Pro Tempore of the Senate, as agents of the State, shall jointly have standing to intervene on behalf of the General Assembly as a party in any judicial proceeding challenging a North Carolina statute or provision of the North Carolina Constitution. The procedure for interventions at the trial level in State court shall be that set forth in Rule 29 of the Rules of Civil Procedure. The procedure for interventions at the appellate level in State court shall be by motion in the appropriate appellate court or by any other relevant procedure set forth in the Rules of Appellate Procedure."

SECTION 18.5. G.S. 1A-1, Rule 8(a), reads as rewritten:

"(a) Claims for relief. – A pleading which sets forth a claim for relief, whether an original claim, counterclaim, crossclaim, or third-party claim shall contain

(1) A short and plain statement of the claim sufficiently particular to give the court and the parties notice of the transactions, occurrences, or series of transactions or occurrences, intended to be proved showing that the pleader is entitled to relief, and

(2) A demand for judgment for the relief to which he deems himself entitled. Relief in the alternative or of several different types may be demanded. In all negligence actions, and in all claims for punitive damages in any civil action, wherein the matter in controversy exceeds the sum or value of ten thousand dollars ($10,000), twenty-five thousand dollars ($25,000), the pleading shall not state the demand for monetary relief, but shall state that the relief demanded is for damages incurred or to be incurred in excess of ten thousand dollars ($10,000), twenty-five thousand dollars ($25,000). However, at any time after service of the claim for relief, any party may request of the claimant a written statement of the monetary relief sought, and the claimant shall, within 30 days after such service, provide such statement, which shall not be filed with the clerk until the action has been called for
trial or entry of default entered. Such statement may be amended in the manner and at times as provided by Rule 15."

SECTION 19.(a) G.S. 7A-228 reads as rewritten:

"§ 7A-228. New trial before magistrate; appeal for trial de novo; how appeal perfected; oral notice; dismissal.

... (d) When a defendant in a summary ejectment action has given notice of appeal and perfected the appeal in accordance with G.S. 7A-228(b), the plaintiff may serve upon the defendant a motion to dismiss the appeal if the defendant:

(1) Failed to raise a defense orally or in writing in the small claims court;
(2) Failed to file a motion, answer, or counterclaim in the district court; and
(3) Failed to make any payment due under any applicable bond to stay execution of the judgment for possession, comply with any obligation set forth in the Bond to Stay Execution on Appeal of Summary Ejectment Judgment entered by the court.

The motion to dismiss the appeal shall list all of the deficiencies committed by the defendant, as described in subdivisions (1), (2), and (3) of this subsection, and shall state that the court will decide the motion to dismiss without a hearing if the defendant fails to respond within 10 days of receipt of the motion. The defendant may defeat the motion to dismiss by responding within 10 days of receipt of the motion by doing any of the following acts: (i) filing a responsive motion, answer, or counterclaim and serving the plaintiff with a copy thereof or (ii) paying the amount due under the bond to stay execution, if any amount is owed by the defendant. If the defendant is not required by law to make any payment under the bond to stay execution, the court shall not use the failure to make a payment as a basis to dismiss the appeal. The court shall review the file, determine whether the motion satisfies the requirements of this subsection, determine whether the defendant has made a sufficient response to defeat the motion, and shall enter an order resolving the matter without a hearing."

SECTION 19.(b) This section becomes effective October 1, 2014, and applies to all actions for summary ejectment filed on or after that date.

SECTION 20. G.S. 7A-273(2) reads as rewritten:

"(2) In misdemeanor or infraction cases involving alcohol offenses under Chapter 18B of the General Statutes, traffic offenses, hunting, fishing, State park and recreation area rule offenses under Chapter 113 of the General Statutes, boating offenses under Chapter 75A of the General Statutes, open burning offenses under Article 78 of Chapter 106 of the General Statutes, and littering offenses under G.S. 14-399(c) and G.S. 14-399(c1), to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, in accordance with the schedule of offenses and fines or penalties promulgated by the Conference of Chief District Judges pursuant to G.S. 7A-148, and in such cases, to enter judgment and collect the fines or penalties and costs;".

SECTION 21. G.S. 7B-603(b) reads as rewritten:

"(b) An attorney or guardian ad litem appointed pursuant to G.S. 7B-602 or pursuant to any other provision of the Juvenile Code for which the Office of Indigent Defense Services is responsible for providing counsel shall be paid a reasonable fee in accordance with rules adopted by the Office of Indigent Defense Services."

SECTION 22. Reserved.

SECTION 23.(a) G.S. 14-258.1, as amended by S.L. 2014-3, reads as rewritten:

"§ 14-258.1. Furnishing poison, controlled substances, deadly weapons, cartridges, ammunition or alcoholic beverages to inmates of charitable, mental or penal institutions or local confinement facilities; furnishing tobacco products including vapor products; or furnishing mobile phones to inmates.
(c) Any person who knowingly gives or sells any tobacco products, including vapor products, as defined in G.S. 148-23.1, to an inmate in the custody of the Division of Adult Correction of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any tobacco products, including vapor products, to a person who is not an inmate for delivery to an inmate in the custody of the Division of Adult Correction of the Department of Public Safety and on the premises of a correctional facility or to an inmate in the custody of a local confinement facility, other than for authorized religious purposes, is guilty of a Class 1 misdemeanor.

... (e) Any inmate of a local confinement facility who possesses any tobacco products, including vapor products, as defined in G.S. 148-23.1, other than for authorized religious purposes, or who possesses a mobile telephone or other wireless communications device or a component of one of those devices, is guilty of a Class 1 misdemeanor.

(f) Notwithstanding subsection (c) of this section, local confinement facilities may give or sell vapor products or FDA-approved tobacco cessation products, such as over-the-counter nicotine replacement therapies, including nicotine gum, patches, and lozenges, to inmates while in the custody of the local confinement facility."

SECTION 23. (b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date. If Senate Bill 594, 2013 Regular Session, becomes law, and if it amends G.S. 14-258.1 to add a new subsection (f), the subsection (f) enacted in subsection (a) of this section is redesignated as subsection (g).

SECTION 23.5. (a) G.S. 14-404(c1), as enacted by Section 17.2(a) of S.L. 2013-369, reads as rewritten:

"(c1) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of any of the judicial findings, court orders, or other factual matters, relevant to any of the disqualifying conditions specified in subsection (c) of this section, the clerk of superior court shall determine which information can practically be transmitted to the National Instant Criminal Background Check System (NICS). The clerk of superior court shall cause a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS), and shall transmit that information to NICS within 48 hours of that determination. The record information shall include a reference to the relevant statutory provision of G.S. 14-404 that precludes the issuance of a permit. The 48-hour period for transmitting a record of a judicial determination or finding to the NICS under this subsection begins upon receipt by the clerk of a copy of the judicial determination or finding."

SECTION 23.5. (b) By October 1, 2014, the Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety its findings and recommendations regarding the information required under G.S. 14-404(c1) that can practically be transmitted to the National Instant Criminal Background Check System (NICS).

SECTION 23.5. (c) Section 17.2(c) of S.L. 2013-369 reads as rewritten:

"SECTION 17.2. (c) G.S. 14-404(c1), as enacted by subsection (a) of this section, becomes effective July 1, 2014. January 1, 2015. The remainder of G.S. 14-404, as enacted by subsection (a) of this section, becomes effective October 1, 2013. The remainder of this section is effective when it becomes law."

SECTION 23.5. (d) Section 17.2(b) of S.L. 2013-369 is repealed.

SECTION 23.5. (e) Subsection (c) of this section becomes effective July 1, 2014. Subsection (a) of this section becomes effective January 1, 2015. The remainder of this section is effective when it becomes law.

SECTION 24. (a) G.S. 14-415.14(a) reads as rewritten:

"(a) The sheriff shall make permit applications readily available at the office of the sheriff or at other public offices in the sheriff's jurisdiction. The permit application shall be in triplicate, in a form to be prescribed by the Administrative Office of the Courts, State Bureau of
Investigation, and shall include the following information with regard to the applicant: name, address, physical description, signature, date of birth, social security number, military status, law enforcement status, and the drivers license number or State identification card number of the applicant if used for identification in applying for the permit."

**SECTION 24.** (b) G.S. 14-415.17 reads as rewritten:

"§ 14-415.17. Permit; sheriff to retain a list of permittees; confidentiality of list and permit application information; availability to law enforcement agencies.

(a) The permit shall be in a certificate form, as prescribed by the Administrative Office of the Courts, State Bureau of Investigation, that is approximately the size of a North Carolina drivers license. It shall bear the signature, name, address, date of birth, and the drivers license identification number used in applying for the permit.

(b) The sheriff shall maintain a listing, including the identifying information, of those persons who are issued a permit. Within five days of the date a permit is issued, the sheriff shall send a copy of the permit to the State Bureau of Investigation.

(c) Except as provided otherwise by this subsection, the list of permit holders and the information collected by the sheriff to process an application for a permit are confidential and are not a public record under G.S. 132-1. The sheriff shall make the list of permit holders and the permit information available upon request to all State and local law enforcement agencies. The State Bureau of Investigation shall make the list of permit holders and the information collected by the sheriff to process an application for a permit available to law enforcement officers and clerks of court on a statewide system."

**SECTION 24.5.** G.S. 15-11.1(b1)(4) reads as rewritten:

"(4) By ordering the firearm turned over to a law enforcement agency in the county of trial for (i) the official use of the agency or (ii) sale, trade, or exchange by the agency to a federally licensed firearm dealer in accordance with all applicable State and federal firearm laws. The court may order a disposition of the firearm pursuant to this subdivision only upon the written request of the head or chief of the law enforcement agency and only if the firearm has a legible, unique identification number. If the law enforcement agency sells the firearm, then the proceeds of the sale shall be remitted to the appropriate county finance officer as provided by G.S. 115C-452 to be used to maintain free public schools. The receiving law enforcement agency shall maintain a record and inventory of all firearms received pursuant to this subdivision."

**SECTION 25.** Reserved.

**SECTION 26.** Reserved.

**SECTION 27.** (a) G.S. 15A-150 reads as rewritten:

"§ 15A-150. Notification requirements.

(a) Notification to AOC. – The clerk of superior court in each county in North Carolina shall, as soon as practicable after each term of court, file with the Administrative Office of the Courts the names of the following:

(1) Persons granted an expunction under this Article.
(2) Persons granted a conditional discharge under G.S. 14-50.29.
(3) Persons granted a conditional discharge under G.S. 90-96 or G.S. 90-113.14.
(4) Repealed by Session Laws 2010-174, s. 7, effective October 1, 2010.
(5) Persons granted a conditional discharge under G.S. 14-204.

(b) Notification to Other State and Local Agencies. – The clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.
(2) When applicable, the Division of Motor Vehicles and the Division of Adult Correction of the Department of Public Safety.
(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.

(4) The State Bureau of Investigation (SBI).

(c) Notification to SBI and FBI. – An arresting agency that receives a certified copy of an order under this section shall forward a copy of the order with the form supplied by the State Bureau of Investigation to the State Bureau of Investigation. The State Bureau of Investigation shall forward the order received under this section to the Federal Bureau of Investigation.

(d) Notification to Private Entities. – A State agency that receives a certified copy of an order under this section shall notify any private entity with which it has a licensing agreement for bulk extracts of data from the agency criminal record database to delete the record in question. The private entity shall notify any other entity to which it subsequently provides in a bulk extract data from the agency criminal record database to delete the record in question from its database.

SECTION 27. (b) This section becomes effective December 1, 2014, and applies to petitions filed on or after that date.

SECTION 28. (a) G.S. 15A-1368.4(d) reads as rewritten:

"(d) Reintegrative Conditions. – Appropriate reintegrative conditions, for which a supervisee may receive earned time credits against the length of the supervision period, and repeated violation that may result in revocation of post-release supervision, are:

(5) In the case of a supervisee who attended a basic skills program during incarceration, continue attending a basic skills program in pursuit of a General Education Development Degree or adult high school equivalency diploma.

SECTION 28. (b) G.S. 15A-1374(b) reads as rewritten:

"(b) Appropriate Conditions. – As conditions of parole, the Commission may require that the parolee comply with one or more of the following conditions:

(11c) In the case of a parolee who was attending a basic skills program during incarceration, continue attending a basic skills program in pursuit of a General Education Development Degree or adult high school equivalency diploma.

SECTION 28. (c) G.S. 90-113.40(d1) reads as rewritten:

"(d1) The Board shall issue a certificate certifying an applicant as a "Certified Criminal Justice Addictions Professional", with the acronym "CCJP", if in addition to meeting the requirements of subdivisions (a)(1) through (5a) of this section, the applicant:

(3) Has provided documentation of supervised work experience providing direct service to clients or offenders involved in one of the three branches of the criminal justice system, which include law enforcement, the judiciary, and corrections. The applicant must meet one of the following criteria:

a. Criteria A. – In addition to having a high school degree diploma or GED, an adult high school equivalency diploma, the applicant has a minimum of 6,000 hours of documented work experience in direct services in criminal justice or addictions services or any combination of these services that have been obtained during the past 10 years.

b. Criteria B. – In addition to having an associate degree, the applicant has a minimum of 5,000 hours of documented work experience in direct services in criminal justice or addictions services or any combination of these services obtained during the past 10 years.

c. Criteria C. – In addition to having at least a bachelors degree, the applicant has a minimum of 4,000 hours of documented work
experience in direct services in criminal justice or addictions services, or any combination of these services, and this experience has been obtained during the past 10 years.

d. Criteria D. – In addition to having at least a masters degree in a human services field, the applicant has a minimum of 2,000 hours of documented work experience in direct services in criminal justice or addictions services or any combination of these services that has been obtained during the past 10 years.

e. Criteria E. – In addition to having at least a masters degree in a human services field with a specialty from a regionally accredited college or university that includes 180 hours of substance abuse specific education or training, the applicant has a minimum of 2,000 hours of postgraduate supervised substance abuse counseling experience.

f. Criteria F. – In addition to having obtained the credential of a certified clinical addictions specialist or other advanced credential in a human services field from an organization that has obtained deemed status with the Board, the applicant has a minimum of 1,000 hours of documented work experience in direct services in criminal justice or addictions services that has been obtained during the past 10 years.

SECTION 28.(d) G.S. 108A-29(n) reads as rewritten:

"(n) If after evaluation of an individual the Division of Employment Security believes it necessary, the Division or the county department of social services also may refer an individual to a Job Preparedness provider. The local community college should include General Education Development, adult high school equivalency diploma, Adult Basic Education, or Human Resources Development programs that are already in existence as a part of the Job Preparedness component. Additionally, the Division or the county department of social services may refer an individual to a literacy council. Through a Memorandum of Understanding between the Division of Employment Security, the local department of social services, and other contracted entities, a system shall be established to monitor an individual's progress through close communications with the agencies assisting the individual. The Division of Employment Security or Job Preparedness provider shall adopt rules to accomplish this subsection."

SECTION 28.(e) G.S. 115D-5(s) reads as rewritten:

"(s) The State Board of Community Colleges may establish, retain and budget fees charged to students taking the General Education Development (GED) an adult high school equivalency diploma test, including fees for retesting. Fees collected for this purpose shall be used only to (i) offset the costs of the GED test, including the cost of scoring the test, (ii) offset the costs of printing GED certificates, adult high school equivalency diplomas, and (iii) meet federal and State reporting requirements related to the test."

SECTION 28.(f) G.S. 115D-31.3(e) reads as rewritten:

"(e) Mandatory Performance Measures. – The State Board of Community Colleges shall evaluate each college on the following eight performance measures:

(2) Attainment of General Educational Development (GED)-adult high school equivalency diplomas by students.

SECTION 28.(g) G.S. 116-143.4 reads as rewritten:

"§ 116-143.4. Admissions status of persons charged in-State tuition.

A person eligible for the in-State tuition rate pursuant to this Article shall be considered an in-State applicant for the purpose of admission; provided that, a person eligible for in-State
tuition pursuant to G.S. 116-143.3(c) shall be considered an in-State applicant for the purpose of admission only if at the time of seeking admission he is enrolled in a high school located in North Carolina or enrolled in a general education development (GED) an adult high school equivalency diploma program in an institution located in this State."

SECTION 28.(b)  G.S. 162-59.1 reads as rewritten:

"§ 162-59.1. Person having custody to approve prisoners for participation in education and other programs.

The person having custody of a prisoner convicted of a misdemeanor offense may approve that prisoner's participation in a general education development diploma program (GED program), an adult high school equivalency diploma program or in any other education, rehabilitation, or training program. The person having custody of the prisoner may revoke this approval at any time. For purposes of this section, the person having custody of the prisoner is the sheriff, except that when the prisoner is confined in a district confinement facility the person having custody of the prisoner is the jail administrator."

SECTION 28.(i)  G.S. 162-60 reads as rewritten:

"§ 162-60. Reduction in sentence allowed for work, education, and other programs.

(a) A prisoner who has faithfully performed the duties assigned to the prisoner under G.S. 162-58 is entitled to a reduction in the prisoner's sentence of four days for each 30 days of work performed.

(b) A prisoner who is convicted of a misdemeanor offense and housed in a local confinement facility and who faithfully participates in a general education development diploma program (GED program), an adult high school equivalency diploma program or in any other education, rehabilitation, or training program is entitled to a reduction in the prisoner's sentence of four days for each 30 days of classes attended, up to the maximum credit allowed under G.S. 15A-1340.20(d).

(c) The person having custody of the prisoner, as defined in G.S. 162-59, is the sole judge as to whether the prisoner has faithfully performed the assigned duties under G.S. 162-58 or has faithfully participated in a GED an adult high school equivalency diploma program or other education, rehabilitation, or training program under subsection (b) of this section. A prisoner who escapes or attempts to escape while performing work pursuant to G.S. 162-58 or while participating in a GED an adult high school equivalency diploma program or other education, rehabilitation, or training program shall forfeit any reduction in sentence that the prisoner would have been entitled to under this section."

SECTION 28.2.(a)  G.S. 18B-1001 reads as rewritten:


When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned, sanitized, resealable container as defined in 4 NCAC 2T.0308(a) that is filled or refilled and sealed for consumption off the premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e), and the container identifies the permittee and the date the container was filled or refilled. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. Restaurants;

b. Hotels;

c. Eating establishments;

d. Food businesses;

e. Retail businesses;
f. Private clubs;
g. Convention centers;
h. Community theatres;
i. Breweries as authorized by G.S. 18B-1104(7) and (8).

SECTION 28.2.(b) G.S. 18B-1114.5 reads as rewritten:
"§ 18B-1114.5. Authorization of malt beverage special event permit.

(a) Authorization. – The holder of a brewery, malt beverage importer, or nonresident malt beverage vendor permit may obtain a malt beverage special event permit allowing the permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission. Except for a brewery operating under the provisions of G.S. 18B-1104(7) and G.S. 18B-1104(8), all malt beverages sampled or sold pursuant to this section must be purchased from a licensed malt beverages wholesaler.

(b) Limitation. – A malt beverage special event permit is valid only in a jurisdiction that has approved the establishment of ABC stores or has approved the sale of malt beverages. A malt beverage special event shall not be used as subterfuge for malt beverages suppliers to ship directly to retail permittees unless otherwise authorized by law."

SECTION 28.2.(c) G.S. 18B-1116 reads as rewritten:
"§ 18B-1116. Exclusive outlets prohibited.

(a) Prohibitions. – It shall be unlawful for any manufacturer, bottler, or wholesaler of any alcoholic beverages, or for any officer, director, or affiliate thereof, either directly or indirectly to:

(1) Require that an alcoholic beverage retailer purchase any alcoholic beverages from that person to the full or partial exclusion of any other alcoholic beverages offered for sale by other persons in this State; or

(2) Have any direct or indirect financial interest in the business of any alcoholic beverage retailer in this State or in the premises where the business of any alcoholic beverage retailer in this State is conducted; or

(3) Lend or give to any alcoholic beverage retailer in this State or his employee or to the owner of the premises where the business of any alcoholic beverage retailer in this State is conducted, any money, service, equipment, furniture, fixtures or any other thing of value.

A brewery qualifying under G.S. 18B-1104(7) and G.S. 18B-1104(8) to act as a wholesaler or retailer of its own malt beverages is not subject to the provisions of this subsection concerning financial interests in, and lending or giving things of value to, a wholesaler or retailer with respect to the brewery’s transactions with the retail business on its premises. The brewery is subject to the provisions of this subsection, however, with respect to its transactions with all other wholesalers and retailers.

(b) Exemptions. – The Commission may grant exemptions from the provisions of this section. In determining whether to grant an exemption, the Commission shall consider the public welfare, the quantity and value of articles involved, established trade customs not contrary to the public interest, and the purposes of this section.

(c) As used in this section, the phrase “giving things of value” shall not include the dividing or removing of individual containers of alcohol from larger packages of alcohol or the delivery of such to the retail permittee."

SECTION 28.3. G.S. 20-4.01 reads as rewritten:
"§ 20-4.01. Definitions.

Unless the context requires otherwise, the following definitions apply throughout this Chapter to the defined words and phrases and their cognates:

...

719
(41a) Serious Traffic Violation. – A conviction of one of the following offenses when operating a commercial or other motor vehicle:

a. Excessive speeding, involving a single charge of any speed 15 miles per hour or more above the posted speed limit.

b. Careless and reckless driving.

c. A violation of any State or local law relating to motor vehicle traffic control, other than a parking violation, arising in connection with a fatal accident.

d. Improper or erratic lane changes.

e. Following the vehicle ahead too closely.

f. Driving a commercial motor vehicle without obtaining a commercial drivers license.

g. Driving a commercial motor vehicle without a commercial drivers license in the driver’s possession.

h. Driving a commercial motor vehicle without the proper class of commercial drivers license or endorsements for the specific vehicle group being operated or for the passenger or type of cargo being transported.

i. Unlawful use of a mobile telephone under G.S. 20-137.4A or Part 390 or Part 392 of Title 49 of the Code of Federal Regulations while operating a commercial motor vehicle.

SECTION 28.5.(a) G.S. 20-37.13(a) reads as rewritten:

"(a) No person shall be issued a commercial drivers license unless the person meets all of the following requirements:

(1) Is a resident of this State;

(2) Is 21 years of age;

(3) Has passed a knowledge test and a skills test for driving a commercial motor vehicle that comply with minimum federal standards established by federal regulation enumerated in 49 C.F.R., Part 383, Subparts F, G and H;

(4) Has satisfied all other requirements of the Commercial Motor Vehicle Safety Act in addition to other requirements of this Chapter or federal regulation.

(5) Has held a commercial learner's permit for a minimum of 14 days.

For the purpose of skills testing and determining commercial drivers license classification, only the manufacturer's GVWR shall be used.

The tests shall be prescribed and conducted by the Division. Provided, a person who is at least 18 years of age may be issued a commercial drivers license if the person is exempt from, or not subject to, the age requirements of the federal Motor Carrier Safety Regulations contained in 49 C.F.R., Part 391, as adopted by the Division."

SECTION 28.5.(b) G.S. 20-37.13 is amended by adding two new subsections to read:

"(g) The issuance of a commercial driver learner's permit is a precondition to the initial issuance of a commercial drivers license. The issuance of a commercial driver learner's permit is also a precondition to the upgrade of a commercial drivers license if the upgrade requires a skills test.

(h) The Division shall promptly notify any driver who fails to meet the medical certification requirements in accordance with 49 C.F.R. § 383.71. The Division shall give the driver 60 days to provide the required documentation. If the driver fails to provide the required commercial drivers license medical certification documentation within the period allowed, the Division shall automatically downgrade a commercial drivers license to a class C regular drivers license."

SECTION 29.(a) G.S. 20-58.4A(a) reads as rewritten:
"(a) Implementation. – No later than July 1, 2014, January 1, 2015, the Division shall implement a statewide electronic lien system to process the notification, release, and maintenance of security interests and certificate of title data where a lien is notated, through electronic means instead of paper documents otherwise required by this Chapter. The Division may contract with a qualified vendor or vendors to develop and implement this statewide electronic lien system, or the Division may develop and make available to qualified service providers a well-defined set of information services that will enable secure access to the data and internal application components necessary to facilitate the creation of an electronic lien system."

SECTION 29.(b) G.S. 20-58.4A(i) reads as rewritten:

"(i) Mandatory Participation. – Beginning July 1, 2015, January 1, 2016, all individuals and lienholders who are normally engaged in the business or practice of financing motor vehicles, and who conduct at least five transactions annually, shall utilize the electronic lien system implemented in subsection (a) of this section to record information concerning the perfection and release of a security interest in a vehicle."

SECTION 30. Reserved.

SECTION 31. G.S. 24-1.1A(e) reads as rewritten:

"(e) The term "home loan" shall mean a loan, other than an open-end credit plan, where the principal amount is less than three hundred thousand dollars ($300,000) secured by a first mortgage or first deed of trust on real estate upon which there is located or there is to be located one or more single-family dwellings or dwelling units or secured by an equivalent first security interest in a manufactured home."

SECTION 32. Reserved.

SECTION 32.5. G.S. 28A-21-2.2(a)(2) reads as rewritten:

“(2) The date by which an action for recovery of a rejected claim must be commenced under G.S. 28A-19-16.”

SECTION 33.(a) Article 2 of Chapter 39 of the General Statutes is amended by adding a new section to read:

"§ 39-13.7. Tenancy by the entireties trusts in real property.
Any real property held by a husband and wife as a tenancy by the entireties and conveyed to their joint revocable or irrevocable trust, or to their separate revocable or irrevocable trusts, shall have the same immunity from the claims of the spouses' separate creditors as would exist if the spouses had continued to hold the property as a tenancy by the entireties, so long as (i) the spouses remain husband and wife, (ii) the real property continues to be held in the trust or trusts, and (iii) the spouses remain the beneficial owners of the real property."

SECTION 33.(b) This section becomes effective January 1, 2015, and applies to real property transferred to a trust on or after that date.

SECTION 34. Reserved.

SECTION 35.(a) G.S. 44A-11.1(a) reads as rewritten:

"§ 44A-11.1. Lien agent; designation and duties.
(a) With regard to any improvements to real property to which this Article is applicable for which the costs of the undertaking are thirty thousand dollars ($30,000) or more, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner, the owner shall designate a lien agent no later than the time the owner first contracts with any person to improve the real property. Provided, however, that the owner is not required to designate a lien agent for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is occupied by the owner as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina Uniform Residential Building Code, the use of which is incidental to that residence. The owner shall deliver written notice of designation to its designated lien agent by any method authorized in G.S. 44A-11.2(f), and shall include in its notice the street address, tax map lot and block number, reference to recorded instrument, or any other description that reasonably identifies the real property for the
improvements to which the lien agent has been designated, and the owner's contact information. Designation of a lien agent pursuant to this section does not make the lien agent an agent of the owner for purposes of receiving a Claim of Lien on Real Property, a Notice of Claim of Lien upon Funds Funds, a Notice of Subcontract, or for any purpose other than the receipt of notices to the lien agent required under G.S. 44A-11.2.

SECTION 35.(b) G.S. 44A-11.2 reads as rewritten:

"§ 44A-11.2.  Identification of lien agent; notice to lien agent; effect of notice.

(i) The form of the notice to be given under this section shall be legible, shall include the following information unless designated as "if available," and shall be substantially as follows:

  NOTICE TO LIEN AGENT

  (1) Potential lien claimant's name, mailing address, telephone number, fax number (if available), and electronic mailing address (if available):

  (2) Name of the party with whom the potential lien claimant has contracted to improve the real property described below:

  (3) A description of the real property sufficient to identify the real property, such as the name of the project, if applicable, the physical address as shown on the building permit or notice received from the owner:

  (4) I give notice of my right subsequently to pursue a claim of lien for improvements to the real property described in this notice.
  Dated: ____________

  Potential Lien Claimant

(j) The service of the Notice to Lien Agent does not satisfy the service or filing requirements applicable to a Notice of Subcontract under Part 2 of Article 2 of this Chapter, a Notice of Claim of Lien upon Funds under Part 2 of Article 2 of this Chapter, or a Claim of Lien on Real Property under Part 1 or Part 2 of Article 2 of this Chapter. A Notice to Lien Agent shall not be combined with or make reference to a Notice of Subcontract or Notice of Claim of Lien upon Funds as described in this subsection.

SECTION 36. G.S. 45A-4(a) reads as rewritten:

"(a) The settlement agent shall cause recordation of the deed, if any, the deed of trust or mortgage, or other loan documents required to be recorded at settlement. The settlement agent shall not disburse any of the closing funds prior to the recordation of any deeds or loan documents required to be filed by the lender, if applicable, and verification that the closing funds used to fund disbursement are deposited in the settlement agent's trust or escrow account in one or more forms prescribed by this Chapter. A settlement agent may disburse funds from the settlement agent's trust or escrow account (to either the applicable register of deeds or directly to a private company authorized to electronically record documents with the office of the register of deeds) as necessary to record any deeds, deeds of trust, and any other documents required to be filed in connection with the closing, including excise tax (revenue stamps) and recording fees, but the settlement agent may not disburse any other funds from its trust or escrow account until the deeds, deeds of trust, and other required loan documents have been recorded in the office of the register of deeds. Unless otherwise provided in this Chapter, a settlement agent shall not cause a disbursement of settlement proceeds unless those settlement proceeds are collected funds. Notwithstanding that a deposit made by a settlement agent to its trust or escrow account does not constitute collected funds, the settlement agent may cause a disbursement of settlement proceeds from its trust or escrow account in reliance on that deposit if the deposit is in one or more of the following forms:
(1) A certified check;
(2) A check issued by the State, the United States, a political subdivision of the State, or an agency or instrumentality of the United States, including an agricultural credit association;
(3) A cashier's check, teller's check, or official bank check drawn on or issued by a financial institution insured by the Federal Deposit Insurance Corporation or a comparable agency of the federal or state government;
(4) A check drawn on the trust account of an attorney licensed to practice in the State of North Carolina;
(5) A check or checks drawn on the trust or escrow account of a real estate broker licensed under Chapter 93A of the General Statutes;
(6) A personal or commercial check or checks in an aggregate amount not exceeding five thousand dollars ($5,000) per closing if the settlement agent making the deposit has reasonable and prudent grounds to believe that the deposit will be irrevocably credited to the settlement agent's trust or escrow account;
(7) A check drawn on the account of or issued by a mortgage banker licensed under Article 19A of Chapter 53 of the General Statutes that has posted with the Commissioner of Banks a surety bond in the amount of at least three hundred thousand dollars ($300,000). The surety bond shall be in a form satisfactory to the Commissioner and shall run to the State for the benefit of any settlement agent with a claim against the licensee for a dishonored check.

SECTION 37. G.S. 50-13.4(c1) reads as rewritten:
"(c1) Effective July 1, 1990, the Conference of Chief District Judges shall prescribe uniform statewide presumptive guidelines for the computation of child support obligations of each parent as provided in Chapter 50 or elsewhere in the General Statutes and shall develop criteria for determining when, in a particular case, application of the guidelines would be unjust or inappropriate. Prior to May 1, 1990 these guidelines and criteria shall be reported to the General Assembly by the Administrative Office of the Courts by delivering copies to the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The purpose of the guidelines and criteria shall be to ensure that payments ordered for the support of a minor child are in such amount as to meet the reasonable needs of the child for health, education, and maintenance, having due regard to the estates, earnings, conditions, accustomed standard of living of the child and the parties, the child care and homemaker contributions of each party, and other facts of the particular case. The guidelines shall include a procedure for setting child support, if any, in a joint or shared custody arrangement which shall reflect the other statutory requirements herein.

Periodically, but at least once every four years, the Conference of Chief District Judges shall review the guidelines to determine whether their application results in appropriate child support award amounts. The Conference may modify the guidelines accordingly. The Conference shall give the Department of Health and Human Services, the Administrative Office of the Courts, and the general public an opportunity to provide the Conference with information relevant to the development and review of the guidelines. Any modifications of the guidelines or criteria shall be reported to the General Assembly by the Administrative Office of the Courts before they become effective by delivering copies to the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The guidelines, when adopted or modified, shall be provided to the Department of Health and Human Services and the Administrative Office of the Courts, which shall disseminate them to the public through local IV-D offices, clerks of court, and the media.

Until July 1, 1990, the advisory guidelines adopted by the Conference of Chief District Judges pursuant to this subsection as formerly written shall operate as presumptive guidelines and the factors adopted by the Conference of Chief District Judges pursuant to this subsection
as formerly written shall constitute criteria for varying from the amount of support determined by the guidelines."

SECTION 38.(a) G.S. 50A-370(a) reads as rewritten:

"(a) After a deploying parent receives notice of deployment and during the deployment, a court may issue a temporary order granting custodial responsibility unless prohibited by the Servicemembers Civil Relief Act, 50 U.S.C. app. §§ 521-522. A court may not issue a permanent order granting custodial responsibility in the absence of the deploying parent without the consent of the deploying parent."

SECTION 38.(b) G.S. 50A-379(a) reads as rewritten:

"(a) Except for an order in accordance with G.S. 50A-373 or as otherwise provided in subsection (b) of this section, and consistent with the Servicemembers Civil Relief Act, 50 U.S.C. app. §§ 521-522, on motion of a deploying or other parent or any nonparent to whom caretaking authority, decision-making authority, or limited contact has been granted, the court may modify or terminate a grant of caretaking authority, decision-making authority, or limited contact made pursuant to this Article if the modification or termination is consistent with this Part and the court finds it is in the best interest of the child. Any modification shall be temporary and terminates following the conclusion of deployment of the deployed parent according to the procedures under Part 4 of this Article, unless the grant has been terminated before that time by court order."

SECTION 38.(c) G.S. 50A-385(c) reads as rewritten:

"(c) In the absence of an agreement to terminate, the temporary agreement granting custodial responsibility terminates 60 days from the date of one of the following:
1. The date the deploying parent gives notice to the other parent that the deploying parent has returned from deployment.
2. The date stated in an order terminating the temporary grant of custodial responsibility.
3. The death of the deploying parent; the deploying parent gives notice to the other parent that the deploying parent has returned from deployment, unless earlier terminated upon the date stated in an order terminating the temporary grant of custodial responsibility or the death of the deploying parent."

SECTION 38.(d) G.S. 50A-388(a) reads as rewritten:

"(a) A temporary order for custodial responsibility issued under Part 3 of this Article shall terminate, if no agreement between the parties to terminate a temporary order for custodial responsibility has been filed, 60 days from (i) the date the deploying parent gives notice of having returned from deployment to the other parent or any nonparent to whom caretaking authority, decision-making authority, or limited contact has been granted, (ii) upon the death of the deploying parent, whichever occurs first."

SECTION 39. G.S. 53-244.050(b)(1a) reads as rewritten:

"(1a) Each individual applicant for licensure as a transitional mortgage loan originator shall:
- Be at least 18 years of age;
- Have an active license to originate mortgage loans pursuant to the laws of any state or territory of the United States other than North Carolina or be a registered loan originator;
- Have a valid unique identifier, registration, and fingerprints on file with the Nationwide Mortgage Licensing System and Registry;
- Have been employed for a period of no less than two years as a mortgage loan originator; and
- Have provided certification of employment with a mortgage lender or mortgage broker licensed under this Article, including an attestation by the employer that the applicant is in his or her employ."

SECTION 39.2. G.S. 58-2-46(4) is repealed.

SECTION 39.3.(a) G.S. 65-47 is amended by adding a new subsection to read:
"(e) A columbarium built in compliance with the requirements of former subsection (d) of this section is not subject to the provisions of Article 9 of this Chapter on or after January 23, 2015, as long as the columbarium (i) continues to exist on the grounds of a private, self-contained retirement community and (ii) continues to be reserved exclusively for the residents of that community."

SECTION 39.3.(b) This section becomes effective January 23, 2015.

SECTION 39.4. G.S. 66-58(b) reads as rewritten:

"(b) The provisions of subsection (a) of this section shall not apply to:

(8b) North Carolina Center for the Advancement of Teaching (NCCAT) with regard to:

a. Agreements for the use of NCCAT's facilities, equipment, services, and staff, for meetings and educational programs provided by State agencies, the constituent institutions of The University of North Carolina and the North Carolina Community College System, public schools, units of local government, and nonprofit corporations.

b. The provision of housing and meals to participants in these meetings and programs.

..."

SECTION 39.7. G.S. 86A-15(b) reads as rewritten:

"§ 86A-15. Sanitary rules and regulations; inspections.

"(b) All barbershops, barber schools and colleges, and any other place where barber service is rendered, shall be open for inspection at all times during business hours to any members of the Board of Barber Examiners or its agents or assistants. Initial inspections conducted by the Board pursuant to this Chapter shall not be delayed if the sole reason for delay is the lack of a certificate of occupancy by a unit of local government. A copy of the sanitary rules and regulations set out in this section shall be furnished by the Board to the owner or manager of each barbershop or barber school, or any other place where barber service is rendered in the State, and that copy shall be posted in a conspicuous place in each barbershop or barber school. The Board shall have the right to make additional rules and regulations governing barbers and barbershops and barber schools for the proper administration and enforcement of this section, but no such additional rules or regulations shall be in effect until those rules and regulations have been furnished to each barbershop within the State."

SECTION 40. G.S. 90-85.15B reads as rewritten:

"§ 90-85.15B. Immunizing pharmacists.

(a) Except as provided in subsection (b) and (c) of this section, an immunizing pharmacist may administer vaccinations or immunizations only if the vaccinations or immunizations are recommended or required by the Centers for Disease Control and Prevention and administered to persons at least 18 years of age pursuant to a specific prescription order.

(b) An immunizing pharmacist may administer the vaccinations or immunizations listed in subdivisions (1) through (5) of this subsection to persons at least 18 years of age if the vaccinations or immunizations are administered under written protocols as defined in 21 NCAC 46 .2507(b)(12) and 21 NCAC 32U .0101(b)(12) and in accordance with the supervising physician's responsibilities as defined in 21 NCAC 46 .2507(e) and 21 NCAC 32U .0101(e), and the physician is licensed in and has a practice physically located in North Carolina:

(1) Pneumococcal polysaccharide or pneumococcal conjugate vaccines.

(2) Herpes zoster vaccine.

(3) Hepatitis B vaccine.

(4) Meningococcal polysaccharide or meningococcal conjugate vaccines.

(5) Tetanus-diphtheria, tetanus and diphtheria toxoids and pertussis, tetanus and diphtheria toxoids and acellular pertussis, or tetanus toxoid vaccines. However, a pharmacist shall not administer any of these vaccines if the patient discloses that the patient has an open wound, puncture, or tissue tear.
(c) An immunizing pharmacist may administer the influenza vaccine to persons at least 14 years of age pursuant to 21 NCAC 46.2507 and 21 NCAC 32U.0101.

(d) An immunizing pharmacist who administers a vaccine or immunization to any patient pursuant to this section shall do all of the following:

1. Maintain a record of any vaccine or immunization administered to the patient in a patient profile.
2. Within 72 hours after administration of the vaccine or immunization, notify any primary care provider identified by the patient. If the patient does not identify a primary care provider, the immunizing pharmacist shall direct the patient to information describing the benefits to a patient of having a primary care physician, prepared by any of the following: North Carolina Medical Board, North Carolina Academy of Family Physicians, North Carolina Medical Society, or Community Care of North Carolina.
3. Except for influenza vaccines administered under G.S. 90-85.15B(b)(6), G.S. 90-85.15B(c), access the North Carolina Immunization Registry prior to administering the vaccine or immunization and record any vaccine or immunization administered to the patient in the registry within 72 hours after the administration. In the event the registry is not operable, an immunizing pharmacist shall report as soon as reasonably possible.

SECTION 41.(a)
G.S. 90-95(d1) reads as rewritten:

"(d1) (1) Except as authorized by this Article, it is unlawful for any person to:
   a. Possess an immediate precursor chemical with intent to manufacture a controlled substance; or
   b. Possess or distribute an immediate precursor chemical knowing, or having reasonable cause to believe, that the immediate precursor chemical will be used to manufacture a controlled substance; or
   c. Possess a pseudoephedrine product if the person has a prior conviction for the possession or manufacture of methamphetamine.

Any person who violates this subsection subdivision shall be punished as a Class H felon, unless the immediate precursor is one that can be used to manufacture methamphetamine.

(2) Except as authorized by this Article, it is unlawful for any person to:
   a. Possess an immediate precursor chemical with intent to manufacture methamphetamine; or
   b. Possess or distribute an immediate precursor chemical knowing, or having reasonable cause to believe, that the immediate precursor chemical will be used to manufacture methamphetamine.

Any person who violates this subdivision shall be punished as a Class F felon."

SECTION 41.(b)
This section becomes effective October 1, 2014, and applies to offenses committed on or after that date.

SECTION 41.5.
G.S. 90-113.73 is amended by adding the following new subsection to read:

"§ 90-113.73. Requirements for controlled substances reporting system.

   (d) A dispenser shall not be required to report instances in which a Schedule V non-narcotic, non-anorectic Schedule V controlled substance is provided directly to the ultimate user for the purpose of assessing a therapeutic response when prescribed according to indications approved by the United States Food and Drug Administration."

SECTION 42.(a)
G.S. 90D-5(b)(6) reads as rewritten:
"(b) Composition and Terms. – The Board shall consist of nine members who shall serve staggered terms. The initial Board members shall be selected on or before July 1, 2003, as follows:

(6) A member of Self Help for Hard of Hearing (SHHH) the Hearing Loss Association of America-North Carolina State Association (HLAA-NC) with knowledge of the interpreting process and deafness. This member shall be appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, and serve for a term of three years."

SECTION 42.(b) G.S. 90D-7 reads as rewritten:

"§ 90D-7. Requirements for licensure.
(a) Upon application to the Board and the payment of the required fees, an applicant may be licensed as an interpreter or transliterator if the applicant meets all of the following qualifications:

(1) Is 18 years of age or older.
(2) Is of good moral character as determined by the Board.
(3) Meets one of the following criteria:
   a. Holds a valid National Association of the Deaf (NAD), level 4 or 5 certification.
   b. Is nationally certified by the Registry of Interpreters for the Deaf, Inc., (RID).
   c. Has a national certification recognized by the National Cued Speech Association (NCSA) Hudson Testing Evaluation and Certification Unit, Inc., (TECUNIT) national certification in cued language transliteration.
   d. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level A or B classification in effect on January 1, 2000.
   e. Holds a current Cued Language Transliterator State Level Assessment (CLTSLA) level 3 or above classification.

(b) Effective July 1, 2008, any person who applies for initial licensure as an interpreter or transliterator shall hold at least a two-year degree from a regionally accredited institution.

(c) The Department of Justice may provide a criminal record check to the Board for a person who has applied for a new, provisional, or renewal license through the Board. The Board shall provide to the Department of Justice, along with the request, the fingerprints of the applicant, any additional information required by the Department of Justice, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subdivision privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Justice may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection."

SECTION 42.(c) G.S. 90D-8 reads as rewritten:

"§ 90D-8. Provisional license.
(a) Upon application to the Board and the payment of the required fees, an applicant may be issued a one-time provisional license as an interpreter or transliterator if the applicant meets all of the following qualifications:

(1) Is at least 18 years of age.
(2) Is of good moral character as determined by the Board.

727
(3) Completes two continuing education units approved by the Board. These units must be completed for each renewable year.

(4) Satisfies one of the following:
   a. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level C classification.
   b. Holds a valid National Association of the Deaf (NAD) level 2 or 3 certification.
   c. Holds a current Educational Interpreter Performance Assessment (EIPA) level 3 or above classification.
   e. Holds at least a two-year interpreting degree from a regionally accredited institution.

(a1) Upon application to the Board, payment of the required fees, and meeting the requirements for a provisional license under subdivisions (1) and (2) of subsection (a) of this section, the Board may also issue a provisional license to any of the following categories of persons seeking a provisional license:

   (1) A certified deaf interpreter (CDI) who completes 30 hours of training, including "Role and Function", "Code of Ethics", and interpreting professional studies coursework. A deaf interpreter who completes 16 hours of training in interpreting coursework or workshops, including role and function or ethics, and 20 hours in the 12 months immediately preceding the date of application in the provision of interpreting services.

   (2) An oral interpreter who completes a total of 40 hours of training in interpreting coursework or workshops related to oral interpreting.

   (3) A person providing cued speech interpreting or transliterating services who completes a total of 40 hours of training in interpreting coursework or workshops related to cued speech. A cued language transliterator who holds a current Cued Language Transliterator State Level Assessment (CLTSLA) level 2 classification.

   (4) A person providing interpreting or transliterating services who has a recognized credential from another state in the field of interpreting or transliterating.

   (5) An interpreter or transliterator who has accumulated 200 hours per year in the provision of interpreting or transliterating services, in this State or another state, totaling 400 hours for the two years immediately preceding the date of application.

(b) A provisional license issued under this section shall be valid for one year. Upon expiration, a provisional license may be renewed for an additional one-year period in the discretion of the Board. However, a provisional license shall not be renewed more than three times. The Board may, in its discretion, grant an extension after the third time the provisional license has been renewed under circumstances to be established in rules adopted by the Board.

(c) Effective July 1, 2008, any person who applies for initial licensure on a provisional basis as an interpreter or transliterator shall hold at least a two-year degree from a regionally accredited institution."

SECTION 42.3.(a) G.S. 93D-1.1 reads as rewritten:

"§ 93D-1.1. Hearing aid specialist; scope of practice. The scope of practice of a hearing aid specialist regulated pursuant to this Chapter shall include the following activities:

   (12) Taking-Making ear impressions, and preparing, designing, and modifying ear molds."
(14) Providing supervision and in-service training for those entering the hearing aid dispensing profession, apprentices in fitting and selling hearing aids.
(15) Providing hearing health education.
(16) Providing community services for individuals with hearing loss and the deaf."

SECTION 42.3.(b) G.S. 93D-3(d) reads as rewritten:
"(d) Members of the Board shall be entitled to travel, per diem, and other expenses authorized by G.S. 93B-5. The expenses shall be paid from the fees and assessments received by the Board under the provisions of this Chapter. No part of these expenses or any other expenses of the Board, in any manner whatsoever, shall be paid out of the State treasury. All moneys received in excess of expense allowance and mileage, as above provided, shall be held by the secretary-treasurer as a special fund for meeting other expenses of the Board and carrying out the provisions of this Chapter.
(e) The Board shall make an annual report of its proceedings in accordance with G.S. 93B-2."

SECTION 42.3.(c) G.S. 93D-15 reads as rewritten:
"§ 93D-15. Violation of Chapter.  
Any person who violates any of the provisions of this Chapter and any person who holds himself out to the public as a hearing aid specialist without having first obtained a license or apprenticeship registration as provided for herein shall be deemed guilty of a Class 2 misdemeanor."

SECTION 42.7.(a) G.S. 106-568.43 reads as rewritten:
"§ 106-568.43. Referendum.  
(a) The Association may conduct among tobacco growers a referendum upon the question of whether an assessment shall be levied on tobacco sold produced in this State.  
(b) The Association shall determine the amount of the proposed assessment and the date by which the referendum ballot must be returned by mail as provided in this section.  
(c) The amount of the proposed assessment shall be stated on the referendum ballot. The amount may not exceed fifteen cents (15¢) for each hundred pounds of tobacco marketed produced in this State. If the assessment is approved in the referendum, the Association may set the assessment at an amount equal to or less than the amount stated on the ballot. If the Association sets a lower amount than the amount approved by referendum, it may increase the amount annually without a referendum by no more than one cent (1¢) for each hundred pounds of tobacco marketed produced in this State. The increased rate may not exceed the amount approved by referendum and may not exceed the maximum allowable rate of fifteen cents (15¢) for each hundred pounds.  
(d) The Association shall mail a referendum ballot to all known tobacco growers in the State for whom the Association has a current and valid mailing address at least three months prior to the date the ballot must be returned. Additionally, the Association must, for the greater of three months or 90 days before the date the ballot must be returned, (i) provide a printable referendum ballot on the Association's official Web site and (ii) make hard copies of the referendum ballot available at all county North Carolina Cooperative Extension Service offices. The ballots shall be returned to the Commissioner of Agriculture by the date set by the Association. The Department shall be responsible for counting the votes and reporting the results of the referendum to the Association.  
(e) All tobacco growers may vote in the referendum. Any dispute over eligibility to vote or any other matter relating to the referendum shall be determined by the Association. The Association shall make reasonable efforts to provide tobacco growers with notice of the referendum and an opportunity to vote."

SECTION 42.7.(b) G.S. 106-568.44 reads as rewritten:
"§ 106-568.44. Payment and collection of assessment.  
(a) The assessment shall not be collected unless more than two-thirds of the votes cast in the referendum are in favor of the assessment. If more than two-thirds of the votes cast in the
referendum are in favor of the assessment, then the Association shall notify the Department of the amount of the assessment and the effective date of the assessment. The Department shall notify all tobacco buyers of the assessment.

(b) Each tobacco producer grower shall pay the assessment on all tobacco produced in this State and sold to a buyer.

(c) A buyer shall collect the assessment when buying tobacco produced in this State by deducting the assessment from the price paid to the producer grower. The buyer shall remit collected assessments to the Department no later than the 10th day of the following month. The Department shall provide forms to buyers for reporting the assessment. If the total assessments collected by a buyer in a month are less than twenty-five dollars ($25.00), the buyer may keep the assessments until the total amount due is at least twenty-five dollars ($25.00) or the end of the calendar quarter, whichever comes first. All buyers shall file at least one report in each calendar quarter in which they purchase tobacco from a producer grower, regardless of the amount due.

(d) A buyer shall keep records of the amount of tobacco purchased and the date purchased. All information or records regarding purchases of tobacco by individual buyers shall be kept confidential by employees or agents of the Department and the Association and shall not be disclosed except by court order.

(e) The Association may bring an action to recover any unpaid assessments, plus the reasonable costs, including attorneys' fees, incurred in the action."

SECTION 43. Article 68 of Chapter 106 of the General Statutes is repealed.

SECTION 44.(a) G.S. 108A-116 reads as rewritten: "§ 108A-116. Production of customers' financial records in cases of suspected financial exploitation; immunity; records may not be used against account owner.

(a) An investigating entity may, under the conditions specified in this section, obtain a subpoena directing a financial institution to provide to the investigating entity the financial records of a disabled adult or older adult customer. The petition shall be filed in the county of residence of the disabled adult or older adult customer whose financial records are being subpoenaed. The court shall hear the case within two business days after the filing of the petition. The court shall issue the subpoena may be issued by any judge of the superior court, judge of the district court, or magistrate in the county of residence of the disabled adult or older adult customer whose financial records are being subpoenaed, upon finding that all of the following conditions are met:

(1) The investigating entity is investigating, pursuant to the investigating entity's statutory authority, a credible report that the disabled adult or older adult is being or has been financially exploited.

(2) The disabled adult's or older adult's financial records are needed in order to substantiate or evaluate the report.

(3) Time is of the essence in order to prevent further exploitation of that disabled adult or older adult.

(b) Delivery of the subpoena may be effected by hand, via certified mail, return receipt requested, or through a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) and may be addressed to the financial institution's local branch or office vice president, its local branch or office manager or assistant branch or office manager, or the agent for service of process listed by the financial institution with the North Carolina Secretary of State or, if there is none, with the agent for service of process listed by the financial institution in any state in which it is domiciled.

(b1) A financial institution may challenge the subpoena by filing a motion to quash or modify the subpoena within ten days after receipt of delivery of the subpoena pursuant to subsection (b) of this section. The subpoena may be challenged only for the following reasons:

(1) There is a procedural defect with the subpoena.

(2) The subpoena contains insufficient information to identify the records subject to the subpoena.
(3) The financial institution is otherwise prevented from promptly complying with the subpoena.
(4) The petition was filed or subpoena requested for an improper purpose or based upon insufficient grounds.
(5) The subpoena subjects the financial institution to an undue burden or is otherwise unreasonable or oppressive.

Within two business days after the motion is filed, the court shall hear the motion and issue an order upholding, modifying, or quashing the subpoena.

(c) Upon receipt of a subpoena delivered pursuant to subsection (b) of this section identifying the disabled adult or older adult customer or, if the subpoena is challenged pursuant to subsection (b1) of this section, entry of a court order upholding or modifying a subpoena, a financial institution shall promptly provide to the head of an investigating entity, or his or her designated agent, the financial records of a disabled adult or older adult customer upon receipt of a subpoena delivered pursuant to subsection (b) of this section identifying the disabled adult or older adult customer.

(d) All produced copies of the disabled adult's or older adult's financial records, as well as any information obtained pursuant to the duty to report found in G.S. 108A-115, shall be kept confidential by the investigating entity unless required by court order to be disclosed to a party to a court proceeding or introduced and admitted into evidence in an open court proceeding.

(e) No financial institution or investigating entity, or officer or employee thereof, who acts in good faith in providing, seeking, or obtaining financial records or any other information in accordance with this section, or in providing testimony in any judicial proceeding based upon the contents thereof, may be held liable in any action for doing so.

(f) No customer may be subject to indictment, criminal prosecution, criminal punishment, or criminal penalty by reason of or on account of anything disclosed by a financial institution pursuant to this section, nor may any information obtained through such disclosure be used as evidence against the customer in any criminal or civil proceeding. Notwithstanding the foregoing, information obtained may be used against a person who is a joint account owner accused of financial exploitation of a disabled adult or older adult joint account holder, but solely for criminal or civil proceedings directly related to the alleged financial exploitation of the disabled adult or older adult joint account holder.

(g) The petition and the court's entire record of the proceedings under this section is not a matter of public record. Records qualifying under this subsection shall be maintained separately from other records, shall be withheld from public inspection, and may be examined only by order of the court.”

SECTION 44. (b) G.S. 108A-117 reads as rewritten:


(a) Upon the issuance of a subpoena pursuant to G.S. 108A-116, the investigating entity shall immediately provide the customer with written notice of its action by first-class mail to the customer's last known address, unless an order for delayed notice is obtained pursuant to subsection (b) of this section. The notice shall be sufficient to inform the customer of the name of the investigating entity that has obtained the subpoena, the financial records subject to production pursuant to the subpoena, and the purpose of the investigation.

(b) An investigating entity may include in its application for a subpoena pursuant to G.S. 108A-116 a request for an order delaying the customer notice required pursuant to subsection (a) of this section. The judge or magistrate court issuing the subpoena may order a delayed notice in accordance with subsection (c) of this section if it finds, based on affidavit or oral testimony under oath or affirmation before the issuing judge or magistrate court, that all of the following conditions are met:

(1) The investigating entity is investigating a credible report that the adult is being or has been financially exploited.
(2) There is reason to believe that the notice will result in at least one of the following:
   a. Endangering the life or physical safety of any person.
   b. Flight from prosecution.
   c. Destruction of or tampering with evidence.
   d. Intimidation of potential witnesses.
   e. Serious jeopardy to an investigation or official proceeding.
   f. Undue delay of a trial or official proceeding.

(c) Upon making the findings required in subsection (b) of this section, the judge or magistrate court shall enter an ex parte order granting the requested delay for a period not to exceed 30 days. If the court finds there is reason to believe that the notice may endanger the life or physical safety of any person, the court may order that the delay be for a period not to exceed 180 days. An order delaying notice shall direct that:
   (1) The financial institution not disclose to any person the existence of the investigation, of the subpoena, or of the fact that the customer's financial records have been provided to the investigating entity for the duration of the period of delay authorized in the order;
   (2) The investigating entity deliver a copy of the order to the financial institution along with the subpoena that is delivered pursuant to G.S. 108-116(b); and
   (3) The order be sealed until otherwise ordered by the judge or magistrate court.

(d) Upon application by the investigating entity, further extensions of the delay of notice may be granted by order of a judge or magistrate court in the county of residence of the disabled adult or older adult customer whose financial records are being subpoenaed, upon a finding of the continued existence of the conditions set forth in subdivisions (1) and (2) of subsection (b) of this section, and subject to the requirements of subsection (c) of this section. If the initial delay was granted for a period not to exceed 30 days, the delay may be extended by additional periods of up to 30 days each and the total delay in notice granted under this section shall not exceed 90 days. If the initial delay was granted for a period not to exceed 180 days, the delay may be extended by additional periods of up to 180 days each and may continue to be extended until the court finds the notice would no longer endanger the life or physical safety of any person.

(e) Upon the expiration of the period of delay of notice granted under this section, including any extensions thereof, the customer shall be served with a copy of the notice required by subsection (a) of this section."

SECTION 44.(c) G.S. 7A-246 reads as rewritten:

"§ 7A-246. Special proceedings; exceptions; guardianship and trust administration.

The superior court division is the proper division, without regard to the amount in controversy, for the hearing and trial of all special proceedings except proceedings under the Protection of the Abused, Neglected or Exploited Disabled Adult Act (Chapter 108A, Article 6, of the General Statutes), Article 6 of Chapter 108A of the General Statutes, proceedings for the protection of disabled and older adults from financial exploitation (Article 6A of Chapter 108A of the General Statutes), proceedings for involuntary commitment to treatment facilities (Chapter 122C, Article 5, Article 5 of Chapter 122C of the General Statutes), adoption proceedings (Chapter 48 of the General Statutes), and of all proceedings involving the appointment of guardians and the administration by legal guardians and trustees of express trusts of the estates of their wards and beneficiaries, according to the practice and procedure provided by law for the particular proceeding."

SECTION 44.(d) The Administrative Office of the Courts shall develop the appropriate forms and procedures to implement the processes provided under G.S. 108A-116 and G.S. 108A-117.

SECTION 44.(e) This section is effective when it becomes law and applies to petitions for a subpoena filed on or after that date.

SECTION 44.5. G.S. 110-136.3(a) reads as rewritten:
"(a) Required Contents of Support Orders. All child support orders, civil or criminal, entered or modified in the State in IV-D cases shall include a provision ordering income withholding to take effect immediately. All child support orders, civil or criminal, initially entered in the State in non-IV-D cases on or after January 1, 1994, shall include a provision ordering income withholding to take effect immediately as provided in G.S. 110-136.5(c1), unless one of the exceptions specified in G.S. 110-136.5(c1) applies. A non-IV-D child support order that contains an income withholding requirement and a IV-D child support order shall comply with each of the following:

(1) Require the obligor to keep the clerk of court or IV-D agency informed of the obligor's current residence and mailing address.

(2a) Repealed by Session Laws 1993, c. 517, s. 1.

(3) Require the obligor to cooperate fully with the initiating party in the verification of the amount of the obligor's disposable income.

(4) Require the custodial party to keep the obligor informed of (i) the custodial party's disposable income and the amount and effective date of any substantial change in this disposable income and (ii) income.

(4a) Include the current residence and mailing address of the child, unless custodial parent, or the address of the child if the address of the custodial parent and the address of the child are different. However, there is no requirement that the child support order contain the address of the custodial parent or the child if (i) there is an existing order prohibiting disclosure of the custodial parent's or child's address to the obligor or (ii) the court has determined that notice to the obligor is inappropriate because the obligor has made verbal or physical threats that constitute domestic violence under Chapter 50B of the General Statutes.

(5) Require the obligor to keep the initiating party informed of the name and address of any payor of the obligor's disposable income and of the amount and effective date of any substantial change in this disposable income."
§ 114-61. Forensic Science Advisory Board.

(a) Creation and Membership. – The North Carolina Forensic Science Advisory Board (Board) is hereby established as an advisory board within the Department of Justice. The Board shall consist of 16 members, consisting of the State Crime Laboratory Director, and 14 members appointed by the Attorney General as follows:

1. A forensic scientist or any other person with an advanced degree who has received substantial education, training, or experience in the subject of laboratory standards or quality assurance regulation and monitoring.
2. The Chief Medical Examiner of the State.
3. A forensic scientist with an advanced degree who has received substantial education, training, or experience in the discipline of molecular biology.
4. A forensic scientist with an advanced degree who has experience in the discipline of population genetics.
5. A scientist with an advanced degree who has experience in the discipline of forensic chemistry.
6. A scientist with an advanced degree who has experience in the discipline of forensic biology.
7. A forensic scientist or any other person with an advanced degree who has received substantial education, training, or experience in the discipline of trace evidence.
8. A scientist with a doctoral degree who has experience in the discipline of forensic toxicology and is certified by the American Board of Forensic Toxicology.
9. A member of the International Association for Identification.
10. A member of the Association of Firearms and Toolmark Examiners.
11. A member of the International Association for Chemical Testing.
12. A director of a private or federal forensic laboratory located in the State.
13. A member of the American Society of Crime Laboratory Directors.

A chairman shall be elected from among the members appointed, and staff shall be provided by the Department of Justice.

(b) Meetings. – The Board shall meet quarterly and at such other times and places as it determines. Members of the Board cannot designate a proxy to vote in their absence.

(c) Terms. – Members of the Board initially appointed shall serve the following terms: five members shall serve a term of two years; five members shall serve a term of three years; and five members shall serve a term of four years. Thereafter, all appointments shall be for a term of three years. A vacancy other than by expiration of term shall be filled by the Attorney General for the unexpired term. Members of the Board cannot designate a proxy to vote in their absence.

(d) Terms. – Expenses. – Members of the Board shall be paid reasonable and necessary expenses incurred in the performance of their duties. Members of the Board who are State officers or employees shall receive no compensation for serving on the Board but may be reimbursed for their expenses in accordance with G.S. 138-6. Members of the Board who are full-time salaried public officers or employees other than State officers or employees shall receive no compensation for serving on the Board but may be reimbursed for their expenses in accordance with G.S. 138-5(b). All other members of the Board may receive compensation and reimbursement for expenses in accordance with G.S. 138-5.

(e) Functions. – The Board may review State Crime Laboratory operations and make recommendations concerning the services furnished to user agencies. The Board shall review
and make recommendations as necessary to the Laboratory Director concerning any of the following:

1. New scientific programs, protocols, and methods of testing.
2. Plans for the implementation of new programs; sustaining existing programs and improving upon them where possible; and the elimination of programs which are no longer needed.
3. Protocols for testing and examination methods and guidelines for the presentation of results in court.
4. Qualification standards for the various forensic scientists of the Laboratory.

(f) Review Process. – Upon request of the Laboratory Director, the Board shall review analytical work, reports, and conclusions of scientists employed by the Laboratory. Records reviewed by this Board retain their confidential status and continue to be considered records of a criminal investigation as defined in G.S. 132-1.4. These records shall be reviewed only in a closed session meeting pursuant to G.S. 143-318.11 of the Board, and each member of the Board shall, prior to receiving any documents to review, sign a confidentiality agreement agreeing to maintain the confidentiality of and not to disclose the documents or the contents of the documents reviewed. The Board shall recommend to the Laboratory a review process to use when there is a request that the Laboratory retest or reexamine evidence that has been previously examined by the Laboratory.

SECTION 47. G.S. 114-70(b) reads as rewritten:

"(b) Membership. – The Commission shall consist of 12 members as follows:

1. The President Pro Tempore of the Senate shall appoint one representative from each of the following:
   a. The public at large.
   b. A county sheriff's office.
   c. A city or town police department.
   d. Legal Aid of North Carolina.

2. The Speaker of the House of Representatives shall appoint one representative from each of the following:
   a. The public at large.
   b. North Carolina Coalition Against Human Trafficking.
   c. A faith-based shelter or benefits organization providing services to victims of human trafficking.
   d. A district attorney, attorney or an assistant district attorney.

3. The Governor shall appoint one representative from each of the following:
   a. The Department of Labor.
   b. The Department of Justice.
   c. The Department of Public Safety.
   d. A health care representative."

SECTION 48. G.S. 115C-64.16(e) reads as rewritten:

"(e) Grants. – Any grants awarded by the Commission may be spent over a five-year period from the initial award. Grants may be awarded for new or existing projects."

SECTION 49. Reserved.

SECTION 49.2. G.S. 115C-174.13 reads as rewritten:


(a) Until the State Board of Education designates that a test is released, any test developed, adopted, or provided by the State Board of Education, as provided in this Article, is not a public record within the meaning of G.S. 132-1. The State Board of Education may develop rules to allow inspection of a test prior to release, but shall require that individuals inspecting the test meet the same standards for confidentiality required for employees of local boards of education in test administration. As used in this section, the term "test" includes both the test and related test materials.
Any written material containing the identifiable scores of individual students on any test taken pursuant to the provisions of this Article is not a public record within the meaning of G.S. 132-1 and shall not be made public by any person, except as permitted under the provisions of the Family Educational and Privacy Rights Act of 1974, 20 U.S.C. 1232g."

SECTION 49.5. G.S. 115C-174.26, as recodified by Section 12 of S.L. 2014-5, reads as rewritten:

"...

(h) Beginning October 1, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

1. The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.
2. Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.
3. Student performance on advanced course examinations, including information by course, local school administrative unit, and school.
4. Number of students participating in 10th grade PSAT/NMSQT testing.
5. Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.
6. Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.
7. Status and efforts of the North Carolina Advanced Placement Partnership.
8. Other trends in advanced courses and examinations."

SECTION 49.7. G.S. 115C-296(b1) reads as rewritten:

"(b1) The State Board of Education shall require teacher education programs, master's degree programs in education, and master's degree programs in school administration to submit annual performance reports. The performance reports shall provide the State Board of Education with a focused review of the programs and the current process of accrediting these programs in order to ensure that the programs produce graduates that are well prepared to teach, as follows:

4. Annual State Board of Education report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by October 1, November 15.

...

SECTION 50. Reserved.

SECTION 51. (a) G.S. 115D-12(a) reads as rewritten:

"§ 115D-12. Each institution to have board of trustees; selection of trustees.

(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person
currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the
trustee’s current term.

Group Two – four trustees, elected by the board of commissioners of the county in which
the institution is located. Provided, however, if the administrative area of the institution is
composed of two or more counties, the trustees shall be elected jointly by the boards of
commissioners of all those counties, each board having one vote in the election of each trustee.
Provided, also, the county commissioners of the county in which the community college has
established a satellite campus may elect an additional two members if the board of trustees of
the community college agrees. No more than one trustee from Group Two may be a member of
such appointing board of county commissioners. Should the boards of education or the boards
of commissioners involved be unable to agree on one or more trustees the senior resident
superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1
where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive
board of the student body of each community college established pursuant to this Chapter shall
be an ex officio nonvoting member of the board of trustees of each said institution.”

SECTION 51.(b) This section applies only to the Boards of Trustees of Central
Carolina Community College.

SECTION 51.(c) This section is effective when it becomes law and applies to
appointments made on or after that date.

SECTION 51.5. G.S. 115D-15(a) reads as rewritten:
"(a) The board of trustees of any institution organized under this Chapter may, with the
prior approval of the North Carolina Community Colleges System Office, convey a
right-of-way or easement for highway construction or for utility installations or modifications.
When in the opinion of the board of trustees the use of any other real property owned or held
by the board of trustees is unnecessary or undesirable for the purposes of the institution, the
board of trustees, subject to prior approval of the State Board of Community Colleges, may
sell, exchange, or lease the property, sell or dispose of the property. For purposes of this
section, "dispose" means "lease, exchange, or demolish." The board of trustees may dispose of
any personal property owned or held by the board of trustees without approval of the State
Board of Community Colleges. Personal property titled to the State Board of Community
Colleges consistent with G.S. 115D-14 and G.S. 115D-58.5 may be transferred to another
community college at no cost and without the approval of the Department of Administration,
Division of Surplus Property.

Article 12 of Chapter 160A of the General Statutes shall apply to the disposal or sale of any
real or personal property under this subsection. Personal property also may be disposed of
under procedures adopted by the North Carolina Department of Administration. The proceeds
of any sale or lease shall be used for capital outlay purposes, except as provided in subsection
(b) of this section.”

SECTION 52. Part 5 of Article 1 of Chapter 116 of the General Statutes is
amended by adding a new section to read:
"§ 116-43.17. Confidentiality of research data, records, and information of a proprietary
nature.
Research data, records, or information of a proprietary nature, produced or collected by or
for state institutions of higher learning in the conduct of commercial, scientific, or technical
research where the data, records, or information has not been patented, published, or
copyrighted are not public records as defined by G.S. 132-1.”

SECTION 53.(a) G.S. 120-31 is amended by adding a new subsection to read:
"(c1) Six members of the Commission constitute a quorum.”

SECTION 53.(b) G.S. 120-31(f) reads as rewritten:
"(f) In any case where any provision of law or any rule of the Legislative Services Commission
required requires approval of any action by the Legislative Services Commission,
approval of that action by the President Pro Tempore of the Senate and by the Speaker of the House of Representatives constitutes approval of the Commission."

SECTION 54. Reserved.

SECTION 55.(a) G.S. 122A-5.10, 122A-5.11, and 122A-5.12 are repealed.

SECTION 55.(b) This section becomes effective January 1, 2015.

SECTION 55.2. G.S. 124-18 reads as rewritten:

Any State-owned railroad company that has trackage in more than two counties shall issue an annual cash dividend to the State. The amount of the annual dividend is twenty-five percent (25%) of the company's income from the prior year's trackage rights agreements. The dividend is due by February 15 of each year, and interest shall accrue at the annual rate of prime plus one percent (1%) if the payment is not paid by the due date. The Directors of any State-owned railroad company who vote for or assent to the dividend required under this section shall not be held liable under G.S. 55-8-33."

SECTION 55.3.(a) G.S. 126-5(e) reads as rewritten:

"(e) An exempt employee may be transferred, demoted, or separated from his or her position by the department head authorized to designate the exempt position except as follows:

(1) When an employee who has the minimum service requirements described in G.S. 126-1.1 but less than 10 years of cumulative service in subject positions prior to placement in an exempt position is removed from an exempt position, for reasons other than just cause, the employee shall have priority to any position that becomes available for which the employee is qualified, according to rules and regulations regulating and defining priority as promulgated by the State Human Resources Commission.

(2) When an employee who has 10 years or more cumulative service, including the immediately preceding 12 months, in subject positions prior to placement in an exempt position is removed from an exempt position, for reasons other than just cause, the employee shall be reassigned to a subject position within the same department or agency, or if necessary within another agency, and within a 35 mile radius of the exempt position, at the same grade and salary, including all across-the-board increases since placement in the position designated as exempt, as his or her most recent subject position.

(3) When a career State employee as defined by G.S. 126-1.1 who has more than two but less than 10 years or more of cumulative service in a subject position moves from one exempt position covered by this subsection to another position covered by this subsection without a break in service and that employee is later removed from the last exempt position, for reasons other than just cause, the employee shall have priority to any position that becomes available for which the employee is qualified, according to the rules regulating and defining priority as adopted by the State Human Resources Commission.

(4) When a career State employee as defined by G.S. 126-1.1 who has 10 years or more of cumulative service moves from one exempt position covered by this subsection to another position covered by this subsection without a break in service and that employee is later removed from the last exempt position, for reasons other than just cause, the employee shall be reassigned to a subject position within the same department or agency, or if necessary, within another department or agency. The employee shall be paid at the same grade and salary as the employee's most recent subject position, including all across-the-board legislative increases awarded since the employee's placement in the position that was designated as exempt."

738
SECTION 55.3.(b) G.S. 126-14.2(c) reads as rewritten:
"(c) It is a violation of this section giving rise to the remedies set forth in G.S. 126-14.4 if:
   ...
"

SECTION 55.3.(c) G.S. 126-25(b) reads as rewritten:
"(b) An employee, former employee, or applicant for employment who objects to material in the employee's file because he or she considers it inaccurate or misleading may seek the removal of such material from the file in accordance with a grievance procedure established by that department approved by the State Human Resources Commission. If the agency determines that material in the employee's file is inaccurate or misleading, the agency shall remove or amend the inaccurate material to ensure that the file is accurate. Nothing in this subsection shall be construed to permit an employee to appeal the contents of a performance appraisal or written disciplinary action."

SECTION 55.3.(d) G.S. 126-34.02(b)(5) reads as rewritten:
"(5) Failure to post or give priority consideration. – An applicant for State employment or a State employee may allege that he or she was denied hiring or promotion because a position was not posted in accordance with this Chapter Chapter; or a career State employee may allege that because he or she was denied hiring or a promotion as a result of a failure to give priority consideration for promotion or reemployment as required by G.S. 126-7.1, G.S. 126-7.1; or a career State employee may allege that he or she was denied hiring as a result of the failure to give him or her a reduction-in-force priority."

SECTION 55.3.(e) G.S. 126-82(d) reads as rewritten:
"(d) Any eligible veteran who has reason to believe that he or she did not receive a veteran's preference in accordance with the provisions of this Article or rules adopted under it may appeal directly to the State Human Resources Commission that denial as provided by G.S. 126-34.01 and G.S. 126-34.02."

SECTION 55.3.(f) G.S. 135-4(ff)(1) reads as rewritten:
"(ff) Retroactive Membership Service. – A member who is reinstated to service as an employee as defined in G.S. 135-1(10) or as a teacher as defined in G.S. 135-1(25) retroactively to the date of prior involuntary termination with back pay, as defined by the State Human Resources Commission, and associated benefits may be allowed membership service, after submitting clear and convincing evidence of the reinstatement, payment of back pay, and restoration of associated benefits, as follows:
   (1) When the reinstatement to service is by court order, final decision of an Administrative Law Judge, or decision of the State Human Resources Commission with the approval of the Office of State Human Resources Director, and is:
      a. Within 90 days of the involuntary termination, by the payment of employee and employer contributions that would have been paid; or
      b. After 90 days of the involuntary termination, by the payment of the employee and employer contributions that would have been paid plus interest compounded annually at a rate equal to the greater of the average yield on the pension accumulation fund for the preceding calendar year or the actuarial investment rate-of-return assumption, as adopted by the Board of Trustees."

SECTION 55.3.(g) Section 8.3 of S.L. 2013-382 reads as rewritten:

739
SECTION 55.3.(h) The Codifier of Rules shall make all necessary changes in nomenclature in Title 25 of the North Carolina Administrative Rules as follows:

1. To change the name of the Office of State Personnel to the Office of State Human Resources.
2. To change the name of the State Personnel Commission to the State Human Resources Commission.
3. To change the name of the Director of the Office of State Personnel to the Director of the Office of State Human Resources.
4. To change the name of the Office of State Personnel Director to the Office of State Human Resources Director.
5. Any other change consistent with this section.

SECTION 55.4.(a) The Revisor of Statutes is authorized to change in the General Statutes the title of Chapter 126 of the General Statutes to read "North Carolina Human Resources Act," consistent with the title change in Section 9.1 of S.L. 2013-382.

SECTION 55.4.(b) G.S. 115C-21(a)(1) reads as rewritten:

"(1) To organize and establish a Department of Public Instruction which shall include such divisions and departments as the State Board considers necessary for supervision and administration of the public school system. All appointments of administrative and supervisory personnel to the staff of the Department of Public Instruction are subject to the approval of the State Board of Education, which may terminate these appointments for cause in conformity with Chapter 126 of the General Statutes, the State Personnel System, North Carolina Human Resources Act."

SECTION 55.4.(c) Except as otherwise provided in this section, the General Statutes are amended by deleting the phrase "State Personnel System" wherever it appears and substituting "State Human Resources system". The Revisor of Statutes is authorized to make the substitutions enacted in this subsection and to capitalize the word "system" in "State Human Resources system" if the phrase appears in a title.

SECTION 55.5. G.S. 130A-320, as amended by S.L. 2014-41, reads as rewritten:

"§ 130A-320. Sanitation of watersheds; rules; inspections; local source protection planning.

(a) The Commission shall adopt rules governing the sanitation of watersheds from which public drinking water supplies are obtained. In adopting these rules the Commission is authorized to consider the different classes of watersheds, taking into account general topography, nature of watershed development, density of population and need for frequency of sampling of raw water. The rules shall govern the keeping of livestock, operation of recreational areas, maintenance of residences and places of business, disposal of sewage, establishment of cemeteries or burying grounds, and any other factors which would endanger the public water supply.

(b) Any supplier of water operating a public water system and furnishing water from unfiltered surface supplies shall inspect the watershed area at least quarterly, and more often when the Department determines that more frequent inspections are necessary.

(c) Every supplier of water operating a public water system treating and furnishing water from unfiltered surface supplies shall create and implement a source water protection plan (SWPP). The Commission shall adopt rules that provide all of the following:

1. A standardized format for use by suppliers of water in creating their SWPP. The Commission may create different formats and required plan elements for public water systems based on the system type, source type, watershed classification, population served, source susceptibility to contamination, proximity of potential contamination sources to the intake, lack of water supply alternatives, or other characteristics the Commission finds to be relevant.
(2) Schedules for creating a SWPP, implementing mandatory provisions of the SWPP, and for review and update of the SWPP by suppliers of water.

(3) Reporting requirements sufficient for the Department to monitor the creation, implementation, and revision by suppliers of water. The Commission may provide different reporting requirements based on the public water system characteristics set forth in subdivision (1) of this subsection.

SECTION 56.(a) G.S. 131E-6(3) reads as rewritten:
"(3) "Corporation, foreign or domestic, authorized to do business in North Carolina" means any of the following:

a. A corporation for profit or having a capital stock which is created and organized under Chapter 55 of the General Statutes or any other general or special act of this State.

b. A foreign corporation which has procured a certificate of authority to transact business in this State pursuant to Article 10 of Chapter 55 of the General Statutes.

c. A limited liability company formed under Chapter 57D of the General Statutes.

d. A foreign limited liability company that has procured a certificate of authority to transact business in this State pursuant to Article 7 of Chapter 57D of the General Statutes."

SECTION 56.(b) This section becomes effective October 1, 2014.

SECTION 56.1. G.S. 132-6(d), as enacted by S.L. 2014-18, reads as rewritten:
"(d) Notwithstanding the provisions of subsections (a) and (b) of this section, public records relating to the proposed expansion or location of specific business or industrial projects may be withheld so long as their inspection, examination or copying would frustrate the purpose for which such public records were created; provided, however, that nothing herein shall be construed to permit the withholding of public records relating to general economic development policies or activities. Once the State, a local government, or the specific business has announced a commitment by the business to expand or locate a specific project in this State or the business has made a final decision not to do so, of which the State or local government agency involved with the project knows or should know, and that the business will receive a discretionary incentive for the project pursuant to Chapter 143B of the General Statutes, the provisions of this subsection allowing public records to be withheld by the agency no longer apply. If the specific business has requested discretionary incentives for the project pursuant to Chapter 143B of the General Statutes, but decides to not expand or locate the project in this State or does not receive such discretionary incentives, then the only records that are subject to disclosure pursuant to this Chapter are the records submitted to the Department of Commerce by the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431A. If a business decides to expand or locate a specific project in this State, but the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431A does not submit any documentation to the Department regarding a request for any discretionary incentives by the State pursuant to Chapter 143B of the General Statutes, and the business does not receive any such discretionary incentives, then any records regarding such project are not subject to disclosure pursuant to this Chapter. Once the provisions of this subsection no longer apply, the agency shall disclose as soon as practicable, and within 25 business days, public records requested for the announced project that are not otherwise made confidential by law. An announcement that a business or industrial project has committed to expand or locate in the State shall not require disclosure of local government records relating to the project if the business has not selected a specific location within the State for the project. Once a specific location for the project has been determined, local government records must be disclosed, upon request, in accordance with the provisions of this section. For purposes of this section, "local
government records" include records maintained by the State that relate to a local government's efforts to attract the project.

Records relating to the proposed expansion or location of specific business or industrial projects that are in the custody of the Department of Commerce or an entity with which the Department contracts pursuant to G.S. 143B-431A shall be treated as follows:

(1) Unless controlled by another subdivision of this subsection, the records may be withheld if their inspection, examination, or copying would frustrate the purpose for which the records were created.

(2) If no discretionary incentives pursuant to Chapter 143B of the General Statutes are requested for a project and if the specific business decides to expand or locate the project in the State, then the records relating to the project shall not be disclosed.

(3) If the specific business has requested discretionary incentives for a project pursuant to Chapter 143B of the General Statutes and if either the business decides not to expand or locate the project in the State or the project does not receive the discretionary incentives, then the only records relating to the project that may be disclosed are the requests for discretionary incentives pursuant to Chapter 143B of the General Statutes and any information submitted to the Department by the contracted entity.

(4) If the specific business receives a discretionary incentive for a project pursuant to Chapter 143B of the General Statutes and the State or the specific business announces a commitment to expand or locate the project in this State, all records requested for the announced project, not otherwise made confidential by law, shall be disclosed as soon as practicable and within 25 days from the date of announcement."

SECTION 56.2. G.S. 136-18(37) reads as rewritten:


(37) To permit private use of and encroachment upon the right-of-way of a State highway or road for the purpose of construction and maintenance of a privately owned bridge for pedestrians or motor vehicles, bridge owned by a private or public entity, if the bridge shall not unreasonably interfere with or obstruct the public use of the right-of-way. Any agreement for an encroachment authorized by this subdivision shall be approved by the Board of Transportation, upon a finding that the encroachment is necessary and appropriate, in the sole discretion of the Board. Locations, plans, and specifications for any pedestrian or vehicular bridge authorized by the Board for construction pursuant to this subdivision shall be approved by the Department of Transportation. For any bridge subject to this subdivision, the Department shall retain the right to reject any plans, specifications, or materials used or proposed to be used, inspect and approve all materials to be used, inspect the construction, maintenance, or repair, and require the replacement, reconstruction, repair, or demolition of any partially or wholly completed bridge that, in the sole discretion of the Department, is unsafe or substandard in design or construction. An encroachment agreement authorized by this subdivision may include a requirement to purchase and maintain liability insurance in an amount determined by the Department of Transportation. The Department shall ensure that any bridge constructed pursuant to this subdivision is regularly inspected for safety. The owner shall have the bridge inspected every two years by a qualified private engineering firm based on National Bridge Inspection Standards and shall provide the Department copies of the Bridge Inspection Reports where they shall be kept on file. Any bridge authorized and constructed pursuant to this subdivision
shall be subject to all other rules and conditions of the Department of Transportation for encroachments."

SECTION 56.5. G.S. 136-82(d) reads as rewritten:
"(d) Use of Toll Proceeds. – The Department of Transportation shall credit the proceeds from tolls collected on North Carolina Ferry System routes and receipts generated under subsection (c) of this section to reserve accounts within the Highway Fund for each of the Highway Divisions in which system terminals are located and fares are earned. For the purposes of this subsection, fares are earned based on the terminals from which a passenger trip originates and terminates. Commuter pass receipts shall be credited proportionately to each reserve account based on the distribution of trips originating and terminating in each Highway Division. The proceeds credited to each reserve account shall be used exclusively for prioritized North Carolina Ferry System ferry passenger vessel replacement projects in the Division in which the proceeds are earned. Proceeds may be used to fund ferry passenger vessel replacement projects or supplement funds allocated for ferry passenger vessel replacement projects approved in the Transportation Improvement Program."

SECTION 56.6. G.S. 136-189.11(e)(1) reads as rewritten:
"(1) Limitation on variance. – The Department, in obligating funds in accordance with this section, shall ensure that the percentage amount obligated to Statewide Strategic Mobility Projects, Regional Impact Projects, and Division Need Projects does not vary by more than five percent (5%) ten percent (10%) over any five-year period from the percentage required to be allocated to each of those categories by this section. Funds obligated among distribution regions or divisions pursuant to this section may vary up to ten percent (10%) over any five-year period."

SECTION 56.6A.(a) G.S. 136-200.2(j), as amended by Section 12(a) of S.L. 2014-58, reads as rewritten:
"(j) Violations. – A violation of subdivision (1) of subsection (g) of this section shall be a Class 1 misdemeanor. An MPO member who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a required filing under subdivisions (3) or (4) of subsection (g) of this section shall be guilty of a Class 1 misdemeanor. An MPO member who provides false information on a required filing under subdivisions (3) or (4) of subsection (g) of this section knowing that the information is false is guilty of a Class H felony. If the State Ethics Commission receives written allegations of violations of this section, the Commission shall report such violations to the Attorney GeneralDirector of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution. All written allegations or related documents are confidential and are not matters of public record."

SECTION 56.6A.(b) G.S. 136-211(j), as amended by Section 12(b) of S.L. 2014-58, reads as rewritten:
"(j) Violations. – A violation of subdivision (1) of subsection (f) of this section shall be a Class 1 misdemeanor. A rural transportation planning organization member who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a required filing under subdivisions (3) or (4) of subsection (f) of this section shall be guilty of a Class 1 misdemeanor. A rural transportation planning organization member who provides false information on a required filing under subdivisions (3) or (4) of subsection (f) of this section knowing that the information is false is guilty of a Class H felony. If the State Ethics Commission receives written allegations of violations of this section, the Commission shall report such violations to the Attorney GeneralDirector of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution. All written allegations or related documents are confidential and are not matters of public record."

SECTION 56.6A.(c) G.S. 138A-25, as amended by Section 12(c) of S.L. 2014-58, reads as rewritten:
"§ 138A-25. Failure to file.

(d) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) of a failure to file the Statement of Economic Interest or the filing of an incomplete Statement of Economic Interest. The Commission shall notify the filing person that if the Statement of Economic Interest is not filed or completed within 30 days of receipt of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section.

(1) Any filing person who fails to file a Statement of Economic Interest under G.S. 136-200.2(g)(3) or G.S. 136-211(f)(3) within 30 days of the receipt of the notice required under this section shall be fined two hundred fifty dollars ($250.00) by the Commission for not filing or filing an incomplete Statement of Economic Interest, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the Statement of Economic Interest within 60 days of the receipt of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Attorney General or Director of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist.

(e) Within 30 days after the date due under G.S. 138A-22, the Commission shall notify persons who are required to file an additional disclosure under G.S. 136-200.2(g)(4) or G.S. 136-211(f)(4) of a failure to file the additional disclosure or the filing of an incomplete additional disclosure. The Commission shall notify the filing person that if the additional disclosure is not filed or completed within 30 days of receipt of the notice of failure to file or complete, the filing person shall be fined and referred for prosecution after an additional 30 days, as provided for in this section.

(1) Any filing person who fails to file or who files an incomplete additional disclosure within 30 days of the receipt of the notice required under this section shall be fined two hundred fifty dollars ($250.00) for not filing or filing an incomplete additional disclosure, except in extenuating circumstances as determined by the Commission.

(2) Failure by any filing person to file or complete the additional disclosure within 60 days of the receipt of the notice required under this subsection shall be a Class 1 misdemeanor. The Commission shall report such failure to the Attorney General or Director of the State Bureau of Investigation for investigation and referral to the District Attorney for possible prosecution, unless the Commission determines extenuating circumstances exist."

SECTION 56.6A.(d) This section becomes effective October 1, 2014.

SECTION 56.7. G.S. 143-64.17B reads as rewritten:

"§ 143-64.17B. Guaranteed energy savings contracts.

(a) A governmental unit may enter into a guaranteed energy savings contract with a qualified provider if all of the following apply:

(1) The term of the contract does not exceed 20 years from the date of the installation and acceptance by the governmental unit of the energy conservation measures provided for under the contract.

(2) The governmental unit finds that the energy savings resulting from the performance of the contract will equal or exceed the total cost of the contract.

744
(3) The energy conservation measures to be installed under the contract are for an existing building or utility system, or utility consuming device or equipment when the utility cost is paid by the governmental unit.

(b) Before entering into a guaranteed energy savings contract, the governmental unit shall provide published notice of the time and place or of the meeting at which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose. The notice must be published at least 15 days before the date of the proposed award or meeting.

(c) A qualified provider entering into a guaranteed energy savings contract under this Part shall provide security to the governmental unit in the form acceptable to the Office of the State Treasurer and in an amount equal to one hundred percent (100%) of the guaranteed savings for the term of the guaranteed energy savings contract to assure the provider's faithful performance. Any bonds required by this subsection shall be subject to the provisions of Article 3 of Chapter 44A of the General Statutes. If the savings resulting from a guaranteed energy savings contract are not as great as projected under the contract and all required shortfall payments to the governmental unit have not been made, the governmental unit may terminate the contract without incurring any additional obligation to the qualified provider.

(d) As used in this section, "total cost" shall include, but not be limited to, costs of construction, costs of financing, and costs of maintenance and training during the term of the contract less the application of the utility company, State, or federal incentives, grants, or rebates. "Total cost" does not include any obligations on termination of the contract before its expiration, provided that those obligations are disclosed when the contract is executed.

(e) A guaranteed energy savings contract may not require the governmental unit to purchase a maintenance contract or other maintenance agreement from the qualified provider who installs energy conservation measures under the contract if the unit of government takes appropriate action to budget for its own forces or another provider to maintain new systems installed and existing systems affected by the guaranteed energy savings contract.

(f) In the case of a State governmental unit, a qualified provider shall, when feasible, after the acceptance of the proposal of the qualified provider by the State governmental unit, conduct an investment grade audit. During this investment grade audit, the qualified provider shall perform in accordance with Part 1 of this Article a life cycle cost analysis of each energy conservation measure in the final proposal. If the results of the audit are not within ten percent (10%) of both the guaranteed savings contained in the proposal and the total proposal amount, either the State governmental unit or the qualified provider may terminate the project without incurring any additional obligation to the other party. However, if the State governmental unit terminates the project after the audit is conducted and the results of the audit are within ten percent (10%) of both the guaranteed savings contained in the proposal and the total proposal amount, the State governmental unit shall reimburse the qualified provider the reasonable cost incurred in conducting the audit, and the results of the audit shall become the property of the State governmental unit.

(g) A qualified provider shall provide an annual reconciliation statement based upon the results of the measurement and verification review. The statement shall disclose any shortfalls or surplus between guaranteed energy and operational savings specified in the guaranteed energy savings contract and actual, not stipulated, energy and operational savings incurred during a given guarantee year. Any guaranteed energy and operational savings shall be determined by using one of the measurement and verification methodologies listed in the United States Department of Energy's Measurement and Verification Guidelines for Energy Savings Performance Contracting, the International Performance Measurement and Verification Protocol (IPMVP) maintained by the Efficiency Valuation Organization, or Guideline 14-2002 of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers. If due to existing data limitations or the nonconformance of specific project characteristics, none of the three methodologies listed in this subsection is sufficient for measuring guaranteed savings, the qualified provider shall develop an alternate method that is compatible with one of the three methodologies and mutually agreeable to the governmental
The guarantee year shall consist of a 12-month term commencing from the time that the energy conservation measures become fully operational. A qualified provider shall pay the governmental unit or its assignee any shortfall in the guaranteed energy and operational savings after the total year savings have been determined. In the case of a governmental unit, a surplus in any one year shall not be carried forward or applied to a shortfall in any other year."

SECTION 56.7A. G.S. 143B-373 reads as rewritten:


(a) There is hereby recreated the North Carolina Capital Planning Commission of the Department of Administration.

(1) The Commission shall have all of the following powers and duties:

a. To obtain and maintain up-to-date building requirements for State governmental agencies in Wake County.

b. To formulate and maintain an up-to-date long-range capital improvement program as required for State central governmental agencies in Wake County and maintain the program up-to-date.

c. To recommend the acquisition of land as required.

d. To recommend to the Governor the locations for State government buildings, monuments, memorials and improvements in Wake County, except for buildings occupied by the General Assembly.

e. To recommend to the Governor the name for any new State government building or any building hereafter acquired by the State of North Carolina in Wake County, with the exception of buildings comprising a part of the North Carolina State University, the Dorothea Dix Hospital, the General Assembly or the Governor Morehead School.

(2) The Commission is authorized and empowered to adopt such rules and regulations, not inconsistent with the laws of this State, as may be required by the federal government for grants-in-aid for capital improvement purposes which may be made available to the State by the federal government. This section is to be liberally construed in order that the State and its citizens may benefit from such grants-in-aid.

(3) The Commission shall adopt rules and regulations consistent with the provisions of this Chapter. All rules and regulations not inconsistent with the provisions of this Chapter heretofore adopted by the existing North Carolina Capital Planning Commission shall remain in full force and effect unless and until repealed or superseded by action of the recreated Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Administration.

(b) Any:

(1) City exercising any jurisdiction in Wake County under Article 19 of Chapter 160A of the General Statutes (or under any local act of similar nature); and

(2) County exercising any jurisdiction in Wake County under Article 18 of Chapter 153A of the General Statutes (or under any local act of similar nature)

shall provide to the North Carolina Capital Planning Commission no later than August 1, 1989, a copy of any ordinance adopted under that Article and in effect on July 1, 1989, and shall provide a copy of any additional ordinance adopted or amended under such Article or similar local act after July 1, 1989, within 30 days of adoption; provided that no ordinance adopted under G.S. 160A-441 shall be so provided unless it applies to a structure owned by the State.
(c) Any:
   (1) City exercising any jurisdiction in Wake County under Article 19 of Chapter 160A of the General Statutes (or under any local act of similar nature); and
   (2) County exercising any jurisdiction in Wake County under Article 18 of Chapter 153A of the General Statutes (or under any local act of similar nature)

shall provide to the North Carolina Capital Planning Commission within seven days of first consideration by the governing body any proposal under either of those Articles or local acts which, if adopted would affect property within Wake County owned by the State.

(d) The North Carolina Capital Planning Commission may, by resolution, further define what types of proposals are required to be submitted under subsection (c) of this section, and may define the meaning of "first consideration" differently as to different types of actions, and may require similar notice of proposals before planning boards, boards of adjustment, and planning commissions. The North Carolina Capital Planning Commission may, in lieu of the specific requirements of subsection (c) of this subsection, adopt a different schedule for submission of proposals and ordinances, and the schedule may be different for different jurisdictions, so as to carry out the intent of this section.

SECTION 56.8.(a) G.S. 143B-426.38A reads as rewritten:

"§ 143B-426.38A. Government Data Analytics Center; State data-sharing requirements.

(a) State Government Data Analytics. – The State shall initiate across State agencies, departments, and institutions a data integration and data-sharing initiative that is not intended to replace transactional systems but is instead intended to leverage the data from those systems for enterprise-level State business intelligence as follows:

   (1) Creation of initiative. – In carrying out the purposes of this section, the Office of the State Controller Chief Information Officer (CIO) shall conduct an ongoing, comprehensive evaluation of State data analytics projects and plans in order to identify data integration and business intelligence opportunities that will generate greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions. The State Controller and State CIO shall continue to utilize public-private partnerships and existing data integration and analytics contracts and licenses as appropriate to continue the implementation of the initiative.

   (2) Application to State government. – The initiative shall include all State agencies, departments, and institutions, including The University of North Carolina.

   (3) Governance. – The State Controller CIO shall lead the initiative established pursuant to this section. The Chief Justice of the North Carolina Supreme Court and the Legislative Services Commission each shall designate an officer or agency to advise and assist the State Controller CIO with respect to implementation of the initiative in their respective branches of government. The judicial and legislative branches shall fully cooperate in the initiative mandated by this section in the same manner as is required of State agencies.

(b) Government Data Analytics Center. –

   (1) GDAC established. – There is established in the Office of the State Controller CIO the Government Data Analytics Center (GDAC). GDAC shall continue the work, purpose, and resources of the current previous data integration effort in the Office of the State Controller and shall otherwise advise and assist the State Controller CIO in the management of the initiative. The State Controller CIO shall make any organizational changes necessary to maximize the effectiveness and efficiency of GDAC.

   (2) Powers and duties of the GDAC. – The State Controller CIO shall, through the GDAC, do all of the following:
a. Continue and coordinate ongoing enterprise data integration efforts, including:
   1. The deployment, support, technology improvements, and expansion for the Criminal Justice Law Enforcement Automated Data System (CJLEADS).
   3. Individual-level student data and workforce data from all levels of education and the State workforce.
   4. Other capabilities developed as part of the initiative.

b. Identify technologies currently used in North Carolina that have the capability to support the initiative.

c. Identify other technologies, especially those with unique capabilities, that could support the State's business intelligence effort.

d. Compare capabilities and costs across State agencies.

e. Ensure implementation is properly supported across State agencies.

f. Ensure that data integration and sharing is performed in a manner that preserves data privacy and security in transferring, storing, and accessing data, as appropriate.

g. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section.

h. Coordinate data requirements and usage for State business intelligence applications in a manner that (i) limits impacts on participating State agencies as those agencies provide data and business knowledge expertise and (ii) assists in defining business rules so the data can be properly used.

i. Recommend the most cost-effective and reliable long-term hosting solution for enterprise-level State business intelligence as well as data integration, notwithstanding Section 6A.2(f) of S.L. 2011-145.

(c) Implementation of the Enterprise-Level Business Intelligence Initiative. –

(1) Phases of the initiative. – The initiative shall cycle through these phases on an ongoing basis as follows:

a. Phase I requirements. – In the first phase, the State Controller through GDAC shall:
   1. Inventory existing State agency business intelligence projects, both completed and under development.
   2. Develop a plan of action that does all of the following:
      I. Defines the program requirements, objectives, and end state of the initiative.
      II. Prioritizes projects and stages of implementation in a detailed plan and benchmarked time line.
      III. Includes the effective coordination of all of the State's current data integration initiatives.
      IV. Utilizes a common approach that establishes standards for business intelligence initiatives for all State agencies and prevents the development of projects that do not meet the established standards.
      V. Determines costs associated with the development efforts and identifies potential sources of funding.
VI. Includes a privacy framework for business intelligence consisting of adequate access controls and end user security requirements. 

VII. Estimates expected savings.

3. Inventory existing external data sources that are purchased by State agencies to determine whether consolidation of licenses is appropriate for the enterprise.

4. Determine whether current, ongoing projects support the enterprise-level objectives. 

5. Determine whether current applications are scalable or are applicable for multiple State agencies or both.

b. Phase II requirements. – In the second phase, the State Controller CIO through the GDAC shall:

1. Identify redundancies and recommend to the General Assembly any projects that should be discontinued.

2. Determine where gaps exist in current or potential capabilities.

b. Phase III requirements. – In the third phase:

1. The State Controller CIO through GDAC shall incorporate or consolidate existing projects, as appropriate.

2. The State Controller CIO shall, notwithstanding G.S. 147-33.76 or any rules adopted pursuant thereto, eliminate redundant business intelligence projects, applications, software, and licensing.

3. The State Controller CIO through GDAC shall complete all necessary steps to ensure data integration in a manner that adequately protects privacy.

(2) Project management. – The State CIO shall ensure that all current and new business intelligence/data analytics projects are in compliance with all State laws, policies, and rules pertaining to information technology procurement, project management, and project funding and that they include quantifiable and verifiable savings to the State. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology on projects that are not achieving projected savings. The report shall include a proposed corrective action plan for the project.

The Office of the State CIO, with the assistance of the Office of State Budget and Management, shall identify potential funding sources for expansion of existing projects or development of new projects. No GDAC project shall be initiated, extended, or expanded:

a. Without the specific approval of the General Assembly unless the project can be implemented within funds appropriated for GDAC projects.

b. Without prior consultation to the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology if the project can be implemented within funds appropriated for GDAC projects.

(d) Funding. – The Office of the State Controller CIO, with the support of the Office of State Budget and Management, shall identify and make all efforts to secure any matching funds or other resources to assist in funding this initiative. Savings resulting from the cancellation of projects, software, and licensing, as well as any other savings from the initiative, shall be returned to the General Fund and shall remain unexpended and unencumbered until appropriated by the General Assembly in a subsequent fiscal year. It is the intent of the General Assembly that expansion of the initiative in subsequent fiscal years be funded with these
savings and that the General Assembly appropriate funds for projects in accordance with the priorities identified by the Office of the State Controller CIO in Phase I of the initiative.

(d1) Appropriations. – Of the funds appropriated to the Information Technology Fund, the sum of three million dollars ($3,000,000) for the 2013-2014 fiscal year and the sum of four million four hundred seventeen thousand five hundred fifteen dollars ($4,417,515) for the 2014-2015 fiscal year shall be used to support the GDAC and NCFACTS. Of these funds, the sum of one million four hundred seventeen thousand five hundred fifteen dollars ($1,417,515) shall be used in each fiscal year of the 2013-2015 biennium for OSC internal costs. For fiscal year 2014-2015, of the funds generated by GDAC and NCFACTS projects and returned to the General Fund, the sum of up to five million dollars ($5,000,000) is appropriated to fund GDAC and NCFACTS, to include vendor payments. Prioritization for the expenditure of these funds shall be for State costs associated with GDAC first, then vendor costs second. Funds in the 2013-2015 fiscal year budgets for GDAC and NCFACTS shall be used solely to support the continuation for these priority project areas.

(e) Reporting. – The Office of the State Controller CIO shall:
(1) Submit and present quarterly reports on the implementation of Phase I of the initiative and the plan developed as part of that phase to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly. The State Controller CIO shall submit a report prior to implementing any improvements, expending funding for expansion of existing business intelligence efforts, or establishing other projects as a result of its evaluations, and quarterly thereafter, a written report detailing progress on, and identifying any issues associated with, State business intelligence efforts.

(2) Report the following information as needed:
   a. Any failure of a State agency to provide information requested pursuant to this section. The failure shall be reported to the Joint Legislative Oversight Committee on Information Technology and to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees.
   b. Any additional information to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology that is requested by those entities.

(f) Data Sharing. –
(1) General duties of all State agencies. – Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:
   a. Grant the Office of the State Controller CIO access to all information required to develop and support State business intelligence applications pursuant to this section. The State Controller CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.
   b. Provide complete information on the State agency's information technology, operational, and security requirements.
   c. Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.
d. Forecast the State agency's projected future business intelligence information technology needs and capabilities.

e. Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.

f. Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.

g. Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.

h. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.

(2) Specific requirements. – The State Controller CIO and the GDAC shall enhance the State's business intelligence through the collection and analysis of data relating to workers' compensation claims for the purpose of preventing and detecting fraud, as follows:

a. The North Carolina Industrial Commission shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.

b. The North Carolina Rate Bureau (Bureau) shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.

c. The Department of Commerce, Division of Employment Security (DES), shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.

d. The Department of Labor shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.

e. The Department of Revenue shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to the registration and address information of active businesses, business tax reporting, and aggregate federal tax Form 1099 data for comparison with information from DES, the Rate Bureau, and the Department of the Secretary of State for the evaluation of business reporting. Additionally, the Department of Revenue shall furnish to the GDAC, upon request, other tax information, provided that the information furnished does not impair or violate any information-sharing agreements between the Department and the
United States Internal Revenue Service. Notwithstanding any other provision of law, a determination of whether furnishing the information requested by GDAC would impair or violate any information-sharing agreements between the Department of Revenue and the United States Internal Revenue Service shall be within the sole discretion of the State Chief Information Officer. The Department of Revenue and the Office of the State Controller CIO shall work jointly to assure that the evaluation of tax information pursuant to this subdivision is performed in accordance with applicable federal law.

(3) All information shared with GDAC and the State Controller CIO under this subdivision is protected from release and disclosure in the same manner as any other information is protected under this section.

(g) Provisions on Privacy and Confidentiality of Information.

(1) Status with respect to certain information. – The State Controller CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:

a. With respect to criminal information, and to the extent allowed by federal law, a criminal justice agency (CJA), as defined under Criminal Justice Information Services (CJIS) Security Policy. The State CJIS Systems Agency (CSA) shall ensure that CJLEADS receives access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals.

b. With respect to health information covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and to the extent allowed by federal law:

1. A business associate with access to protected health information acting on behalf of the State's covered entities in support of data integration, analysis, and business intelligence.

2. Authorized to access and view individually identifiable health information, provided that the access is essential to the enterprise fraud, waste, and improper payment detection program or required for future initiatives having specific definable need for the data.

c. Authorized to access all State and federal data, including revenue and labor information, deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for the data.

d. Authorized to develop agreements with the federal government to access data deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for such data.

(2) Release of information. – The following limitations apply to (i) the release of information compiled as part of the initiative, (ii) data from State agencies that is incorporated into the initiative, and (iii) data released as part of the implementation of the initiative:

a. Information compiled as part of the initiative. – Notwithstanding the provisions of Chapter 132 of the General Statutes, information compiled by the State Controller CIO and the GDAC related to the initiative may be released as a public record only if the State Controller CIO, in that officer’s sole discretion, finds that the release
of information is in the best interest of the general public and is not in violation of law or contract.

b. Data from State agencies. – Any data that is not classified as a public record under G.S. 132-1 shall not be deemed a public record when incorporated into the data resources comprising the initiative. To maintain confidentiality requirements attached to the information provided to the State Controller, CIO and GDAC, each source agency providing data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.

c. Data released as part of implementation. – Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.

d. Data from North Carolina Rate Bureau. – Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records and public disclosure of such data, in whole or in part, by the GDAC or State Controller, CIO, or by any State agency, is prohibited."

SECTION 56.8.(b) G.S. 143B-426.39 reads as rewritten:
"§ 143B-426.39. Powers and duties of the State Controller.
The State Controller shall:

(17) Coordinate data integration and data sharing pursuant to G.S. 143B-426.38A across State agencies, departments, and institutions to support the State's enterprise level business intelligence initiative."

SECTION 56.8.(c) G.S. 20-7(b2) reads as rewritten:
"(b2) Disclosure of Social Security Number. – The social security number of an applicant is not a public record. The Division may not disclose an applicant's social security number except as allowed under federal law. A violation of the disclosure restrictions is punishable as provided in 42 U.S.C. § 408, and amendments to that law.

In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division may disclose a social security number obtained under subsection (b1) of this section only as follows:

(1) For the purpose of administering the drivers license laws.
(2) To the Department of Health and Human Services, Child Support Enforcement Program for the purpose of establishing paternity or child support or enforcing a child support order.
(3) To the Department of Revenue for the purpose of verifying taxpayer identity.
(4) To the Office of Indigent Defense Services of the Judicial Department for the purpose of verifying the identity of a represented client and enforcing a court order to pay for the legal services rendered.
(5) To each county jury commission for the purpose of verifying the identity of deceased persons whose names should be removed from jury lists.
(6) To the Office of the State Controller, Chief Information Officer for the purposes of G.S. 143B-426.38A."

SECTION 56.8.(d) G.S. 20-43 reads as rewritten:
"§ 20-43. Records of Division.
(a) All records of the Division, other than those declared by law to be confidential for the use of the Division, shall be open to public inspection during office hours in accordance with G.S. 20-43.1. A signature recorded in any format by the Division for a driver's license or a special identification card is confidential and shall not be released except for law enforcement purposes. A photographic image recorded in any format by the Division for a driver's license or a special identification card is confidential and shall not be released except for law enforcement purposes or to the Office of the State Controller Chief Information Officer for the purposes of G.S. 143B-426.38A.

(b) The Commissioner, upon receipt of notification from another state or foreign country that a certificate of title issued by the Division has been surrendered by the owner in conformity with the laws of such other state or foreign country, may cancel and destroy such record of certificate of title.

SECTION 56.8.(e) G.S. 105-259(b) reads as rewritten:
"§ 105-259. Secrecy required of officials; penalty for violation.

…
(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

…
(45) To furnish tax information to the Office of the State Controller Chief Information Officer under G.S. 143B-426.38A. The use and reporting of individual data may be restricted to only those activities specifically allowed by law when potential fraud or other illegal activity is indicated.

SECTION 57. G.S. 143B-431A, as enacted by S.L. 2014-18, reads as rewritten:
"§ 143B-431A. Department of Commerce – contracting of functions.

…
(b) Contract. – The Department of Commerce is authorized to contract with a North Carolina nonprofit corporation to perform one or more of the Department's functions, powers, duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. The contract entered into pursuant to this section between the Department and the Economic Development Partnership of North Carolina is exempt from Articles 3 and 3C of Chapter 143 of the General Statutes. If the Department contracts with a North Carolina nonprofit corporation to promote and grow the travel and tourism industries, then all funds appropriated to the Department for tourism marketing purposes shall be used for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The Department may not contract with a North Carolina nonprofit corporation regarding any of the following:

(1) The obligation or commitment of funds under this Article, such as the One North Carolina Fund, the Job Development Investment Grant Program, the Industrial Development Fund, or the Job Maintenance and Capital Development Fund.

…
(c) Oversight. – There is established the Economic Development Accountability & Standards Committee, which is a Board as that term is defined in G.S. 138A-2 of the State Government Ethics Act, shall be treated as a board for purposes of Chapter 138A of the General Statutes. The Committee shall consist of seven members as follows: the Secretary of Commerce as Chair of the Committee, the Secretary of Transportation, the Secretary of Environment and Natural Resources, the Secretary of Revenue, one member appointed by the
General Assembly upon recommendation of the Speaker of the House of Representatives, one member appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate, and one member jointly appointed by the General Assembly upon the joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Members appointed by the General Assembly shall be appointed for four-year terms beginning July 1 and

The members of the Committee who are appointed by the Speaker of the House of Representatives or by the President Pro Tempore of the Senate may not be members of the General Assembly.

The Committee shall be administratively housed in the Department of Commerce. The Department of Commerce shall provide for the administrative costs of the Committee and shall provide staff to the Committee. The Committee shall meet at least quarterly upon the call of the Chair. The duties of the Committee shall include all of the following:

(1) Monitoring and oversight of the performance of a contract entered into pursuant to this section by the Department with a North Carolina nonprofit corporation.

(2) Receiving, reviewing, and referring complaints regarding the contract or the performance of the North Carolina nonprofit corporation, as appropriate.

(3) Requesting enforcement of the contract by the Attorney General or the Department.

(4) Auditing, at least biennially, by the Office of State Budget and Management, State Auditor, or internal auditors of the Department, the records of the North Carolina nonprofit corporation with which the Department has contracted pursuant to this section during and after the term of the contract to review financial documents of the corporation, performance of the corporation, and compliance of the corporation with applicable laws.

(5) Coordination of economic development grant programs of the State between the Department of Commerce, the Department of Transportation, and the Department of Environment and Natural Resources.

(6) Any other duties deemed necessary by the Committee.

…

(h) Applicable Laws. – A North Carolina nonprofit corporation with which the Department contracts pursuant to this section is subject to the requirements of (i) Chapter 132 of the General Statutes and (ii) Article 33C of Chapter 143 of the General Statutes. Officers, employees, and members of the governing board of the corporation are public servants, as defined in G.S. 138A-3, and are subject to the requirements of Chapter 138A of the General Statutes. Officers, members of the governing board, and employees of the corporation whose annual compensation is equal to or greater than sixty thousand dollars ($60,000) are not subject to G.S. 138A-22.

…"

SECTION 57.7.(a) G.S. 143B-1157 reads as rewritten:

"§ 143B-1157. State Community Corrections Advisory Board.

(a) The State Board shall act as an advisory body to the Secretary with regard to this Subpart. The State Board shall consist of 23 members as follows, to be appointed as provided in subsection (b) of this section:

(1) A member of the Senate.

(2) A member of the House of Representatives.

(3) A judge of the superior court.

(4) A judge of the district court.

(5) A district attorney.

(6) A criminal defense attorney.

(7) A county sheriff.

(8) A chief of a city police department.

755
(9) Two county commissioners, one from a predominantly urban county and one from a predominantly rural county.

(10) A representative of an existing community-based corrections program.

(11) A member of the public who has been the victim of a crime.

(12) Two rehabilitated ex-offenders.

(13) A member of the business community.

(14) Three members of the general public, one of whom is a person recovering from chemical dependency or who is a previous consumer of substance abuse treatment services.

(15) A victim service provider.

(16) A member selected from each of the following service areas: mental health, substance abuse, and employment and training.

(17) A clerk of superior court.

(b) The membership of the State Board shall be selected as follows:

(1) The Governor shall appoint the following members: the county sheriff, the chief of a city police department, the member of the public who has been the victim of a crime, a rehabilitated ex-offender, and the members selected from each of the service areas.

(2) The Lieutenant Governor shall appoint the following members: the member of the business community, one member of the general public who is a person recovering from chemical dependency or who is a previous consumer of substance abuse treatment services, and the victim service provider.

(3) The Chief Justice of the North Carolina Supreme Court shall appoint the following members: the superior court judge, the district court judge, the district attorney, the clerk of superior court, the criminal defense attorney, and the representative of an existing community-based corrections program.

(4) The President Pro Tempore of the Senate shall appoint the following members: the member of the Senate, the county commissioner from a predominantly urban county, and one member of the general public.

(5) The Speaker of the House of Representatives shall appoint the following members: the member of the House of Representatives, the county commissioner from a predominantly rural county, and one member of the general public.

In appointing the members of the State Board, the appointing authorities shall make every effort to ensure fair geographic representation of the State Board membership and to ensure that minority persons and women are fairly represented.

(c) The initial members shall serve staggered terms; one-third shall be appointed for a term of one year, one-third shall be appointed for a term of two years, and one-third shall be appointed for a term of three years. The members identified in subdivisions (1) through (7) of subsection (a) of this section shall be appointed initially for a term of one year. The members identified in subdivisions (8) through (13) in subsection (a) of this section shall be appointed initially for a term of two years. The members identified in subdivisions (14) through (16) of subsection (a) of this section shall each be appointed for a term of three years. The additional member identified in subdivision (17) in subsection (a) of this section shall be appointed initially for a term of three years. The terms of office of the initial members appointed under this section commence effective July 1, 2011.

At the end of their respective terms of office their successors shall be appointed for terms of three years effective July 1. A vacancy occurring before the expiration of the term of office shall be filled in the same manner as original appointments for the remainder of the term. Members may be reappointed without limitation.

SECTION 57.7.(b) This section becomes effective July 1, 2011.

SECTION 58. G.S. 147-86.11(e) reads as rewritten:
"(e) Elements of Plan. – For moneys received or to be received, the statewide cash management plan shall provide at a minimum that:

(4) Unpaid billings due to a State agency other than amounts owed by patients to the University of North Carolina Health Care System or the East Carolina University's Division of Health Sciences, or by customers of the North Carolina Turnpike Authority shall be turned over to the Attorney General for collection no more than 90 days after the due date of the billing, except that a State agency need not turn over to the Attorney General unpaid billings of less than five hundred dollars ($500.00), or (for institutions where applicable) amounts owed by all patients which are less than the federally established deductible applicable to Part A of the Medicare program, and instead may handle these unpaid bills pursuant to agency debt collection procedures.

(4a) The University of North Carolina Health Care System and East Carolina University's Division of Health Sciences may turn over to the Attorney General for collection accounts owed by patients.

(4b) The North Carolina Turnpike Authority may turn over to the Attorney General for collection amounts owed to the North Carolina Turnpike Authority.

...”

SECTION 59. G.S. 153A-205 reads as rewritten:

"§ 153A-205. Improvements to subdivision and residential streets.

(a) A county may finance the local share of the cost of improvements made under the supervision of the Department of Transportation to subdivision and residential streets that are a part of the State maintained system located in the county and outside of a city and shall levy and collect pursuant to the procedures of Article 9 of Chapter 153A of the General Statutes special assessments against benefited property to recoup that portion of the costs financed by the county. The local share is that share required by policies of the Secondary Roads Council, Department of Transportation and may be paid by the county from funds not otherwise limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from such assessments to the same extent that it would be exempt from street assessments of a city under G.S. 160A-222. No project may be commenced under this section unless it has been approved by the Department of Transportation.

(b) A county may finance the local share of the cost of improvements made under the supervision of the Department of Transportation to subdivision and residential streets located in the county and outside of a city in order to bring those streets up to the standards of the Secondary Roads Council, Department of Transportation so that they may become a part of the State-maintained system and shall levy and collect pursuant to the procedures of Article 9 of Chapter 153A of the General Statutes special assessments against benefited property to recoup that portion of the costs financed by the county. The local share is that share required by policies of the Secondary Roads Council, Department of Transportation and may be paid by the county from funds not otherwise limited as to use by law. Land owned, leased, or controlled by a railroad company is exempt from such assessments to the same extent that it would be exempt from street assessments of a city under G.S. 160A-222. No project may be commenced under this section unless it has been approved by the Department of Transportation.

(c) Before a county may finance all or a portion of the cost of improvements to a subdivision or residential street, it must receive a petition for the improvements signed by at least seventy-five percent (75%) of the owners of property to be assessed, who must represent at least seventy-five percent (75%) of all the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved. The petition shall state that portion of the cost of the improvement to be assessed, which shall be the local share required by policies of the Secondary Roads Council, Department of Transportation. A county may treat as a unit and
consider as one street two or more connecting State-maintained subdivision or residential streets in a petition filed under this subsection calling for the improvement of subdivision or residential streets subject to property owner sharing in the cost of improvement under policies of the Department of Transportation.

Property owned by the United States shall not be included in determining the lineal feet of frontage on the improvement, nor shall the United States be included in determining the number of owners of property abutting the improvement. Property owned by the State of North Carolina shall be included in determining frontage and the number of owners only if the State has consented to assessment as provided in G.S. 153A-189. Property owned, leased, or controlled by railroad companies shall be included in determining frontage and the number of owners to the extent the property is subject to assessment under G.S. 160A-222. Property owned, leased, or controlled by railroad companies that is not subject to assessment shall not be included in determining frontage or the number of owners.

No right of action or defense asserting the invalidity of street assessments on grounds that the county did not comply with this subsection in securing a valid petition may be asserted except in an action or proceeding begun within 90 days after the day of publication of the notice of adoption of the preliminary assessment resolution.

(d) This section is intended to provide a means of assisting in financing improvements to subdivision and residential streets that are on the State highway system or that will, as a result of the improvements, become a part of the system. By financing improvements under this section, a county does not thereby acquire or assume any responsibility for the street or streets involved, and a county has no liability arising from the construction of such an improvement or the maintenance of such a street. Nothing in this section shall be construed to alter the conditions and procedures under which State system streets or other public streets are transferred to municipal street systems pursuant to G.S. 136-66.1 and 136-66.2 upon annexation by, or incorporation of, a municipality."

SECTION 60. G.S. 153A-292 is amended by adding a new subsection (b1) to read:

"(b1) The collection, disposal, and availability fees authorized by this section may be used to cover the cost of waste management programs in the jurisdiction, including the collection of waste and the collection of litter along public roadways."

SECTION 61. Section 2 1/2 of Chapter 954 of the 1965 Session Laws is repealed.

SECTION 61.5. Section 7 of S.L. 2009-369 reads as rewritten:

"SECTION 7. This act becomes effective December 1, 2009, and applies to applications for reinstatement that occur on or after that date. This act expires December 1, 2014."

SECTION 61.7. Section 13 of S.L. 2009-521, as amended by Section 24 of S.L. 2011-326, and by Section 71.6 of S.L. 2012-194, reads as rewritten:

"SECTION 13. Any natural hair care specialist who submits proof to the Board that the natural hair care specialist is actively engaged in the practice of a natural hair care specialist on the effective date of this act, passes an examination conducted by the Board, act and pays the required fee under G.S. 88B-20 shall be licensed without having to satisfy the requirements of G.S. 88B-10.1, enacted by Section 2 of this act. A cosmetic art shop that practices natural hair care only and that submits proof to the Board that the shop is actively engaged in the practice of natural hair care on the effective date of this act shall have five years from the date of this act to comply with the requirements of G.S. 88B-14. All persons who do not make application to the Board within five years of the effective date of this act shall be required to complete all training and examination requirements prescribed by the Board and to otherwise comply with the provisions of Chapter 88B of the General Statutes."

SECTION 62.(a) S.L. 2012-1 is repealed.

SECTION 62.(b) G.S. 143B-426.40A(g), as amended by subsection (a) of this section, reads as rewritten:

"(g) Payroll Deduction for Payments to Certain Employees’ Associations Allowed. – An employee of the State or any of its political subdivisions, institutions, departments, bureaus,
agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. A political subdivision may also allow periodic deductions for a domiciled employees' association that does not otherwise meet the minimum membership requirements set forth in this paragraph. The total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, shall be verified and certified annually by the State Auditor.

An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association. The total membership count and the public school teacher membership count of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, shall be verified and certified annually by the State Auditor.

An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.”

SECTION 63. Reserved.

SECTION 64. Section 8.49 of S.L. 2013-360 reads as rewritten:

"PILOT PROGRAM TO RAISE THE HIGH SCHOOL DROPOUT AGE FROM SIXTEEN TO EIGHTEEN"

"SECTION 8.49.(a) Notwithstanding any provisions in Part 1 of Article 26 of Chapter 115C of the General Statutes, G.S. 7B-1501(27), 115C-378, 115C-238.66(3), 116-235(b)(2), and 143B-805(20), 143B-805(20) to the contrary, the State Board of Education shall authorize the Hickory Public Schools and the Newton-Conover City Schools to establish and implement a pilot program pursuant to this section to increase the high school dropout age from 16 years of age to the completion of the school year coinciding with the calendar year in which a student reaches 18 years of age, unless the student has previously graduated from high school.

"SECTION 8.49.(a1) For the purposes of implementing the pilot program authorized by this section, a local school administrative unit that is participating in the pilot program shall have the authority to provide that, if the principal or the principal's designee determines that a student's parent, guardian, or custodian, or a student who is 18 years of age, has not made a good-faith effort to comply with the compulsory attendance requirements of the pilot program, the principal shall notify the district attorney and, if the student is less than 18 years of age, the director of social services of the county where the student resides. If the principal or the principal's designee determines that a parent, guardian, or custodian of a student less than 18 years of age has made a good-faith effort to comply with the law, the principal may file a complaint with the juvenile court counselor pursuant to Chapter 7B of the General Statutes that the student is habitually absent from school without a valid excuse. Upon receiving notification by the principal or the principal's designee, the director of social services shall determine whether to undertake an investigation under G.S. 7B-302.

"SECTION 8.49.(a2) The local boards of education of the participating local school administrative units shall prescribe specific rules to address under what circumstances a student who is 18 years of age who is required to attend school as part of the pilot program shall be excused from attendance, including if the student has attained a high school equivalency certificate or a student has enlisted as a member of the Armed Forces.

759
"SECTION 8.49.(a3) For the purposes of implementing the pilot program authorized by this section, any (i) parent, guardian, or other person having charge or control of a student enrolled in a school located within a participating local school administrative unit and (ii) student who is 18 years of age enrolled in a school located within a participating local school administrative unit who violates the compulsory attendance provisions of the pilot program without a lawful exception recognized under Part 1 of Article 26 of Chapter 115C of the General Statutes or the provisions of this section shall be guilty of a Class 1 misdemeanor.

"SECTION 8.49.(a4) If an affidavit is made by the student, parent of the student, or by any other person that any student who is required to attend school under the requirements of the pilot program is not able to attend school by reason of necessity to work or labor for the support of himself or herself or the support of the family, then the school social worker of the applicable school located within the participating school administrative unit shall diligently inquire into the matter and bring it to the attention of an appropriate court, depending on the age of the student. The court shall proceed to find whether as a matter of fact the student is unable to attend the school or such parents, or persons standing in loco parentis, are unable to send the student to school for the term of compulsory attendance for the reasons given. If the court finds, after careful investigation, that the student or the parents have made or are making a bona fide effort to comply with the compulsory attendance law, and by reason of illness, lack of earning capacity, or any other cause which the court may deem valid and sufficient, the student is unable to attend school, then the court shall find and state what help is needed for the student or family to enable compliance with the attendance requirements under the pilot program.

"SECTION 8.49.(b) Each local school administrative unit may use any funds available to it to implement the pilot program in accordance with this section to (i) employ up to three additional teachers and (ii) fund additional student-related costs, such as transportation and technology costs, including additional computers, to serve a greater number of students as a result of the pilot program. Each local school administrative unit may also use any funds available to it to operate a night school program for students at risk of dropping out of high school. To the extent possible, the local school administrative units shall partner with Catawba Valley Community College in administering the pilot program.

"SECTION 8.49.(c) The local school administrative units, in collaboration with the State Board of Education, shall report to the Joint Legislative Education Oversight Committee, the House Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education/Higher Education on or before January 1, 2016. The report shall include at least all of the following information:

1. An analysis of the graduation rate in each local school administrative unit and the impact of the pilot program on the graduation rate.
2. The teen crime statistics for Catawba County.
3. The number of reported cases of violations of compulsory attendance laws in Catawba County and the disposition of those cases.
3a. Implementation of enforcement mechanisms for violations of the compulsory attendance requirements of the pilot program, including the imposition of criminal penalties.
4. The number of at-risk students served in any night programs established as part of the pilot program and student graduation and performance outcomes for those students.
5. All relevant data to assist in determining the effectiveness of the program and specific legislative recommendations, including the continuation, modification, or expansion of the program statewide.

"SECTION 8.49.(d) The State Board of Education shall not authorize a pilot program under subsection (a) of this section except upon receipt of a copy of a joint resolution adopted by the boards of education for the Hickory Public Schools and the Newton-Conover City Schools setting forth a date to begin establishment and implementation of the pilot program."
SECTION 65. Section 9.6(k) of S.L. 2013-360 reads as rewritten:
"SECTION 9.6.(k) Subsections (c) and (d) of this section become effective July 1, 2014, and apply to all employees employed as of that date and employees hired or reemployed on or after that date."

SECTION 66.(a) Section 5 of S.L. 2013-417 reads as rewritten:
"SECTION 5. The Social Services Commission shall adopt rules implementing this act. The Social Services Commission shall issue temporary rules, in addition to its permanent rule-making authority, to enforce this act. Rules for the implementation of Section 4 of this act shall be adopted no later than February 1, 2014. The Department of Health and Human Services shall continue the substance abuse screening processes in place as of January 1, 2014, for applicants and recipients of Work First Program benefits until Section 4 of this act is fully implemented. The Department shall notify each county department of social services and the General Assembly of the date of full implementation of Section 4 of this act."

SECTION 66.(b) Section 6 of S.L. 2013-417 reads as rewritten:
"SECTION 6. The Department of Health and Human Services shall report to the General Assembly no later than April 1, 2014, the first of each calendar quarter beginning April 1, 2014, and ending December 1, 2015, on the implementation of Section 4 of this act. The reports shall include a detailed timeline for implementation. Additionally, any changes to the timeline shall be included in the report with specific reasons for the timeline adjustment."

SECTION 66.(c) Section 8 of S.L. 2013-417 reads as rewritten:
"SECTION 8. Section 4 of this act becomes effective August 1, 2014. The remainder of this act becomes effective October 1, 2013."

SECTION 67. Section 8(c) of S.L. 2014-4 reads as rewritten:
"SECTION 8.(c) This section is effective when it becomes law, except that 113-391A(d), G.S. 113-391.1(d), as enacted by Section 8(a) of this act, shall become effective December 1, 2014."

SECTION 68. The lead-in language for Section 7 of S.L. 2014-49 is amended by deleting the citation "Article 9 of Chapter 115 of the General Statutes" and replacing it with the citation "Article 9 of Chapter 115C of the General Statutes."

PART III. UNIFORM STATE BOARD OF EDUCATION REPORT DATES

SECTION 80. G.S. 115C-83.4(b) reads as rewritten:
"(b) The State Board of Education shall report biennially to the Joint Legislative Education Oversight Committee by October 1October 15 of each even-numbered year on the implementation, evaluation, and revisions to the comprehensive plan for reading achievement and shall include recommendations for legislative changes to enable implementation of current empirical research in reading development."

SECTION 81. G.S. 115C-83.10(c) reads as rewritten:
"(c) The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsections (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by October 1October 15 of each year, beginning with the 2014-2015 school year."

SECTION 82. G.S. 115C-102.6(b) reads as rewritten:
"(b) The Board shall submit the plan to the State Chief Information Officer for approval of the technical components of the plan set out in G.S. 115C-102.6A(1) through (4). At least one-fourth of the members of any technical committee that reviews the plan for the State Chief Information Officer shall be people actively involved in primary or secondary education. The Board shall report annually by February 1February 15 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan."
SECTION 83. G.S. 115C-156.2(b) reads as rewritten:

"(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by September 15 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials."

SECTION 84. G.S. 115C-83.4A(h) reads as rewritten:

"(h) Beginning October 1, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

..."

SECTION 85. G.S. 115C-238.29I(c) reads as rewritten:

"(c) The State Board of Education shall review and evaluate the educational effectiveness of the charter schools authorized under this Part and the effect of charter schools on the public schools in the local school administrative unit in which the charter schools are located. The Board shall report annually no later than January 15 to the Joint Legislative Education Oversight Committee on the following:

(1) The current and projected impact of charter schools on the delivery of services by the public schools.
(2) Student academic progress in the charter schools as measured, where available, against the academic year immediately preceding the first academic year of the charter schools' operation.
(3) Best practices resulting from charter school operations.
(4) Other information the State Board considers appropriate."

SECTION 86. Section 7.15(b) of S.L. 2003-284 reads as rewritten:

"SECTION 7.15.(b) The Department of Public Instruction shall prepare a current head count of the number of students classified with limited English proficiency by December 15 of each year.

Students in the head count shall be assessed at least once every three years to determine their level of English proficiency. A student who scores "superior" on the standard English language proficiency assessment instrument used in this State shall not be included in the head count of students with limited English proficiency."

SECTION 87. Section 7.9(b) of S.L. 2007-323 reads as rewritten:

"SECTION 7.9.(b) The Department of Public Instruction shall prepare a current head count of the number of students classified with limited English proficiency by December 15 of each year.

Students in the head count shall be assessed at least once every three years to determine their level of English proficiency. A student who scores "superior" on the standard English language proficiency assessment instrument used in this State shall not be included in the head count of students with limited English proficiency."

SECTION 88. Section 7.22.(h) of S.L. 2011-145 reads as rewritten:

"SECTION 7.22.(h) Beginning in 2011, the Director of NCVPS shall submit an annual report on NCVPS to the State Board of Education no later than December 15 of each year. The report shall use data from the previous fiscal year and shall include statistics on actual versus projected costs to local school administrative units and charter schools, student enrollment, virtual teacher salaries, and measures of academic achievement.

The Director of NCVPS shall continue to ensure the following:

(1) Course quality standards are established and met.
(2) All e-learning opportunities other than virtual charter schools offered by State-funded entities to public school students are consolidated under the NCVPS program, eliminating course duplication.
(3) All courses offered through NCVPS are aligned to the North Carolina Standard Course of Study."
SECTION 89. Section 1(b) of S.L. 2013-1, as amended by Section 16.1 of S.L. 2013-410, reads as rewritten:

"SECTION 1.(b) The State Board of Education shall make high school diploma endorsements, as provided under this section, available to students graduating from high school beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the progress toward establishing specific college and career endorsements for high school diplomas and for awarding these endorsements by February 1, 2014. The State Board of Education shall submit the report on the impact of awarding the high school endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates by September 1, September 15, 2016, and annually thereafter."

SECTION 90. Section 3(b) of S.L. 2013-1 reads as rewritten:

"SECTION 3.(b) The State Board of Education and the State Board of Community Colleges shall jointly report to the Joint Legislative Education Oversight Committee by October 1, October 15, 2014, on progress made on developing strategies to increase student engagement in career and technical education, especially in engineering and industrial technologies, and in other occupations with high numbers of employment opportunities."

SECTION 91. Section 7.6(c) of S.L. 2013-360 reads as rewritten:

"SECTION 7.6.(c) By October 1, October 15, 2013, and quarterly thereafter, the Office of the State CIO and DPI shall report on the establishment of public school cooperative purchasing agreements, savings resulting from the establishment of the agreements, and any issues impacting the establishment of the agreements. The reports shall be made to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division."

SECTION 92. Section 8.3(j) of S.L. 2013-360 reads as rewritten:

"SECTION 8.3.(j) Reports. – For the 2013-2015 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 1, May 15 of each year if it determines that counties have supplanted funds."

SECTION 93. Section 8.4(i) of S.L. 2013-360 reads as rewritten:

"SECTION 8.4.(i) Reports. – For the 2013-2015 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 1, May 15 of each fiscal year if it determines that counties have supplanted funds."

PART IV. EFFECTIVE DATE.

SECTION 94. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of August, 2014.

Became law upon approval of the Governor at 5:00 p.m. on the 11th day of August, 2014.

Session Law 2014-116

S.B. 884


Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives; and
Whereas, the President Pro Tempore of the Senate and the Speaker of the House of Representatives have made recommendations; and

Whereas, G.S. 143B-168.12 authorizes the General Assembly to appoint a member of the public to the Board of Directors of the North Carolina Partnership for Children, Inc., upon recommendation of the Majority and Minority Leaders of the House of Representatives; and

Whereas, the Majority and Minority Leaders of the House of Representatives have made recommendations; Now, therefore,

*The General Assembly of North Carolina enacts:*

**PART I. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS**

**SECTION 1.1.** Cindy L. Marrelli of Wake County is appointed to the Board of Trustees of the North Carolina Museum of Art for a term expiring on June 30, 2015, to fill the unexpired term of Becki Gray.

**SECTION 1.2.** Effective October 1, 2014, Reverend Dr. Pierre J. Crawford of Gaston County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2017.

**SECTION 1.3.** Jack R. Ingle Jr. of Forsyth County and Ralph C. Brown Jr. of Iredell County are appointed to the Alarm Systems Licensing Board for terms expiring on June 30, 2017.

**SECTION 1.4.** Charles T. Johnson of Wake County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2016.

**SECTION 1.5.** John A. "Winn" Graham of Johnston County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2017, to fill the unexpired term of Michael D. Powell.

**SECTION 1.6.(a)** If Senate Bill 729, 2013 Regular Session, becomes law, then Dr. D. Allen Hayes of Wake County is appointed to the Coal Ash Management Commission for a term expiring on June 30, 2016.

**SECTION 1.6.(b)** If Senate Bill 729, 2013 Regular Session, becomes law, then Scott Flanagan of Rockingham County is appointed to the Coal Ash Management Commission for a term expiring on June 30, 2018.

**SECTION 1.6.(c)** If Senate Bill 729, 2013 Regular Session, becomes law, then Harrell Jamison Auten III of Mecklenburg County is appointed to the Coal Ash Management Commission for a term expiring on June 30, 2020.

**SECTION 1.7.** Captain Jerry M. Hairston of Onslow County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018.

**SECTION 1.8.** Roger B. Moore of Wake County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2017.

**SECTION 1.9.** Effective October 1, 2014, Thomas M. Claire of Wake County is appointed to the Dispute Resolution Commission for a term expiring on September 30, 2017.

**SECTION 1.10.** Effective September 1, 2014, Susan Bray of Guilford County, Robert A. Womble of Dare County, Armor R. Pyrtle of Rockingham County, Shaina L. Goldberg of Durham County, and Angela Harris of Franklin County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2016.

**SECTION 1.11.** Charles M. Elam of Pender County is appointed to the Environmental Management Commission for a term expiring on June 30, 2015, to fill the unexpired term of Steve Keen.

**SECTION 1.12.** Dr. Charles B. "Bruce" Williams of New Hanover County is appointed to the Board of Directors of the North Carolina Arboretum for a term expiring on June 30, 2018.
SECTION 1.13. Reid Hobbs of New Hanover County and Edwin Stott of Rockingham County are appointed to the North Carolina Board for Licensing of Soil Scientists for terms expiring on June 30, 2017.


SECTION 1.15. Christie Nicholson of Pitt County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2017.

SECTION 1.16. Effective September 1, 2014, Melissa K. Brown of Wake County is appointed to the North Carolina Board of Electrolysis Examiners for a term expiring on August 31, 2017.

SECTION 1.17. Darinda S. Davis of Buncombe County and Nancy A. Harrell of Wake County are appointed to the North Carolina Board of Massage and Bodywork Therapy for terms expiring on June 30, 2017.

SECTION 1.18. Robin S. Hackney of New Hanover County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on June 30, 2017.

SECTION 1.19.(a) Chris Nuckolls of Davie County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on June 30, 2016.

SECTION 1.19.(b) Harlen M. Summey Jr. of Randolph County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on June 30, 2018.


SECTION 1.21. Effective September 1, 2014, Michael Lazzara of Onslow County, Thomas E. Smith of Wake County, Sallie P. Surface of Hertford County, and Roy J. Helm Jr. of Mecklenburg County are appointed to the North Carolina Housing Partnership for terms expiring on August 31, 2017.

SECTION 1.22. Ivan K. Gilmore of Beaufort County is appointed to the North Carolina Mining and Energy Commission for a term expiring on July 31, 2015.


SECTION 1.24. Senator Tamara Barringer of Wake County and Susan R. Whitehead of Wake County are appointed to the Permanency Innovation Initiative Oversight Committee for terms expiring on June 30, 2017.

SECTION 1.25. Walter H. James of Rockingham County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2017.


SECTION 1.27. Elizabeth Ann Bailey of Durham County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2017.


SECTION 1.29. J. Jerome "Jerry" Cook of Forsyth County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2016.

SECTION 1.30. Dr. Alfonso "Al" J. Mooney of Wake County is appointed to the North Carolina Substance Abuse Professional Practice Board for a term expiring on June 30, 2018.

SECTION 1.31. Westin Bordeaux of New Hanover County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2017.
SECTION 1.32. Edward Cobbler of Guilford County and Hayden R. Church of Wilkes County are appointed to the Private Protective Services Board for terms expiring on June 30, 2017.

SECTION 1.33. Zenas E. Fearing of Dare County, Clark S. Twiddy of Dare County, and Edward B. Lane of Wake County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2016.

SECTION 1.34. Jeff D. Etheridge of Columbus County and Theodore "Wes" G. Westmoreland II of Cleveland County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2017.

SECTION 1.35. Simon D. Shaw of Forsyth County is appointed to the Structural Pest Control Committee for a term expiring on June 30, 2018.

SECTION 1.36. Melinda L. Baran of Wake County is appointed to the Supplemental Retirement Board of Trustees for a term expiring on June 30, 2016.

SECTION 1.37. William "Billy" Yow of Guilford County and Thomas Whitehead of New Hanover County are appointed to the Well Contractors Certification Commission for terms expiring on June 30, 2017.

SECTION 1.38. James H. Howie of Union County is appointed to the Southern Dairy Compact Commission for a term expiring on June 30, 2017.

SECTION 1.39.(a) Sherry T. Reeves of Pamlico County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2015, to fill the unexpired term of Baker A. Mitchell.

SECTION 1.39.(b) Phyllis P. Gibbs of Guilford County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2017, to fill the unexpired term of Paul Norcross.

PART II. SPEAKER'S APPOINTMENTS

SECTION 2.1. Dr. Chester Phillips of Wake County and Marc S. Cutler of Wake County are appointed to the Acupuncture Licensing Board for terms expiring on June 30, 2017.

SECTION 2.2. Effective October 1, 2014, Philip N. Henry of Wake County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2017.

SECTION 2.3. David S. McLeod of Wake County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on June 30, 2017.

SECTION 2.4. Charles McGill of Wake County and the Honorable Timothy Talent of Cabarrus County are appointed to the North Carolina Appraisal Board for terms expiring on June 30, 2017.

SECTION 2.5. Alderman Larry B. Harris of Buncombe County is appointed to the Board of Directors of the North Carolina Arboretum for a term expiring on June 30, 2018.

SECTION 2.6. Effective August 1, 2014, Leonard Scott Barringer of Cabarrus County, Dr. Kevin Burroughs of Cabarrus County, and Carrie A. Rubertino Shearer of Durham County are appointed to the North Carolina Board of Athletic Trainer Examiners for terms expiring on July 31, 2017.

SECTION 2.7. Blair Bordeaux of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2017.

SECTION 2.8. Renee D. Kumor of Henderson County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on June 30, 2017.

SECTION 2.9. John Snipes II of Carteret County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018.

SECTION 2.10. Sheila C. Link of Carteret County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2017.

SECTION 2.11. Effective September 1, 2014, Johnette R. Smith of Wake County, Linda L. Moneymaker of Moore County, the Honorable Bethany A. Hale of Johnston County, Mary Catherine Stevens of Surry County, Charles Campbell II of Moore County, and Julia B.
Freeman of Haywood County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2016.

SECTION 2.12. Effective December 1, 2014, Russell L. Proctor III of Nash County is appointed to the Economic Investment Committee for a term expiring on November 31, 2016.

SECTION 2.13. Effective January 1, 2015, Dr. Thomas A. Brant of Mecklenburg County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 2.14. Effective January 1, 2015, James Broadus Combs of Moore County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2017.

SECTION 2.15. Robert Scott Clontz of Iredell County is appointed to the Directors of the North Carolina Global TransPark Authority for a term expiring on June 30, 2015, to fill the unexpired term of Kent P. Misegades.

SECTION 2.16. Wanda G. Burns-Ramsey of Johnston County is appointed to the North Carolina State Commission of Indian Affairs for a term expiring on June 30, 2016.

SECTION 2.17. Catherine L. Johnson of Wake County, Emily Pope of Sampson County, and Pamela P. Smith of Mecklenburg County are appointed to the North Carolina Interpreter and Transliterator Licensing Board for terms expiring on June 30, 2017.

SECTION 2.18. October 1, 2014, Patrick A. Freeman of Chatham County is appointed to the North Carolina Irrigation Contractors’ Licensing Board for a term expiring on September 30, 2017.

SECTION 2.19. Effective January 1, 2015, Joe M. Cabaleiro R.Ph. of Wake County, Michael A. Tramber of Forsyth County, and Cathy Swanson of Caldwell County are appointed to the License to Give Trust Fund Commission for terms expiring on December 31, 2016.

SECTION 2.20. Effective January 1, 2015, Donald Steven Bright of Cumberland County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2017.

SECTION 2.21. Bradley W. Langston of Forsyth County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2015, to fill the unexpired term of Fred Hines.

SECTION 2.22. Justin K. Brackett of Cleveland County is appointed to the Commission for Mental Health, Development Disabilities, and Substance Abuse Services for a term expiring on June 30, 2017.

SECTION 2.23. Dr. Martin D. Matthews of Lee County is appointed to the North Carolina Mining and Energy Commission for a term expiring July 31, 2015, to fill the unexpired term of Charles Holbrook.

SECTION 2.24.(a) Effective January 1, 2015, Deputy Chief Dinah L. Jeffries of Alamance County and Sheriff Len D. Hagaman, Jr., of Watauga County are appointed to the 911 Board for terms expiring on December 31, 2018.

SECTION 2.24.(b) Eric S. Cramer of Forsyth County is appointed to the 911 Board for a term expiring on December 31, 2016, to fill the unexpired term of Jean Thaxton.

SECTION 2.25. Jeffrey Knight of Union County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2017.


SECTION 2.27. Effective January 1, 2015, Dr. Paul W. Popish of Orange County, Dorothea Wyant of Cleveland County, and Reverend Stanley Lewis of Halifax County are appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for terms expiring on December 31, 2017.
SECTION 2.28. Representative Marilyn Avila of Wake County and Kim Hale of Pitt County are appointed to the Permanency Innovation Initiative Oversight Committee for terms expiring on June 30, 2017.

SECTION 2.29. Daniel L. Gurley of Wake County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2016.

SECTION 2.30. Vincent P. "Bud" Cesena of Mecklenburg County is appointed to the Private Protective Services Board for a term expiring on June 30, 2017.

SECTION 2.31. Thomas Lawing, Jr., of Mecklenburg County is appointed to the North Carolina Real Estate Commission for a term expiring on June 30, 2017.

SECTION 2.32. Laetitia Lisane Cheltenham of Wake County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2017.

SECTION 2.33. Kenneth J. Daidone of Dare County, Agnes Powell of Bertie County, and Robert Patridge of Washington County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2016.

SECTION 2.34. Jeannette K. Doran of Wake County and Anna Baird Choi of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2016.

SECTION 2.35. Effective January 1, 2015, Erich M. Gram of Lincoln County is appointed to the Small Business Contractor Authority for a term expiring on December 31, 2018.

SECTION 2.36. Fred W. Burt of Wake County is appointed to the North Carolina Board for Licensing of Soil Scientists for a term expiring on June 30, 2017.

SECTION 2.37. Billy S. Medlin of Moore County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2016.

SECTION 2.38. Harold "Allen" Langley of Cleveland County is appointed to the Structural Pest Control Committee for a term expiring on June 30, 2018.


SECTION 2.40. Michael H. Lewis of Wake County is appointed to the Supplemental Retirement Board of Trustees for a term expiring on June 30, 2016.

SECTION 2.41. The Honorable Charles L. Travis III of Mecklenburg County is appointed to the North Carolina Turnpike Authority for a term expiring on January 1, 2015, to fill the unexpired term of Thomas Stith.

SECTION 2.42.(a) If Senate Bill 729, 2013 Regular Session, becomes law, then Timmy "Tim" L. Bennett of Wake County is appointed to the Coal Ash Management Commission for a term expiring on June 30, 2018.

SECTION 2.42.(b) If Senate Bill 729, 2013 Regular Session, becomes law, then Dr. Rajaram Janardhanam of Mecklenburg County is appointed to the Coal Ash Management Commission for a term expiring on June 30, 2020.

SECTION 2.43. Effective January 1, 2015, James P. Testa of Cleveland County is appointed to the Judicial Standards Commission for a term expiring on December 31, 2020.

PART III. HOUSE MINORITY AND MAJORITY LEADERS' RECOMMENDATIONS

SECTION 3.1. Effective January 1, 2015, Dr. Rebecca Ayers of Wake County, upon the recommendation of the Majority Leader of the House of Representatives, is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for a term expiring on December 31, 2017.

SECTION 3.2. Effective January 1, 2015, Sue Russell of Orange County, upon the recommendation of the Minority Leader of the House of Representatives, is appointed to the Board of Directors of the North Carolina Partnership for Children, Inc., for a term expiring on December 31, 2017.
PART IV. EFFECTIVE DATE

SECTION 4. Unless otherwise provided, this act is effective when it becomes law. In the General Assembly read three times and ratified this the 15th day of August, 2014.

Became law on the date it was ratified.

Session Law 2014-117

AN ACT TO CLARIFY THE CONFIDENTIALITY OF UNEMPLOYMENT COMPENSATION RECORDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 96-4(x) reads as rewritten:

"(x) Confidentiality of Records, Reports, and Information Obtained from Claimants, Employers, and Units of Government. – Disclosure For purposes of this Chapter, the term "confidential information" means any unemployment compensation information in the records of the Division of Employment Security that pertains to the administration of the Employment Security Law that is required to be kept confidential under 20 C.F.R. Part 603, including claim information and any information that reveals the name or any identifying particular about any individual or any past or present employer or employing unit, or that could foreseeably be combined with other publicly available information to reveal any such particulars.

Confidential information is exempt from the public records disclosure requirements of Chapter 132 of the General Statutes. Confidential information may be disclosed only as permitted in this subsection. Any disclosure and redisclosure of confidential information shall must be consistent with 20 C.F.R. Part 603 and any written guidance promulgated and issued by the U.S. Department of Labor consistent with this regulation and any successor regulation. To the extent a disclosure or redisclosure of confidential information is permitted or required by this federal regulation, the Department's authority to disclose or redisclose the information includes the following:

(1) Confidentiality of Information Contained in Records and Reports. – (i) Except as hereinafter otherwise provided, it shall be unlawful for any person to obtain, disclose, or use, or to authorize or permit the use of any information which is obtained from an employer, individual, or unit of government pursuant to the administration of this Chapter or G.S. 108A-29. (ii) Any claimant or employer or their legal representatives shall be supplied with information from the records of the Division to the extent necessary for the proper presentation of claims or defenses in any proceeding under this Chapter. Notwithstanding any other provision of law, any claimant may be supplied, subject to restrictions as the Division may by regulation prescribe, with any information contained in his payment record or on his most recent monetary determination, and any individual, as well as any interested employer, may be supplied with information as to the individual's potential benefit rights from claim records. (iii) Subject to restrictions as the Secretary may by regulation provide, information from the records of the Division may be made available to any agency or public official for any purpose for which disclosure is required by statute or regulation. (iv) The Division may, in its sole discretion, permit the use of information in its possession by public officials in the performance of their public duties. (v) The Division shall release the payment and the amount of unemployment compensation benefits upon receipt of a subpoena in a proceeding involving child support. (vi) The Division shall furnish to the State Controller any information the State Controller needs to prepare and publish a comprehensive annual financial report of the State or to track debtors of the State. (vii) The
Secretary may disclose or authorize redisclosure of any confidential information to an individual, agency, or entity, public or private, consistent with the requirements enumerated in 20 C.F.R. Part 603 or any successor regulation and any written guidance promulgated and issued by the U.S. Department of Labor consistent with 20 C.F.R. Part 603. (viii) The Division may disclose final decisions and the records of the hearings that led to those decisions only after the expiration of the appeal rights as provided under G.S. 96-15.

SECTION 2. G.S. 132-1.1 is amended by adding a new subsection to read:
"(h) Employment Security Information. – Confidential information obtained, compiled, or maintained by the Division of Employment Security may not be disclosed except as provided in G.S. 96-4. As used in this subsection, the term "confidential information" has the same meaning as in G.S. 96-4(x)."

SECTION 3. The Department of Commerce, Division of Employment Security, shall immediately take any action necessary to implement this act. On or before September 1, 2014, the Division of Employment Security shall report to the Joint Legislative Oversight Committee on Unemployment Insurance on the status of the implementation of this act.

SECTION 4. This act is effective when it becomes law.
In the General Assembly read three times and ratified this the 20th day of August, 2014.
Became law upon approval of the Governor at 2:15 p.m. on the 25th day of August, 2014.

Session Law 2014-118 S.B. 3

AN ACT TO MODIFY THE JOB MAINTENANCE AND CAPITAL DEVELOPMENT FUND PROVISIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.012 reads as rewritten:

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of either subdivision (1) or (2) of this subsection and satisfies the conditions of both subdivisions (3) and subdivision (4) of this subsection:

(1) The business is a major employer. A business is a major employer if the business meets the following requirements:

a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars ($200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.

b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.

c. The project is located in a development tier one area at the time the business applies for a grant.

(2) The business is a large manufacturing employer. A business is a large manufacturing employer if the business meets the following requirements:
a. The business is in manufacturing, as defined in G.S. 105-129.81, and is converting its manufacturing process to change the product it manufactures or is investing in its manufacturing process by enhancing pollution controls or transitioning the manufacturing process from using coal to using natural gas for the purpose of becoming more energy efficient or reducing emissions.

b. The Department certifies that the business has invested or intends to invest at least sixty-five million dollars ($65,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a three-year period beginning with the time the investment commences.

c. The business meets one of the following employment requirements:

1. If in a development tier one area, the business employs at least 320 full-time employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 320 full-time employees at the project for the full term of the grant.

2. If in a development tier two area with a population of less than 60,000 as of July 1, 2013, the business employs at least 800 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 800 full-time employees or equivalent full-time contract employees at the project for the full term of the grant.

3) The project is located in a development tier one area at the time the business applies for a grant.

4) All newly hired employees of the business must be citizens of the United States or have proper identification and documentation of their authorization to reside and work in the United States.

(n) Limitations. – The Department may enter into no more than five agreements under this section. The total aggregate cost of all agreements entered into under this section may not exceed sixty-nine million dollars ($69,000,000). The total annual cost of an agreement entered into under this section may not exceed six million dollars ($6,000,000)."

SECTION 2. This act becomes effective July 1, 2014.

In the General Assembly read three times and ratified this the 20th day of August, 2014.

Became law upon approval of the Governor at 11:06 a.m. on the 13th day of September, 2014.

Session Law 2014-119

H.B. 369

AN ACT TO MAKE CHANGES TO VARIOUS CRIMINAL LAWS AND TO CLARIFY TO WHICH LOCAL GOVERNMENT CONTRACTS E-VERIFY APPLIES.

The General Assembly of North Carolina enacts:

MODIFY EXPUNCTIONS

SECTION 1(a) G.S. 15A-145.5(a) reads as rewritten:
§ 15A-145.5. Expunction of certain misdemeanors and felonies; no age limitation.

(a) For purposes of this section, the term "nonviolent misdemeanor" or "nonviolent felony" means any misdemeanor or felony except the following:

1. A Class A through G felony or a Class A1 misdemeanor.
2. An offense that includes assault as an essential element of the offense.
3. An offense requiring registration pursuant to Article 27A of Chapter 14 of the General Statutes, whether or not the person is currently required to register.
4. Any of the following sex-related or stalking offenses: G.S. 14-27.7A(b), 14-190.7, 14-190.8, 14-190.9, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1.
5. Any felony offense in Chapter 90 of the General Statutes where the offense involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine.
6. An offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any offense for which punishment was determined pursuant to G.S. 14-3(c).
7. Any offense under G.S. 14-401.16.
8. Any felony offense in which a commercial motor vehicle was used in the commission of the offense.
9. Any offense that is an attempt to commit an offense described in subdivisions (1) through (8) of this subsection.

SECTION 1.(b) This section becomes effective December 1, 2014, and applies to petitions filed on or after that date, but petitions filed prior to that date are not abated by this act.

CONDITIONAL DISCHARGE AUTHORIZED

SECTION 2.(a) G.S. 15A-1341 reads as rewritten:

§ 15A-1341. Probation generally.

(a) Use of Probation. – Unless specifically prohibited, a person who has been convicted of any criminal offense may be placed on probation as provided by this Article if the class of offense of which the person is convicted and the person’s prior record or conviction level under Article 81B of this Chapter authorizes a community or intermediate punishment as a type of sentence disposition or if the person is convicted of impaired driving under G.S. 20-138.1.

(a1) Deferred Prosecution. – A person who has been charged with a Class H or I felony or a misdemeanor may be placed on probation as provided in this Article on motion of the defendant and the prosecutor if the court finds each of the following facts:

1. Prosecution has been deferred by the prosecutor pursuant to written agreement with the defendant, with the approval of the court, for the purpose of allowing the defendant to demonstrate his good conduct.
2. Each known victim of the crime has been notified of the motion for probation by subpoena or certified mail and has been given an opportunity to be heard.
3. The defendant has not been convicted of any felony or of any misdemeanor involving moral turpitude.
4. The defendant has not previously been placed on probation and so states under oath.
5. The defendant is unlikely to commit another offense other than a Class 3 misdemeanor.

(a2) Deferred Prosecution for Purpose of Drug Treatment Court Program. – A defendant eligible for a Drug Treatment Court Program pursuant to Article 62 of Chapter 7A of the General Statutes may be placed on probation if the court finds that prosecution has been deferred by the prosecutor, with the approval of the court, pursuant to a written agreement with
the defendant, for the purpose of allowing the defendant to participate in and successfully complete the Drug Treatment Court Program.

(a3) Deferred Prosecution Conditional Discharge for Prostitution. – A defendant whose prosecution is deferred pursuant to G.S. 14-204(c) for whom the court orders a conditional discharge pursuant to G.S. 14-204(b) may be placed on probation as provided in this Article.

(a4) Conditional Discharge. – Whenever a person pleads guilty to or is found guilty of a Class H or I felony or a misdemeanor, the court may, on joint motion of the defendant and the prosecutor, and without entering a judgment of guilt and with the consent of the person, defer further proceedings and place the person on probation as provided in this Article for the purpose of allowing the defendant to demonstrate the defendant's good conduct if the court finds each of the following facts:

1. Each known victim of the crime has been notified of the motion for probation by subpoena or certified mail and has been given an opportunity to be heard.
2. The defendant has not been convicted of any felony or of any misdemeanor involving moral turpitude.
3. The defendant has not previously been placed on probation and so states under oath.
4. The defendant is unlikely to commit another offense other than a Class 3 misdemeanor.

(a5) Conditional Discharge for Purpose of Drug Treatment Court Program. – When a defendant is eligible for a Drug Treatment Court Program pursuant to Article 62 of Chapter 7A of the General Statutes, the court may, without entering a judgment of guilt and with the consent of the defendant, defer further proceedings and place the defendant on probation for the purpose of allowing the defendant to participate in and successfully complete the Drug Treatment Court Program.

(a6) Compliance With Terms of Conditional Discharge. – Upon violation of a term or condition of a conditional discharge granted pursuant to this section, the court may enter an adjudication of guilt and proceed as otherwise provided. Upon fulfillment of the terms and conditions of a conditional discharge granted pursuant to this section, any plea or finding of guilty previously entered shall be withdrawn and the court shall discharge the person and dismiss the proceedings against the person.

(b) Supervised and Unsupervised Probation. – The court may place a person on supervised or unsupervised probation. A person on unsupervised probation is subject to all incidents of probation except supervision by or assignment to a probation officer.

c) Repealed by Session Laws 1995, c. 429, s. 1.

d) Search of Sex Offender Registration Information Required When Placing a Defendant on Probation. – When the court places a defendant on probation, the probation officer assigned to the defendant shall conduct a search of the defendant's name or other identifying information against the registration information regarding sex offenders compiled by the Division of Criminal Statistics of the Department of Justice in accordance with Article 27A of Chapter 14 of the General Statutes. The probation officer may conduct the search using the Internet site maintained by the Division of Criminal Statistics.

e) Review of Defendant's Juvenile Record. – The probation officer assigned to a defendant may examine and obtain copies of the defendant's juvenile record in a manner consistent with G.S. 7B-3000(b) and (e1)."

SECTION 2.(b) G.S. 7A-272 reads as rewritten:

"§ 7A-272. Jurisdiction of district court; concurrent jurisdiction in guilty or no contest pleas for certain felony offenses; appellate and appropriate relief procedures applicable.

..."
judgment entered in superior court in which the defendant is required to participate in a drug treatment court program pursuant to G.S. 15A-1343(b1)(2b) or a therapeutic court as defined in subsection (f) of this section, or is participating in the drug treatment court pursuant to a deferred prosecution agreement under G.S. 15A-1341(a2) or G.S. 15A-1341(a2) or the terms of a conditional discharge under G.S. 15A-1341(a5). The district court may modify or extend the probation judgment, but jurisdiction to revoke probation supervised under this subsection is as provided in G.S. 7A-271(f).

(f) As used in subsection (e) of this section, the term "therapeutic court" refers to a court, other than drug treatment court established pursuant to Article 62 of Chapter 7A of the General Statutes, in which a criminal defendant, either as a condition of probation or pursuant to a deferred prosecution agreement or the terms of a conditional discharge under G.S. 15A-1341, is ordered to participate in specified activities designed to address underlying problems of substance abuse and mental illness that contribute to the person's criminal activity. The ordered activities shall, at a minimum, require the person to participate in treatment and attend regular court sessions of the therapeutic court over an extended period of time. The senior resident superior court judge and the chief district court judge shall agree in writing that the therapeutic court is being established and shall file the written agreement with the Administrative Office of the Courts before jurisdiction established by subsection (e) of this section may be exercised by the district court."

SECTION 2.(c) G.S. 14-313(f) reads as rewritten:

"(f) Deferred prosecution. Prosecution or Conditional Discharge. – Notwithstanding G.S. 15A-1341(a1), G.S. 15A-1341(a1) or G.S. 15A-1341(a4), any person charged with a misdemeanor under this section shall be qualified for deferred prosecution or a conditional discharge pursuant to Article 82 of Chapter 15A of the General Statutes provided the defendant has not previously been placed on probation for a violation of this section and so states under oath."

SECTION 2.(d) G.S. 15A-146(d) reads as rewritten:

"(d) A person charged with a crime that is dismissed pursuant to compliance with a deferred prosecution agreement or the terms of a conditional discharge and who files a petition for expunction of a criminal record under this section must pay the clerk of superior court a fee of one hundred seventy-five dollars ($175.00) at the time the petition is filed. Fees collected under this subsection are payable to the Administrative Office of the Courts. The clerk of superior court shall remit one hundred twenty-two dollars and fifty cents ($122.50) of each fee to the North Carolina Department of Justice for the costs of criminal record checks performed in connection with processing petitions for expunctions under this section. The remaining fifty-two dollars and fifty cents ($52.50) of each fee shall be retained by the Administrative Office of the Courts and used to pay the costs of processing petitions for expunctions under this section. This subsection does not apply to petitions filed by an indigent."

SECTION 2.(e) G.S. 15A-1342 reads as rewritten:

"§ 15A-1342. Incidents of probation.
(a) Period. – The court may place a convicted offender on probation for the appropriate period as specified in G.S. 15A-1343.2(d), not to exceed a maximum of five years. The court may place a defendant as to whom prosecution has been deferred or who receives a conditional discharge on probation for a maximum of two years. The probation remains conditional and subject to revocation during the period of probation imposed, unless terminated as provided in subsection (b) or G.S. 15A-1341(c).

Extension. – In addition to G.S. 15A-1344, the court with the consent of the defendant may extend the period of probation beyond the original period (i) for the purpose of allowing the defendant to complete a program of restitution, or (ii) to allow the defendant to continue medical or psychiatric treatment ordered as a condition of the probation. The period of extension shall not exceed three years beyond the original period of probation. The special extension authorized herein may be ordered only in the last six months of the original period of
probation. Any probationary judgment form provided to a defendant on supervised probation shall state that probation may be extended pursuant to this subsection.

(a1) Supervision of Defendants on Deferred Prosecution or Conditional Discharge. – The Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety may be ordered by the court to supervise an offender's compliance with the terms of a conditional discharge or deferred prosecution agreement entered into under G.S. 15A-1341(a1), (a3), or (a4). Violations of the terms of the agreement or conditional discharge shall be reported to the court as provided in this Article and to the district attorney in the district in which the agreement was entered.

(i) Immunity from Prosecution upon Compliance. – Upon the expiration or early termination as provided in subsection (b) of a period of probation imposed after deferral of prosecution and before conviction or a conditional discharge, the defendant shall be immune from prosecution of the charges deferred or discharged and dismissed.

SECTION 2.(f) G.S. 15A-1343 reads as rewritten:


(c1) Supervision Fee. – Any person placed on supervised probation pursuant to subsection (a) of this section shall pay a supervision fee of forty dollars ($40.00) per month, unless exempted by the court. The court may exempt a person from paying the fee only for good cause and upon motion of the person placed on supervised probation. No person shall be required to pay more than one supervision fee per month. The court may require that the fee be paid in advance or in a lump sum or sums, and a probation officer may require payment by such methods if he is authorized by subsection (g) to determine the payment schedule. Supervision fees must be paid to the clerk of court for the county in which the judgment was entered, the deferred prosecution agreement was filed, or the conditional discharge was ordered. Fees collected under this subsection shall be transmitted to the State for deposit into the State's General Fund.

(c2) Electronic Monitoring Device Fees. – Any person placed on house arrest with electronic monitoring under subsection (a1) or (b1) of this section shall pay a fee of ninety dollars ($90.00) for the electronic monitoring device and a daily fee in an amount that reflects the actual cost of providing the electronic monitoring. The court may exempt a person from paying the fees only for good cause and upon motion of the person placed on house arrest with electronic monitoring. The court may require that the fees be paid in advance or in a lump sum or sums, and a probation officer may require payment by those methods if the officer is authorized by subsection (g) of this section to determine the payment schedule. The fees must be paid to the clerk of court for the county in which the judgment was entered, the deferred prosecution agreement was filed, or the conditional discharge was ordered. Fees collected under this subsection shall be transmitted to the State for deposit into the State's General Fund. The daily fees collected under this subsection shall be remitted to the Department of Public Safety to cover the costs of providing the electronic monitoring.

SECTION 2.(g) G.S. 143B-708 reads as rewritten:

§ 143B-708. Community service program.

(c) A fee of two hundred fifty dollars ($250.00) shall be paid by all persons who participate in the program or receive services from the program staff. Only one fee may be assessed for each sentencing transaction, even if the person is assigned to the program on more than one occasion, or while on deferred prosecution, under a conditional discharge, or while serving a sentence for the offense. A sentencing transaction shall include all offenses considered and adjudicated during the same term of court. Fees collected pursuant to this subsection shall be deposited in the General Fund. If the person is convicted in a court in this
State, the fee shall be paid to the clerk of court in the county in which the person is convicted, regardless of whether the person is participating in the program as a condition of parole, of probation imposed by the court, or pursuant to the exercise of authority delegated to the probation officer pursuant to G.S. 15A-1343.2(e) or (f). If the person is participating in the program as a result of a conditional discharge or a deferred prosecution or similar program, the fee shall be paid to the clerk of court in the county in which the agreement is filed. Persons participating in the program for any other reason shall pay the fee to the clerk of court in the county in which the services are provided by the program staff. The fee shall be paid in full before the person may participate in the community service program, except that:

1. A person convicted in a court in this State may be given an extension of time or allowed to begin the community service before the person pays the fee by the court in which the person is convicted; or
2. A person performing community service pursuant to a conditional discharge, deferred prosecution or similar agreement may be given an extension of time or allowed to begin community service before the fee is paid by the official or agency representing the State in the agreement.
3. A person performing community service as a condition of parole may be given an extension of time to pay the fee by the Post-Release Supervision and Parole Commission. No person shall be required to pay the fee before beginning the community service unless the Commission orders the person to do so in writing.
4. A person performing community service as ordered by a probation officer pursuant to authority delegated by G.S. 15A-1343.2 may be given an extension of time to pay the fee by the probation officer exercising the delegated authority.

(e) The community service staff shall report to the court in which the community service was ordered, a significant violation of the terms of the probation, or deferred prosecution, or conditional discharge related to community service, including a willful failure to pay any moneys due the State under any court order or payment schedule adopted by the Section of Community Corrections of the Division of Adult Correction. The community service staff shall give notice of the hearing to determine if there is a willful failure to comply to the person who was ordered to perform the community service. This notice shall be given by either personal delivery to the person to be notified or by depositing the notice in the United States mail in an envelope with postage prepaid, addressed to the person at the last known address available to the preparer of the notice and reasonably believed to provide actual notice to the person. The notice shall be mailed at least 10 days prior to any hearing and shall state the basis of the alleged willful failure to comply. The court shall then conduct a hearing, even if the person ordered to perform the community service fails to appear, to determine if there is a willful failure to complete the work as ordered by the community service staff within the applicable time limits. The hearing may be held in the county in which the probation judgment or deferred prosecution order requiring the performance of community service was imposed, the county in which the violation occurred, or the county of residence of the person. If the court determines there is a willful failure to comply, it shall revoke any drivers license issued to the person and notify the Division of Motor Vehicles to revoke any drivers license issued to the person until the community service requirement has been met. In addition, if the person is present, the court may take any further action authorized by Article 82 of Chapter 15A of the General Statutes for violation of a condition of probation.”

SECTION 2.(h) This section becomes effective December 1, 2014.

POSSSESSION OF MARIJUANA PARAPHERNALIA/CLASS 3 MISDEMEANOR
SECTION 3.(a) G.S. 90-113.22(a) reads as rewritten:
"(a) It is unlawful for any person to knowingly use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, package, repackage, store, contain, or conceal a controlled substance other than marijuana which it would be unlawful to possess, or to inject, ingest, inhale, or otherwise introduce into the body a controlled substance other than marijuana which it would be unlawful to possess."

SECTION 3.(b) Article 5B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 90-113.22A. Possession of marijuana drug paraphernalia.

(a) It is unlawful for any person to knowingly use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, package, repackage, store, contain, or conceal marijuana or to inject, ingest, inhale, or otherwise introduce marijuana into the body.

(b) A violation of this section is a Class 3 misdemeanor. A violation of this section shall be a lesser included offense of G.S. 90-113.22."

SECTION 3.(c) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

HUMAN TRAFFICKING COMMISSION/STUDY ERIN'S LAW

SECTION 4.(a) The Human Trafficking Commission established by G.S. 114-70, in consultation with Prevent Child Abuse North Carolina; the North Carolina Coalition Against Sexual Assault; the National Association of Social Workers, North Carolina Chapter; the North Carolina School Boards Association; the Department of Public Instruction; the North Carolina Pediatric Society; and two representatives of local child advocacy agencies, shall study the prevention of sexual abuse of children. As part of this study, the Commission shall do the following:

(1) Gather information concerning the occurrence of child sexual abuse throughout the State.

(1a) Receive reports and testimony on child sexual abuse from individuals, State and local agencies, community-based organizations, and other public and private organizations.

(2) Identify statewide goals to prevent child sexual abuse.

(3) Examine age-appropriate curricula on the subject of sexual abuse for students in kindergarten through grade six that could be included as part of the Basic Education Program for the public schools.

(4) Identify methods for increasing teacher, student, and parent awareness of issues regarding sexual abuse of children, including the warning signs indicating that a child may be a victim of sexual abuse, actions that a child who is a victim of sexual abuse may take to obtain assistance and intervention, and available counseling options for children affected by sexual abuse.

(5) Study any other issue the Commission considers relevant to this topic.

SECTION 4.(b) The Human Trafficking Commission shall submit a final report of the results of its study and its recommendations, including any proposed legislation, to the 2015 General Assembly.

INCREMENT PENALTY FOR GIVING OR SELLING A CELL PHONE TO AN INMATE/MAKE IT UNLAWFUL FOR STATE INMATE TO POSSESS A CELL PHONE/INCREMENT PENALTY FOR INMATE OF LOCAL CONFINEMENT FACILITY TO POSSESS CELL PHONE

SECTION 5.(a) G.S. 14-258.1 reads as rewritten:
§ 14-258.1. Furnishing poison, controlled substances, deadly weapons, cartridges, ammunition or alcoholic beverages to inmates of charitable, mental or penal institutions or local confinement facilities; furnishing tobacco products or mobile phones to inmates.

... (d) Any person who knowingly gives or sells a mobile telephone or other wireless communications device, or a component of one of those devices, to an inmate in the custody of the Division of Adult Correction of the Department of Public Safety or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any such device or component to a person who is not an inmate for delivery to an inmate, is guilty of a Class I misdemeanor. Class H felony.

(e) Any inmate of a local confinement facility who possesses any tobacco product, as defined in G.S. 148-23.1, other than for authorized religious purposes, or who possesses a mobile telephone or other wireless communications device or a component of one of those devices, is guilty of a Class I misdemeanor.

(f) Any inmate in the custody of the Division of Adult Correction of the Department of Public Safety or an inmate of a local confinement facility who possesses a mobile telephone or other wireless communication device or a component of one of those devices is guilty of a Class H felony.

SECTION 5(b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

ASSAULT ON A LEGISLATIVE, EXECUTIVE, OR COURT OFFICIAL/THREATS/SOLICITATION BY AN INMATE

SECTION 6(a) G.S. 14-16.6(a) reads as rewritten:

"(a) Any person who assaults any legislative officer, executive officer, or court officer, or assaults another person as retaliation against any legislative officer, executive officer, or court officer because of the exercise of that officer's duties, or any person who makes a violent attack upon the residence, office, temporary accommodation or means of transport of any one of those officers or persons in a manner likely to endanger the officer, officer or person, shall be guilty of a felony and shall be punished as a Class I felon."

SECTION 6(b) G.S. 14-16.7 reads as rewritten:

"§ 14-16.7. Threats against executive, legislative, or court officers.

(a) Any person who knowingly and willfully makes any threat to inflict serious bodily injury upon or to kill any legislative officer, executive officer, or court officer, or who knowingly and willfully makes any threat to inflict serious bodily injury upon or kill any other person as retaliation against any legislative officer, executive officer, or court officer because of the exercise of that officer's duties, shall be guilty of a felony and shall be punished as a Class I felony.

(b) Any person who knowingly and willfully deposits for conveyance in the mail any letter, writing, or other document containing a threat to inflict serious bodily injury upon or to kill any legislative officer, executive officer, or court officer, commit an offense described in subsection (a) of this section shall be guilty of a felony and shall be punished as a Class I felony."

SECTION 6(c) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

ADD RETIRED QUALIFIED CORRECTIONAL OFFICERS/COURSE EXEMPTION

SECTION 7(a) G.S. 14-415.10 is amended by adding a new subdivision to read:

"(4c) Qualified retired correctional officer. – An individual who retired from service as a State correctional officer, other than for reasons of mental disability, who has been retired as a correctional officer two years or less from the date of the permit application and who meets all of the following criteria:
a. Immediately before retirement, the individual met firearms training standards of the Division of Adult Correction of the Department of Public Safety and was authorized by the Division of Adult Correction of the Department of Public Safety to carry a handgun in the course of assigned duties.

b. The individual retired in good standing and was never a subject of a disciplinary action by the Division of Adult Correction of the Department of Public Safety that would have prevented the individual from carrying a handgun.

c. The individual has a vested right to benefits under the Teachers' and State Employees' Retirement System of North Carolina established under Article 1 of Chapter 135 of the General Statutes.

d. The individual is not prohibited by State or federal law from receiving a firearm.

SECTION 7.(b) G.S. 14-415.12A(a) reads as rewritten:
"(a) A person who is a qualified sworn law enforcement officer, a qualified former sworn law enforcement officer, a qualified retired correctional officer, or a qualified retired probation or parole certified officer is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 7.(c) This section is effective when this act becomes law.

REMOTE VIDEO TESTIMONY BY FORENSIC AND CHEMICAL ANALYSTS

SECTION 8.(a) Article 73 of Chapter 15A of the General Statutes is amended by adding a new section to read:
"§ 15A-1225.3. Forensic analyst remote testimony."

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

(1) Criminal proceeding. – Any hearing or trial in a prosecution of a person charged with violating a criminal law of this State and any hearing or proceeding conducted under Subchapter II of Chapter 7B of the General Statutes where a juvenile is alleged to have committed an offense that would be a criminal offense if committed by an adult.

(2) Remote testimony. – A method by which a forensic analyst testifies from a location other than the location where the hearing or trial is being conducted and outside the physical presence of a party or parties.

(b) Remote Testimony Authorized. – In any criminal proceeding, the testimony of an analyst regarding the results of forensic testing admissible pursuant to G.S. 8-58.20, and reported by that analyst, shall be permitted by remote testimony if all of the following occur:

(1) The State has provided a copy of the report to the attorney of record for the defendant, or to the defendant if that person has no attorney, as required by G.S. 8-58.20(d). For purposes of this subdivision, "report" means the full laboratory report package provided to the district attorney.

(2) The State notifies the attorney of record for the defendant, or the defendant if that person has no attorney, at least 15 business days before the proceeding at which the evidence would be used of its intention to introduce the testimony regarding the results of forensic testing into evidence using remote testimony.

(3) The defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection with the court, with a copy to the State, at least five business days before the proceeding at which the testimony will be presented that the defendant objects to the introduction of the remote testimony.
If the defendant’s attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the analyst shall be allowed to testify by remote testimony.

(c) Testimony. – The method used for remote testimony authorized by this section shall allow the trier of fact and all parties to observe the demeanor of the analyst as the analyst testifies in a similar manner as if the analyst were testifying in the location where the hearing or trial is being conducted. The court shall ensure that the defendant’s attorney, or the defendant if that person has no attorney, has a full and fair opportunity for examination and cross-examination of the analyst.

(d) Nothing in this section shall preclude the right of any party to call any witness."

SECTION 8.(b) G.S. 20-139.1 is amended by adding a new subsection to read:

"(c5) The testimony of an analyst regarding the results of a chemical analysis of blood or urine admissible pursuant to subsection (c1) of this section, and reported by that analyst, shall be permitted by remote testimony, as defined in G.S. 15A-1225.3, in all administrative hearings, and in any court, if all of the following occur:

(1) The State has provided a copy of the report to the attorney of record for the defendant, or to the defendant if that person has no attorney, as required by subsections (c1) and (c3) of this section.

(2) The State notifies the attorney of record for the defendant, or the defendant if that person has no attorney, at least 15 business days before the proceeding at which the evidence would be used of its intention to introduce the testimony regarding the chemical analysis into evidence using remote testimony.

(3) The defendant’s attorney of record, or the defendant if that person has no attorney, fails to file a written objection with the court, with a copy to the State, at least five business days before the proceeding at which the testimony will be presented that the defendant objects to the introduction of the remote testimony.

If the defendant’s attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the analyst shall be allowed to testify by remote testimony.

The method used for remote testimony authorized by this subsection shall allow the trier of fact and all parties to observe the demeanor of the analyst as the analyst testifies in a similar manner as if the analyst were testifying in the location where the hearing or trial is being conducted. The court shall ensure that the defendant’s attorney, or the defendant if that person has no attorney, has a full and fair opportunity for examination and cross-examination of the analyst.

Nothing in this section shall preclude the right of any party to call any witness. Nothing in this subsection shall obligate the Administrative Office of the Courts or the State Crime Laboratory to incur expenses related to remote testimony absent an appropriation of funds for that purpose."

SECTION 8.(c) This section becomes effective September 1, 2014, and applies to testimony admitted on or after that date.

PERMIT DETENTION OFFICERS TO CARRY WEAPONS ON CAMPUS OR OTHER EDUCATIONAL PROPERTY WHEN DISCHARGING OFFICIAL DUTIES

SECTION 9.(a) G.S. 14-269.2 reads as rewritten:

"§ 14-269.2. Weapons on campus or other educational property.

... (g) This section shall not apply to any of the following:

(1) A weapon used solely for educational or school-sanctioned ceremonial purposes, or used in a school-approved program conducted under the
supervision of an adult whose supervision has been approved by the school authority.

(1a) A person exempted by the provisions of G.S. 14-269(b).

(2) Firefighters, emergency service personnel, and North Carolina Forest Service personnel, detention officers employed by and authorized by the sheriff to carry firearms, and any private police employed by a school, when acting in the discharge of their official duties.

(3) Home schools as defined in G.S. 115C-563(a).

(4) Weapons used for hunting purposes on the Howell Woods Nature Center property in Johnston County owned by Johnston Community College when used with the written permission of Johnston Community College or for hunting purposes on other educational property when used with the written permission of the governing body of the school that controls the educational property.

(5) A person registered under Chapter 74C of the General Statutes as an armed armored car service guard or an armed courier service guard when acting in the discharge of the guard's duties and with the permission of the college or university.

(6) A person registered under Chapter 74C of the General Statutes as an armed security guard while on the premises of a hospital or health care facility located on educational property when acting in the discharge of the guard's duties with the permission of the college or university.

(7) A volunteer school safety resource officer providing security at a school pursuant to an agreement as provided in G.S. 115C-47(61) and either G.S. 162-26 or G.S. 160A-288.4, provided that the volunteer school safety resource officer is acting in the discharge of the person's official duties and is on the educational property of the school that the officer was assigned to by the head of the appropriate local law enforcement agency.

SECTION 9.(b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

PROVIDE THAT AIR RIFLES, AIR PISTOLS, AND BB GUNS ARE NOT INCLUDED IN THE DEFINITION OF "DANGEROUS FIREARMS" FOR CERTAIN PURPOSES IN THE FOLLOWING COUNTIES: ANSON, CLEVELAND, HARNETT, STANLY, AND SURRY

SECTION 10.(a) G.S. 14-316 reads as rewritten:

"§ 14-316. Permitting young children to use dangerous firearms.

(a) It shall be unlawful for any person to knowingly permit a child under the age of 12 years to have access to, or possession, custody or use in any manner whatever, of any gun, pistol or other dangerous firearm, whether such weapon be loaded or unloaded, unless the person has the permission of the child's parent or guardian, and the child is under the supervision of an adult. Any person violating the provisions of this section shall be guilty of a Class 2 misdemeanor.

(b) Air rifles, air pistols, and BB guns shall not be deemed "dangerous firearms" within the meaning of subsection (a) of this section except in the following counties: Anson, Caldwell, Caswell, Chowan, Cleveland, Cumberland, Durham, Forsyth, Gaston, Harnett, Haywood, Mecklenburg, Stanly, Stokes, Surry, Union, Vance."

SECTION 10.(b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

PROPER IMPLEMENTATION OF EXPUNCTION LAWS

SECTION 11.(a) G.S. 15A-145.5(f) reads as rewritten:

"(f) Any other applicable State or local government agency shall expunge from its records entries made as a result of the conviction ordered expunged under this section upon
receipt from the petitioner of an order entered pursuant to this section. The agency shall also vacate any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged. A person whose administrative action has been vacated by an occupational licensing board pursuant to an expunction under this section may then reapply for licensure and must satisfy the board's then current education and preliminary licensing requirements in order to obtain licensure. This subsection shall not apply to the Department of Justice for DNA records and samples stored in the State DNA Database and the State DNA Databank or fingerprint records Databank."

SECTION 11.(b) This section is effective when it becomes law and applies to expunctions issued pursuant to G.S. 15A-145.5 before, on, or after that date.

INCREASE PENALTY FOR SECOND OFFENSE OF CARRYING A CONCEALED WEAPON THAT IS A FIREARM

SECTION 12.(a) G.S. 14-269(c) reads as rewritten:

"(c) Any person violating the provisions of subsection (a) of this section shall be guilty of a Class 2 misdemeanor. Any person violating the provisions of subsection (a1) of this section shall be guilty of a Class 2 misdemeanor for the first offense. A offense and a Class H felony for a second or subsequent offense is punishable as a Class I felony offense. A violation of subsection (a1) of this section punishable under G.S. 14-415.21(a) is not punishable under this section."

SECTION 12.(b) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

CLARIFY TO WHICH LOCAL GOVERNMENT CONTRACTS E-VERIFY APPLIES

SECTION 13.(a) G.S. 160A-20.1(b) reads as rewritten:

"(b) Contractors Must Use E-Verify. – No city may enter into a contract subject to G.S. 143-129 unless the contractor and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes."

SECTION 13.(b) G.S. 153A-449(b) reads as rewritten:

"(b) Contractors Must Use E-Verify. – No county may enter into a contract subject to G.S. 143-129 unless the contractor and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes."

SECTION 13.(c) This section becomes effective October 1, 2014, and applies to contracts entered into on or after that date.

EFFECTIVE DATE

SECTION 14. Except as otherwise provided in this act, this act is effective when it becomes law:

In the General Assembly read three times and ratified this the 15th day of August, 2014.

Became law upon approval of the Governor at 11:45 a.m. on the 18th day of September, 2014.

Session Law 2014-120 S.B. 734

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA BY PROVIDING FOR VARIOUS ADMINISTRATIVE REFORMS, BY ELIMINATING CERTAIN UNNECESSARY OR OUTDATED STATUTES AND REGULATIONS AND MODERNIZING OR SIMPLIFYING CUMBERSOME OR OUTDATED REGULATIONS, AND BY MAKING VARIOUS OTHER STATUTORY CHANGES.
The General Assembly of North Carolina enacts:


SECTION 1.(a) Part 20 of Article 10 of Chapter 143B of the General Statutes is repealed.

SECTION 1.(b) Article 6B of Chapter 115C of the General Statutes is repealed.

SECTION 1.(c) G.S. 116C-1 reads as rewritten:

"§ 116C-1. Education Cabinet created.

(a) The Education Cabinet is created. The Education Cabinet shall be located administratively within, and shall exercise its powers within existing resources of, the Office of the Governor. However, the Education Cabinet shall exercise its statutory powers independently of the Office of the Governor.

(b) The Education Cabinet shall consist of the Governor, who shall serve as chair, the President of The University of North Carolina, the State Superintendent of Public Instruction, the Chairman of the State Board of Education, the President of the North Carolina Community Colleges System, the Secretary of Health and Human Services, and the President of the North Carolina Independent Colleges and Universities. The Education Cabinet may invite other representatives of education to participate in its deliberations as adjunct members.

(c) The Education Cabinet shall be a nonvoting body that:

(1) Works to resolve issues between existing providers of education.

(2) Sets the agenda for the State Education Commission.

(3) Develops a strategic design for a continuum of education programs, in accordance with G.S. 116C-3.

(4) Studies other issues referred to it by the Governor or the General Assembly.

(d) The Office of the Governor, in coordination with the staffs of The University of North Carolina, the North Carolina Community College System, and the Department of Public Instruction, shall provide staff to the Education Cabinet."

SECTION 1.(d) G.S. 116C-2 is repealed.

SECTION 1.(e) Article 26 of Chapter 143 of the General Statutes is repealed.

SECTION 1.(f) Section 18.10 of S.L. 2001-491 reads as rewritten:

"SECTION 18.10. Notwithstanding G.S. 158-8.1, the Western North Carolina Regional Economic Development Commission shall develop a regional heritage tourism plan and shall present the plan to the 2002 Regular Session of the 2001 General Assembly no later than May 1, 2002. The National Heritage Area Designation Commission created pursuant to Section 18.4 of this act shall terminate August 1, 2014."

SECTION 1.(g) Part 24 of Article 9 of Chapter 143B of the General Statutes is repealed.

SECTION 1.(h) G.S. 90-171.71 is repealed.

SECTION 1.(i) G.S. 143B-711 reads as rewritten:

"§ 143B-711. Division of Adult Correction of the Department of Public Safety – organization.

The Division of Adult Correction of the Department of Public Safety shall be organized initially to include the Post-Release Supervision and Parole Commission, the Board of Correction, the Section of Prisons of the Division of Adult Correction, the Section of Community Corrections, the Section of Alcoholism and Chemical Dependency Treatment Programs, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973."

SECTION 1.(j) G.S. 143B-715 is repealed.
CLARIFY PROCESS FOR READOPTION OF EXISTING RULES

SECTION 2. G.S. 150B-21.3A(d) reads as rewritten:

"(d) Timetable. – The Commission shall establish a schedule for the review and readoption of existing rules in accordance with this section on a decennial basis as follows:

(1) With regard to the review process, the Commission shall assign by assigning each Title of the Administrative Code a date by which the review required by this section must be completed. In establishing the schedule, the Commission shall consider the scope and complexity of rules subject to this section and the resources required to conduct the review required by this section. The Commission shall have broad authority to modify the schedule and extend the time for review in appropriate circumstances. Except as provided in subsections (c) and (f) of this section, if the agency fails to conduct the review by the date set by the Commission, the rules contained in that Title which have not been reviewed will expire. The Commission shall report to the Committee any agency that fails to conduct the review. The Commission may exempt rules that have been adopted or amended within the previous 10 years from the review required by this section. However, any rule exempted on this basis must be reviewed in accordance with this section no more than 10 years following the last time the rule was amended.

(2) With regard to the readoption of rules as required by sub-subdivision (c)(2) of this section, once the final determination report becomes effective, the Commission shall establish a date by which the agency must readopt the rules. The Commission shall consult with the agency and shall consider the agency's rule-making priorities in establishing the readoption date. The agency may amend a rule as part of the readoption process. If a rule is readopted without substantive change, the agency is not required to prepare a fiscal note as provided by G.S. 150B-21.4."

AUTHORIZE LICENSING BOARDS TO ADOPT RULES FOR PROFESSIONAL CORPORATIONS

SECTION 3. G.S. 55B-12 reads as rewritten:


(a) A professional corporation shall be subject to the applicable rules and regulations adopted by, and all the disciplinary powers of, the licensing board as herein defined. Nothing in this Chapter shall impair the disciplinary powers of any licensing board applicable to a licensee as herein defined. No professional corporation may do any act which its shareholders as licensees are prohibited from doing.

(b) Subject to the requirements of Article 2A of Chapter 150B of the General Statutes, any licensing board subject to this Chapter may adopt rules to implement the provisions of this Chapter, including any rules needed to establish fees within the limits set by this Chapter."

OCCUPATIONAL LICENSING BOARD REPORTING AMENDMENTS

SECTION 4. G.S. 93B-2 reads as rewritten:

"§ 93B-2. Annual reports required; contents; open to inspection; sanction for failure to report.

(a) No later than October 31 of each year, each occupational licensing board shall file electronically with the Secretary of State, the Attorney General, and the Joint Regulatory Reform Legislative Administrative Procedure Oversight Committee an annual report containing all of the following information:

(1) The address of the board, and the names of its members and officers.

(1a) The total number of licensees supervised by the board.

(2) The number of persons who applied to the board for examination."
(3) The number who were refused examination.
(4) The number who took the examination.
(5) The number to whom initial licenses were issued.
(5a) The number who failed the examination.
(6) The number who applied for license by reciprocity or comity.
(7) The number who were granted licenses by reciprocity or comity.
(7a) The number of official complaints received involving licensed and unlicensed activities.
(7b) The number of disciplinary actions taken against licensees, or other actions taken against nonlicensees, including injunctive relief.
(8) The number of licenses suspended or revoked.
(9) The number of licenses terminated for any reason other than failure to pay the required renewal fee.
(10) The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the occupational licensing board.
(11) The substance of any anticipated change in rules adopted by the occupational licensing board or the substance of any anticipated adoption of new rules by the occupational licensing board.

(b) No later than October 31 of each year, each occupational licensing board shall file electronically with the Secretary of State, the Attorney General, the Office of State Budget and Management, and the Joint Regulatory Reform Legislative Administrative Procedure Oversight Committee a financial report that includes the source and amount of all funds credited to the occupational licensing board and the purpose and amount of all funds disbursed by the occupational licensing board during the previous fiscal year.

(c) The reports required by this section shall be open to public inspection.

(d) The Joint Legislative Administrative Procedure Oversight Committee shall notify any board that fails to file the reports required by this section. Failure of a board to comply with the reporting requirements of this section by October 31 of each year shall result in a suspension of the board's authority to expend any funds until such time as the board files the required reports. Suspension of a board's authority to expend funds under this subsection shall not affect the board's duty to issue and renew licenses or the validity of any application or license for which fees have been tendered in accordance with law. Each board shall adopt rules establishing a procedure for implementing this subsection and shall maintain an escrow account into which any fees tendered during a board's period of suspension under this subsection shall be deposited."

**OAH ELECTRONIC FILING**

**SECTION 5.(a)** Article 3 of Chapter 150B of the General Statutes is amended by adding a new section to read:

"§ 150B-23.3. Electronic filing. In addition to any other method specified in G.S. 150B-23, documents filed and served in a contested case may be filed and served electronically by means of an Electronic Filing Service Provider. For purposes of this section, the following definitions apply:

(1) Electronic filing means the electronic transmission of the petition, notice of hearing, pleadings, or any other documents filed in a contested case with the Office of Administrative Hearings, as further defined by rules adopted by the Office of Administrative Hearings.

(2) Electronic Filing Service Provider (EFSP) means the service provided by the Office of Administrative Hearings for e-filing and e-service of documents via the Internet."
(3) Electronic service means the electronic transmission of the petition, notice of hearing, pleadings, or any other documents in a contested case, as further defined by rules adopted by the Office of Administrative Hearings.

SECTION 5.(b) This section is effective when it becomes law and applies to contested cases filed on or after that date.

STREAMLINE RULE-MAKING PROCESS

SECTION 6.(a) G.S. 150B-19.1(h) is repealed.

SECTION 6.(b) G.S. 150B-21.4 reads as rewritten:

"§ 150B-21.4. Fiscal notes and regulatory impact analysis on rules.

(a) State Funds. – Before an agency adopts publishes in the North Carolina Register the proposed text of a permanent rule change that would require the expenditure or distribution of funds subject to the State Budget Act, Chapter 143C of the General Statutes it must submit the text of the proposed rule change, an analysis of the proposed rule change, and a fiscal note on the proposed rule change to the Office of State Budget and Management and obtain certification from the Office of State Budget and Management that the funds that would be required by the proposed rule change are available. The agency shall submit the text of the proposed rule change, an analysis of the proposed rule change, and a fiscal note on the proposed rule change to the Office at the same time as the agency submits the notice of text for publication pursuant to G.S. 150B-21.2. The fiscal note must state the amount of funds that would be expended or distributed as a result of the proposed rule change and explain how the amount was computed. The Office of State Budget and Management must certify a proposed rule change if funds are available to cover the expenditure or distribution required by the proposed rule change.

(a1) DOT Analyses. – In addition to the requirements of subsection (a) of this section, any agency that adopts a rule affecting environmental permitting of Department of Transportation projects shall conduct an analysis to determine if the rule will result in an increased cost to the Department of Transportation. The analysis shall be conducted and submitted to the Board of Transportation when the agency submits the notice of text for publication. The agency shall consider any recommendations offered by the Board of Transportation prior to adopting the rule. Once a rule subject to this subsection is adopted, the Board of Transportation may submit any objection to the rule it may have to the Rules Review Commission. If the Rules Review Commission receives an objection to a rule from the Board of Transportation no later than 5:00 P.M. of the day following the day the Commission approves the rule, then the rule shall only become effective as provided in G.S. 150B-21.3(b1).

(b) Local Funds. – Before an agency adopts publishes in the North Carolina Register the proposed text of a permanent rule change that would affect the expenditures or revenues of a unit of local government, it must submit the text of the proposed rule change and a fiscal note on the proposed rule change to the Office of State Budget and Management as provided by G.S. 150B-21.26, the Fiscal Research Division of the General Assembly, the North Carolina Association of County Commissioners, and the North Carolina League of Municipalities. The fiscal note must state the amount by which the proposed rule change would increase or decrease expenditures or revenues of a unit of local government and must explain how the amount was computed.

(b1) Substantial Economic Impact. – Before an agency adopts publishes in the North Carolina Register the proposed text of a permanent rule change that would have a substantial economic impact and that is not identical to a federal regulation that the agency is required to adopt, the agency shall prepare a fiscal note for the proposed rule change and have the note approved by the Office of State Budget and Management. The agency must also obtain from the Office a certification that the agency adhered to the regulatory principles set forth in G.S. 150B-19.1(a)(2), (5), and (6). The agency may request the Office of State Budget and Management to prepare the fiscal note only after, working with the Office, it has exhausted all resources, internal and external, to otherwise prepare the required fiscal note. If an agency
requests the Office of State Budget and Management to prepare a fiscal note for a proposed rule change, that Office must prepare the note within 90 days after receiving a written request for the note. If the Office of State Budget and Management fails to prepare a fiscal note within this time period, the agency proposing the rule change shall prepare a fiscal note. A fiscal note prepared in this circumstance does not require approval of the Office of State Budget and Management.

If an agency prepares the required fiscal note, the agency must submit the note to the Office of State Budget and Management for review. The Office of State Budget and Management shall review the fiscal note within 14 days after it is submitted and either approve the note or inform the agency in writing of the reasons why it does not approve the fiscal note. After addressing these reasons, the agency may submit the revised fiscal note to that Office for its review. If an agency is not sure whether a proposed rule change would have a substantial economic impact, the agency shall ask the Office of State Budget and Management to determine whether the proposed rule change has a substantial economic impact. Failure to prepare or obtain approval of the fiscal note as required by this subsection shall be a basis for objection to the rule under G.S. 150B-21.9(a)(4).

As used in this subsection, the term "substantial economic impact" means an aggregate financial impact on all persons affected of at least one million dollars ($1,000,000) in a 12-month period. In analyzing substantial economic impact, an agency shall do the following:

(1) Determine and identify the appropriate time frame of the analysis.
(2) Assess the baseline conditions against which the proposed rule is to be measured.
(3) Describe the persons who would be subject to the proposed rule and the type of expenditures these persons would be required to make.
(4) Estimate any additional costs that would be created by implementation of the proposed rule by measuring the incremental difference between the baseline and the future condition expected after implementation of the rule. The analysis should include direct costs as well as opportunity costs. Cost estimates must be monetized to the greatest extent possible. Where costs are not monetized, they must be listed and described.
(5) For costs that occur in the future, the agency shall determine the net present value of the costs by using a discount factor of seven percent (7%).

(b2) Content. – A fiscal note required by subsection (b1) of this section must contain the following:

(1) A description of the persons who would be affected by the proposed rule change.
(2) A description of the types of expenditures that persons affected by the proposed rule change would have to make to comply with the rule and an estimate of these expenditures.
(3) A description of the purpose and benefits of the proposed rule change.
(4) An explanation of how the estimate of expenditures was computed.
(5) A description of at least two alternatives to the proposed rule that were considered by the agency and the reason the alternatives were rejected. The alternatives may have been identified by the agency or by members of the public.

(c) Errors. – An erroneous fiscal note prepared in good faith does not affect the validity of a rule.

(d) If an agency proposes the repeal of an existing rule, the agency is not required to prepare a fiscal note on the proposed rule change as provided by this section."

SECTION 6.(c) This section is effective when it becomes law and applies to proposed rules published on or after that date.
REPRESENTATION OF SMALL BUSINESS ENTITIES IN ADMINISTRATIVE APPEALS

SECTION 7.(a) G.S. 150B-23(a) reads as rewritten:

"(a) A contested case shall be commenced by paying a fee in an amount established in G.S. 150B-23.2 and by filing a petition with the Office of Administrative Hearings and, except as provided in Article 3A of this Chapter, shall be conducted by that Office. The party who files the petition shall serve a copy of the petition on all other parties and, if the dispute concerns a license, the person who holds the license. A party who files a petition shall file a certificate of service together with the petition. A petition shall be signed by a party, an attorney representing a party, or other representative of the party as may specifically be authorized by law, and, if filed by a party other than an agency, shall state facts tending to establish that the agency named as the respondent has deprived the petitioner of property, or has otherwise substantially prejudiced the petitioner's rights and that the agency:

1. Exceeded its authority or jurisdiction;
2. Acted erroneously;
3. Failed to use proper procedure;
4. Acted arbitrarily or capriciously; or
5. Failed to act as required by law or rule.

The parties in a contested case shall be given an opportunity for a hearing without undue delay. Any person aggrieved may commence a contested case hereunder.

A local government employee, applicant for employment, or former employee to whom Chapter 126 of the General Statutes applies may commence a contested case under this Article in the same manner as any other petitioner. The case shall be conducted in the same manner as other contested cases under this Article.

A business entity may represent itself using a nonattorney representative who is one or more of the following of the business entity: (i) officer, (ii) manager or member-manager, if the business entity is a limited liability company, (iii) employee whose income is reported on IRS Form W-2, if the business entity authorizes the representation in writing, or (iv) owner of the business entity, if the business entity authorizes the representation in writing and if the owner's interest in the business entity is at least twenty-five percent (25%). Authority for and prior notice of nonattorney representation shall be made in writing, under penalty of perjury, to the Office.

SECTION 7.(b) G.S. 105-290 is amended by adding a new subsection to read:

"(d2) Business Entity Representation. – If a property owner is a business entity, the business entity may represent itself using a nonattorney representative who is one or more of the following of the business entity: (i) officer, (ii) manager or member-manager, if the business entity is a limited liability company, (iii) employee whose income is reported on IRS Form W-2, if the business entity authorizes the representation in writing, or (iv) owner of the business entity, if the business entity authorizes the representation in writing and if the owner's interest in the business entity is at least twenty-five percent (25%). Authority for and prior notice of nonattorney representation shall be made in writing, under penalty of perjury, to the Office.

SECTION 7.(c) This section is effective when it becomes law and applies to contested cases and appeals commenced on or after that date.

MERCHANT EXEMPTION FROM LOCKSMITH LICENSING

SECTION 9. G.S. 74F-16 reads as rewritten:

"§ 74F-16. Exemptions.

The provisions of this Chapter do not apply to:

6. A merchant, or retail or hardware store, when the merchant or store does not purport to be a locksmith and lawfully (i) rekeys a lock at the time of sale of
the lock, (ii) duplicates a key, except for duplicating a transponder type key that requires programming, or (iii) installs as a service a lock on a door if both the door and lock were purchased from the same merchant/store, so long as all of the following apply:

a. It is lawfully duplicating keys or installing, servicing, repairing, rebuilding, reprogramming, rekeying, or maintaining locks in the normal course of its business.

b. It maintains a physical location in this State.

c. It maintains a sales and use tax permit in accordance with G.S. 105-164.16.

d. It does not represent itself as a locksmith.

REPEAL OUTDATED PUBLIC UTILITIES STATUTES OR REPORTS

SECTION 10.(a) G.S. 62-36A and G.S. 62-36.1 are repealed.

SECTION 10.(b) G.S. 62-158(d) reads as rewritten:

"(d) The Commission, after hearing, may adopt rules to implement this section, including rules for the establishment of expansion funds, for the use of such funds, for the remittance to the expansion fund or to customers of supplier and transporter refunds and expansion surcharges or other funds that were sources of the expansion fund, and for appropriate accounting, reporting and ratemaking treatment. The Commission and Public Staff shall report to the Joint Legislative Commission on Governmental Operations on the operation of any expansion funds in conjunction with the reports required under G.S. 62-36A."

SECTION 10.(c) G.S. 62-159(d) reads as rewritten:

"(d) The Commission, after hearing, shall adopt rules to implement this section as soon as practicable. The Commission and Public Staff shall report to the Joint Legislative Commission on Governmental Operations on the use of funding provided under this section in conjunction with the reports required under G.S. 62-36A."

SECTION 10.(d) G.S. 62-133.2(g) is repealed.

SECTION 10.(e) Section 14 of S.L. 2002-4 is repealed.

SECTION 10.(f) Section 14 of S.L. 2007-397 is repealed.

SECTION 10.(g) Section 6.1 of S.L. 1995-27 is repealed.

CLARIFY PROFESSIONAL ENGINEER EXEMPTION

SECTION 11.(a) G.S. 89C-25 reads as rewritten:

"§ 89C-25. Limitations on application of Chapter.

This Chapter shall not be construed to prevent or affect the following activities:

(1) The practice of architecture, architecture as defined in Chapter 83A of the General Statutes, landscape architecture, landscape architecture as defined in Chapter 89A of the General Statutes, or contracting or any other legally recognized profession or trade, contracting as defined in Articles 1, 2, 4, and 5 of Chapter 87 of the General Statutes.

(2) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(3) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(4) Engaging in engineering or land surveying as an employee or assistant under the responsible charge of a professional engineer or professional land surveyor or as an employee or assistant of a nonresident professional engineer or a nonresident professional land surveyor provided for in subdivisions (2) and (3) of this section, provided that the work as an employee may not include responsible charge of design or supervision.

(5) The practice of professional engineering or land surveying by any person not a resident of, and having no established place of business in this State, as a
consulting associate of a professional engineer or professional land surveyor licensed under the provisions of this Chapter; provided, the nonresident is qualified for performing the professional service in the person's own state or country.

(6) Practice by members of the Armed Forces of the United States; employees of the government of the United States while engaged in the practice of engineering or land surveying solely for the government on government-owned works and projects; or practice by those employees of the Natural Resources Conservation Service, county employees, or employees of the Soil and Water Conservation Districts who have federal engineering job approval authority that involves the planning, designing, or implementation of best management practices on agricultural lands.

(7) The internal engineering or surveying activities of a person, firm, or corporation engaged in manufacturing, processing, or producing a product, including the activities of public service corporations, public utility companies, authorities, State agencies, railroads, or membership cooperatives, or the installation and servicing of their product in the field, or research and development in connection with the manufacture of that product or their services, or of their research affiliates, or their employees in the course of their employment in connection with the manufacture, installation, or servicing of their product or service in the field, or on the premises maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or service of a firm by the employees of the firm upon property owned, leased or used by the firm; inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, maintenance by regular full time employees of streets, street lighting, traffic control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State or a municipal corporation; provided, however, that the internal engineering or surveying activity is not a holding out to or an offer to the public of engineering or any service thereof as prohibited by this Chapter. Engineering work, not related to the foregoing exemptions, where the safety of the public is directly involved shall be under the responsible charge of a licensed professional engineer, or in accordance with standards prepared or approved by a licensed professional engineer.

(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a product, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:
   a. Installation or servicing of the person's product by employees of the person conducted outside the premises of the person's business.
   b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation
of the product performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.

(8) The (i) preparation of fire sprinkler planning and design drawings by a fire sprinkler contractor licensed under Article 2 of Chapter 87 of the General Statutes, or (ii) the performance of internal engineering or survey work by a manufacturing or communications common carrier company, or by a research and development company, or by employees of those corporations provided that the work is in connection with, or incidental to products of, or nonengineering services rendered by those corporations or their affiliates.

(9) The routine maintenance or servicing of machinery, equipment, facilities or structures, the work of mechanics in the performance of their established functions, or the inspection or supervision of construction by a foreman, superintendent, or agent of the architect or professional engineer, or services of an operational nature performed by an employee of a laboratory, a manufacturing plant, a public service corporation, or governmental operation.

(10) The design of land application irrigation systems for an animal waste management plan, required by G.S. 143-215.10C, by a designer who exhibits, by at least three years of relevant experience, proficiency in soil science and basic hydraulics, and who is thereby listed as an Irrigation Design Technical Specialist by the North Carolina Soil and Water Conservation Commission."

SECTION 11.(b) G.S. 89C-19 reads as rewritten:

"§ 89C-19. Public works; requirements where public safety involved.

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land surveying involving either public or private property where the safety of the public is directly involved without the project being under the direct supervision of a professional engineer for the preparations of plans and specifications for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."
BAIL BOND SHIELD AMENDMENT

SECTION 12.(a) G.S. 58-71-40(d1) reads as rewritten:

"(d1) While engaged in official duties, a licensee is authorized to carry, possess, and display a shield as described in this subsection. The shield shall fulfill all of the following requirements:

1. Be an exact duplicate in size, shape, color, and design of the shield approved under G.S. 74C-5(12) and pictured in 12 NCAC 07D. 0405 on May 1, 2013, except that the design may be altered by stamping, inlaying, embossing, enameling, or engraving to accommodate the license number. With respect to size of the shield, the shield shall be 1.88 inches wide and 2.36 inches high.

2. Include the licensee's last name and corresponding license number in the same locations as the shield referenced in subdivision (1) of this subsection.

3. With reference to the shield described in subdivision (1) of this subsection, in lieu of the word "Private," the shield shall have the words "North Carolina," and in lieu of the word "Investigator," the shield shall have the words "Bail Agent."

Any shield that deviates from the design requirements as specified in this section shall be an unauthorized shield and its possession by a licensee shall constitute a violation of the statute by the licensee."

SECTION 12.(b) G.S. 15A-540 is amended by adding a new subsection to read:

"(d) A surety may utilize the services and assistance of any surety bondsman, professional bondsman, or runner licensed under G.S. 58-71-40 to effect the arrest or surrender of a defendant under subsection (a) or (b) of this section."

ADA REQUIREMENTS FOR PRIVATE POOLS

SECTION 13.(a) Notwithstanding Section 1109.14 of the 2012 NC State Building Code (Building Code), swimming pools shall be required to be accessible only to the extent required by the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and federal rules and regulations adopted pursuant to that Act.

SECTION 13.(b) The Building Code Council shall adopt a rule to amend Section 1109.14 of the 2012 NC State Building Code (Building Code) consistent with Section 13(a) of this act.

SECTION 13.(c) Section 13(a) of this act expires on the date that the rule adopted pursuant to Section 13(b) of this act becomes effective.

ABC PERMITS/SCHOOLS AND COLLEGES

SECTION 14. G.S. 18B-1006(a) reads as rewritten:

"(a) School and College Campuses. – No permit for the sale of malt beverages, unfortified wine, or fortified wine alcoholic beverages shall be issued to a business on the campus or property of a public school, college, or university school or college, other than at a regional facility as defined by G.S. 160A-480.2 operated by a facility authority under Part 4 of Article 20 of Chapter 160A of the General Statutes except for a public school or college function, unless that business is a hotel or a nonprofit alumni organization with a mixed beverages permit or a special occasion permit. This subsection shall not apply on property owned by a local board of education which was leased for 99 years or more to a nonprofit auditorium authority created prior to 1991 whose governing board is appointed by a city board of aldermen, a county board of commissioners, or a local school board. This subsection shall also not apply to the constituent institutions of The University of North Carolina with respect to the sale of beer and wine at (i) performing arts centers located on property owned or leased by the institutions if the seating capacity does not exceed 2,000 seats; (ii) any golf courses owned or leased by the institutions and open to the public for use; or (iii) any stadiums that support a NASCAR-sanctioned one-fourth mile asphalt flat oval short track, that are owned or leased by
the institutions, and that only sell malt beverages, unfortified wine, or fortified wine at events that are not sponsored or funded by the institutions. Notwithstanding this subsection, special one-time permits as described in G.S. 18B-1002(a)(5) may be issued to the University of North Carolina at Chapel Hill for the Loudermilk Center for Excellence facility. This subsection shall not apply to the following:

1. A regional facility as defined by G.S. 160A-480.2 operated by a facility authority under Part 4 of Article 20 of Chapter 160A of the General Statutes, unless the permit is for a public school or public college or university function.

2. Property owned by a local board of education and leased for 99 years or more to a nonprofit auditorium authority created prior to 1991 whose governing board is appointed by a city governing board, a county board of commissioners, or a local school board.

3. A hotel.

4. A nonprofit alumni organization.

5. Restaurants, eating establishments, food businesses, or retail businesses on the property defined by G.S. 116-198.33(4).

6. Any golf courses owned or leased by the public college or university and open to the public for use.

7. The sale of malt beverages, unfortified wine, or fortified wine at the following:
   a. Performing arts centers located on property owned or leased by the public college or university.
   b. Any stadiums that support a NASCAR-sanctioned one-fourth mile asphalt flat oval short track, that are owned or leased by the public college or university, and that only sell malt beverages, unfortified wine, or fortified wine at events that are not sponsored or funded by the public college or university.

8. Special one-time permits as described in G.S. 18B-1002(a)(5) for the Loudermilk Center for Excellence facility at the University of North Carolina at Chapel Hill.

ENFORCE MUNICIPAL FLOODPLAIN ORDINANCE IN ETJ

SECTION 15. G.S. 160A-360(k) reads as rewritten:

"(k) As used in this subsection, "bona fide farm purposes" is as described in G.S. 153A-340. As used in this subsection, "property" means a single tract of property or an identifiable portion of a single tract. Property that is located in the geographic area of a municipality's extraterritorial jurisdiction and that is used for bona fide farm purposes is exempt from exercise of the municipality's extraterritorial jurisdiction under this Article. Property that is located in the geographic area of a municipality's extraterritorial jurisdiction and that ceases to be used for bona fide farm purposes shall become subject to exercise of the municipality's extraterritorial jurisdiction under this Article. For purposes of complying with 44 C.F.R. Part 60, Subpart A, property that is exempt from the exercise of extraterritorial jurisdiction pursuant to this subsection shall be subject to the county's floodplain ordinance or all floodplain regulation provisions of the county's unified development ordinance."

PERMIT CHOICE

SECTION 16.(a) Chapter 143 of the General Statutes is amended by adding a new Article to read:
"Article 80.
"Permit Choice.

§ 143-750. Permit choice.
(a) If a permit applicant submits a permit for any type of development and a rule or ordinance changes between the time the permit application was submitted and a permit decision is made, the permit applicant may choose which version of the rule or ordinance will apply to the permit.
(b) This section applies to all development permits issued by the State and by local governments.
(c) This section shall not apply to any zoning permit.

SECTION 16. Part 1 of Article 18 of Chapter 153A of the General Statutes is amended by adding a new section to read:

§ 153A-320.1. Permit choice.
If a rule or ordinance changes between the time a permit application is submitted and a permit decision is made, then G.S. 143-750 shall apply.

SECTION 16. Part 1 of Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:

§ 160A-360.1. Permit choice.
If a rule or ordinance changes between the time a permit application is submitted and a permit decision is made, then G.S. 143-750 shall apply.

SECTION 16. This section is effective when it becomes law and applies to permits for which a permit decision has not been made by that date.

COMMUNITY COLLEGE BREWING COURSE WAIVER
SECTION 17. Article 11 of Chapter 18B of the General Statutes is amended by adding a new section to read:

§ 18B-1114.6. Brewing, Distillation, and Fermentation course authorization.
(a) Authorization. – The holder of a brewing, distillation, and fermentation course authorization may:

(1) Manufacture malt beverages on the school's campus or the school's contracted or leased property for the purpose of providing instruction and education on the making of malt beverages.
(2) Possess malt beverages manufactured during the brewing, distillation, and fermentation program for the purpose of conducting malt beverage tasting seminars and classes for students who are 21 years of age or older.
(3) Sell malt beverages produced during the course to wholesalers or to retailers upon obtaining a malt beverages wholesaler permit under G.S. 18B-1109, except that the permittee may not receive shipments of malt beverages from other producers.
(4) Sell malt beverages produced during the course, upon obtaining a permit under G.S. 18B-1001(2).

(b) Limitation. – Authorization for a brewing, distillation, and fermentation course shall be granted by the Commission only for a community college or college that offers a brewing, distillation, and fermentation program as a part of its curriculum offerings for students of the school. For purposes of this section, the term "brewing, distillation, and fermentation program" includes a fermentation sciences program offered by a community college or college as part of its curriculum offerings for students of the school.

(c) Malt Beverage Special Event Permit. – The holder of a brewing, distillation, and fermentation course authorization who obtains a malt beverages wholesaler permit under G.S. 18B-1109 subject to the limitation in subsection (a) of this section may obtain a malt beverage special event permit under G.S. 18B-1114.5 and where the permit is valid may participate in approved events and sell at retail at those events any malt beverages produced incident to the operation of the brewing, distillation, and fermentation program. The holder of a
brewing, distillation, and fermentation course authorization may participate in not more than six malt beverage special events within a 12-month period and may sell up to 64 cases of malt beverages, or the equivalent volume of 64 cases of malt beverages, at each event. For purposes of this subsection, a "case of malt beverages" is a package containing not more than 24 12-ounce bottles of malt beverage. Net proceeds from the program's retail sale of malt beverages pursuant to this subsection shall be retained by the school and used for support of the brewing, distillation, and fermentation program.

(d) Limited Application. – The holder of a brewing, distillation, and fermentation course authorization shall not be considered a brewery for the purposes of this Chapter or Chapter 105 of the General Statutes."

SECTION 17.(b) G.S. 18B-1114.5(a) reads as rewritten:

"(a) Authorization. – The holder of a brewery, brewery permit, a malt beverage importer, beverages importer permit, a brewing, distillation, and fermentation course authorization, or a nonresident malt beverage vendor permit may obtain a malt beverage special event permit allowing the permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events approved by the Commission. Except for a brewery operating under the provisions of G.S. 18B-1104(7), all malt beverages sampled or sold pursuant to this section must be purchased from a licensed malt beverages wholesaler."

SECTION 17.(c) G.S. 18B-1001(2) reads as rewritten:


When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit authorizes (i) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages in a cleaned, sanitized, resealable container as defined in 4 NCAC 2T.0308(a) that is filled or refilled and sealed for consumption off the premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d)-(e), and the container identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. Restaurants.

b. Hotels.

c. Eating establishments.

d. Food businesses.

e. Retail businesses.

f. The holder of a brewing, distillation, and fermentation course authorization under G.S. 18B-1114.6. A school obtaining a permit under this subdivision is authorized to sell malt beverages manufactured during its brewing, distillation, and fermentation program at one noncampus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee.

SECTION 17.(d) G.S. 66-58(c)(1a) reads as rewritten:

"§ 66-58. Sale of merchandise or services by governmental units.

(c) The provisions of subsection (a) shall not prohibit:
The sale of products raised or produced incident to the operation of a community college or college viticulture/enology program as authorized by G.S. 18B-1114.4 or the operation of a community college or college brewing, distillation, or fermentation program as authorized by G.S. 18B-1114.6.

GOOD SAMARITAN LAW

SECTION 18. G.S. 90-21.14 reads as rewritten:

(a) Any person, including a volunteer medical or health care provider at a facility of a local health department as defined in G.S. 130A-2 or at a nonprofit community health center or a volunteer member of a rescue squad, who receives no compensation for his services as an emergency medical care provider, who voluntarily and without expectation of compensation renders first aid or emergency health care treatment to a person who is unconscious, ill or injured,
(1) When the reasonably apparent circumstances require prompt decisions and actions in medical or other health care, and
(2) When the necessity of immediate health care treatment is so reasonably apparent that any delay in the rendering of the treatment would seriously worsen the physical condition or endanger the life of the person,
shall not be liable for damages for injuries alleged to have been sustained by the person or for damages for the death of the person alleged to have occurred by reason of an act or omission in the rendering of the treatment unless it is established that the injuries were or the death was caused by gross negligence, wanton conduct or intentional wrongdoing on the part of the person rendering the treatment. The immunity conferred in this section also applies to any person who uses an automated external defibrillator (AED) and otherwise meets the requirements of this section.

PHARMACY BENEFITS MANAGEMENT

SECTION 20.(a) Chapter 58 of the General Statutes is amended by adding a new Article to read:

"Article 56A.
"Pharmacy Benefits Management.

The following definitions apply in this Article:
(1) Health benefit plan. – As defined in G.S. 58-50-110(11). This definition specifically excludes the State Health Plan for Teachers and State Employees.
(2) Insurer. – Any entity that provides or offers a health benefit plan.
(3) Maximum allowable cost price. – The maximum per unit reimbursement for multiple source prescription drugs, medical products, or devices.
(4) Pharmacy. – A pharmacy registered with the North Carolina Board of Pharmacy.
(5) Pharmacy benefits manager. – An entity who contracts with a pharmacy on behalf of an insurer or third-party administrator to administer or manage prescription drug benefits.
(6) Third-party administrator. – As defined in G.S. 58-56-2.

(a) In order to place a prescription drug on the maximum allowable cost price list, the drug must be available for purchase by pharmacies in North Carolina from national or regional wholesalers, must not be obsolete, and must meet one of the following conditions:
(1) The drug is listed as "A" or "B" rated in the most recent version of the United States Food and Drug Administration's Approved Drug Products with Therapeutic Equivalence Evaluations, also known as the Orange Book.

(2) The drug has a "NR" or "NA" rating, or a similar rating, by a nationally recognized reference.

(b) A pharmacy benefits manager shall adjust or remove the maximum allowable cost price for a prescription drug to remain consistent with changes in the national marketplace for prescription drugs. A review of the maximum allowable cost prices for removal or modification shall be completed by the pharmacy benefits manager at least once every seven business days, and any removal or modification shall occur within seven business days of the review. A pharmacy benefits manager shall provide a means by which the contracted pharmacies may promptly review current prices in an electronic, print, or telephonic format within one business day of the removal or modification."

SECTION 20.(b) The Department of Insurance, in collaboration with the Department of Commerce and the North Carolina Board of Pharmacy, shall study the issue of pharmacy benefits management company regulation. Specifically, the study shall include: (i) frequency of disclosure of and methodology for calculating maximum allowable cost prices by the pharmacy benefits management companies; (ii) appeals procedures for pharmacies relating to maximum allowable cost pricing; (iii) consumer protections and the disclosure of consumer health information by pharmacy benefits managers; (iv) regulation of the various forms of incentives offered to a consumer by pharmacy benefits managers and its effects on choice of pharmacy; and (v) any further industry regulation deemed necessary to study. The Department of Insurance shall report the collective findings and recommendations, including any proposed legislation, to the 2015 General Assembly on or before January 20, 2015.

SECTION 20.(c) Section 20(a) of this section becomes effective January 1, 2015, and applies to contracts entered into, renewed, or amended on or after that date.

LIMITED FOOD SERVICES AT LODGING FACILITIES

SECTION 21.(a) G.S. 130A-247(7) reads as rewritten:

"(7) "Limited food services establishment" means an establishment as described in G.S. 130A-248(a4), with food handling operations that are restricted by rules adopted by the Commission pursuant to G.S. 130A-248(a4) and that prepares or serves food only in conjunction with amateur athletic events. Limited food service establishment also includes lodging facilities that serve only reheated food that has already been pre-cooked."

SECTION 21.(b) G.S. 130A-148(a4) reads as rewritten:

"(a4) For the protection of the public health, the Commission shall adopt rules governing the sanitation of limited food service establishments. In adopting the rules, the Commission shall not limit the number of days that limited food service establishments may operate. Limited food service establishment permits shall be issued only to the following:

(1) political subdivisions of the State,
(2) establishments operated by volunteers that prepare or serve food in conjunction with amateur athletic events,
(3) lodging facilities that serve only reheated food that has already been pre-cooked,
(4) establishments operated by organizations that are exempt from federal income tax under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code."

SECTION 21.(c) The Commission for Public Health shall adopt rules to conform to the provisions of this section.

AMEND HOTEL CARBON MONOXIDE ALARM REQUIREMENT

SECTION 22.(a) Section 19(c) of S.L. 2013-413 is repealed.
SECTION 22.(b) Section 19(e) of S.L. 2013-413 reads as rewritten:
"SECTION 19.(e) This section is effective when it becomes law, except that (i) subsection (b) of this section becomes effective October 1, 2013, and expires October 1, 2014; and (ii) subsection (c) of this section becomes effective October 1, 2014."

SECTION 22.(c) G.S. 143-138(b2) reads as rewritten:
"(b2) Carbon Monoxide Detectors. Alarms. – The Code (i) may contain provisions requiring the installation of either battery-operated or electrical carbon monoxide detectors alarms in every dwelling unit having a fossil fuel burning combustion heater, appliance, or fireplace, and in any dwelling unit having an attached garage and (ii) shall contain provisions requiring the installation of electrical carbon monoxide detectors alarms at a lodging establishment. Violations of this subsection and rules adopted pursuant to this subsection shall be punishable in accordance with subsection (h) of this section and G.S. 143-139. In particular, the rules shall provide:

(1) For dwelling units, carbon monoxide detectors alarms shall be those listed by a nationally recognized testing laboratory that is OSHA approved to test and certify to American National Standards Institute/Underwriters Laboratories Standards ANSI/UL2034 or ANSI/UL2075 and shall be installed in accordance with either the standard of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the property owner shall retain or provide as proof of compliance. A carbon monoxide detector alarm may be combined with smoke detectors if the combined detector alarm does both of the following: (i) complies with ANSI/UL2034 or ANSI/UL2075 for carbon monoxide alarms and ANSI/UL217 for smoke detectors; and (ii) emits an alarm in a manner that clearly differentiates between detecting the presence of carbon monoxide and the presence of smoke.

(2) For lodging establishments, including tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247, carbon monoxide detectors alarms shall be installed in every enclosed space dwelling unit or sleeping unit having a fossil fuel burning combustion heater, appliance, or fireplace and in any enclosed space, including a sleeping room, every dwelling unit or sleeping unit that shares a common wall, floor, or ceiling with an enclosed space with a room having a fossil fuel burning combustion heater, appliance, or fireplace. Carbon monoxide detectors alarms shall be (i) listed by a nationally recognized testing laboratory that is OSHA approved to test and certify to American National Standards Institute/Underwriters Laboratories (ANSI/UL) Standards ANSI/UL2034 or ANSI/UL2075, (ii) installed in accordance with either the standard of the National Fire Protection Association (NFPA) or the minimum protection designated in the manufacturer's instructions, which the lodging establishment shall retain or provide as proof of compliance, (iii) receive primary power from the building's wiring, where such wiring is served from a commercial source, and (iv) receive power from a battery when primary power is interrupted. A carbon monoxide detector alarm may be combined with smoke detectors if the combined detector alarm complies with the requirements of this subdivision for carbon monoxide alarms and ANSI/UL217 for smoke detectors. In lieu of the carbon monoxide alarms required by this subsection, a carbon monoxide detection system, which includes carbon monoxide detectors and audible notification appliances installed and maintained in accordance with NFPA 720, shall be permitted. The carbon monoxide detectors shall be listed as complying with ANSI/UL2075. For
purposes of this subsection, "lodging establishment" means any hotel, motel, tourist home, or other establishment permitted under authority of G.S. 130A-248 to provide lodging accommodations for pay to the public, and "combustion heater, appliance, or fireplace" means any heater, appliance, or fireplace that burns combustion fuels, including, but not limited to, natural or liquefied petroleum gas, fuel oil, kerosene, wood, or coal for heating, cooking, drying, or decorative purposes, including, but not limited to, space heaters, wall and ceiling heaters, ranges, ovens, stoves, furnaces, fireplaces, water heaters, and clothes dryers. For purposes of this subsection, candles and canned fuels are not considered to be combustion appliances.

(3) The Building Code Council shall modify the NC State Building Code (Fire Prevention) to regulate the provisions of this subsection in new and existing lodging establishments, including hotels, motels, tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247; provided nothing in this subsection shall prevent the Building Code Council from establishing more stringent rules regulating carbon monoxide alarms or detectors for new lodging establishments, including hotels, motels, tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247. The Building Code Council shall modify the NC State Building Code (Fire Prevention) minimum inspection schedule to include annual inspections of new and existing lodging establishments, including hotels, motels, and tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247 for the purpose of compliance with this subsection.

(4) Upon discovery of a violation of this subsection that poses an imminent hazard and that is not corrected during an inspection of a lodging establishment subject to the provisions of G.S. 130A-248, the code official responsible for enforcing the NC State Building Code (Fire Prevention) shall immediately notify the local health director for the county in which the violation was discovered, or the local health director's designee, by verbal contact and shall also submit a written report documenting the violation of this subsection to the local health director for the county in which the violation was discovered, or the local health director's designee, on the next working day following the discovery of the violation. Within one working day of receipt of the written report documenting a violation of this subsection, the local health director for the county in which the violation was discovered, or the local health director's designee, shall investigate and take appropriate action regarding the permit for the lodging establishment, as provided in G.S. 130A-248. Lodging establishments having five or more rooms that are exempted from the requirements of G.S. 130A-248 by G.S. 130A-250 shall be subject to the penalties set forth in the NC State Building Code (Fire Prevention).

(5) Upon discovery of a violation of this subsection that does not pose an imminent hazard and that is not corrected during an inspection of a lodging establishment subject to the provisions of G.S. 130A-248, the owner or operator of the lodging establishment shall have a correction period of three working days following the discovery of the violation to notify the code official responsible for enforcing the NC State Building Code (Fire
Prevention) verbally or in writing that the violation has been corrected. If the code official receives such notification, the code official may reinspect the portions of the lodging establishment that contained violations, but any fees for reinspection shall not exceed the fee charged for the initial inspection. If the code official receives no such notification, or if a reinspection discovers that previous violations were not corrected, the code official shall submit a written report documenting the violation of this subsection to the local health director for the county in which the violation was discovered, or the local health director’s designee, within three working days following the termination of the correction period or the reinspection, whichever is later. The local health director shall investigate and may take appropriate action regarding the permit for the lodging establishment, as provided in G.S. 130A-248. Lodging establishments having five or more rooms that are exempted from the requirements of G.S. 130A-248 by G.S. 130A-250 shall be subject to the penalties set forth in the NC State Building Code (Fire Prevention).

(6) The requirements of subdivisions (2) through (5) of this subsection shall not apply to properties subject to the provisions of either G.S. 42-42 or G.S. 42A-31.”

SECTION 22.(d) G.S. 130A-248 reads as rewritten:

"§ 130A-248. Regulation of food and lodging establishments.

…

(b) No establishment shall commence or continue operation without a permit or transitional permit issued by the Department. The permit or transitional permit shall be issued to the owner or operator of the establishment and shall not be transferable. If the establishment is leased, the permit or transitional permit shall be issued to the lessee and shall not be transferable. If the location of an establishment changes, a new permit shall be obtained for the establishment. A permit shall be issued only when the establishment satisfies all of the requirements of the rules and the requirements of subsection (g) of this section.

The Commission shall adopt rules establishing the requirements that must be met before a transitional permit may be issued, and the period for which a transitional permit may be issued. The Department may also impose conditions on the issuance of a permit or transitional permit in accordance with rules adopted by the Commission. A permit or transitional permit shall be immediately revoked in accordance with G.S. 130A-23(d) for failure of the establishment to maintain a minimum grade of C. A permit or transitional permit may otherwise be suspended or revoked in accordance with G.S. 130A-23.

…

(g) All hotels, motels, tourist homes, and other establishments that provide lodging for pay shall install either a battery-operated or electrical carbon monoxide detector in every enclosed space having a fossil fuel burning heater, appliance, or fireplace and in any enclosed space, including a sleeping room, that shares a common wall, floor, or ceiling with an enclosed space having a fossil fuel burning heater, appliance, or fireplace. Carbon monoxide detectors shall be listed by a nationally recognized testing laboratory that is OSHA-approved to test and certify to American National Standards Institute/Underwriters Laboratories Standards ANSI/UL2034 or ANSI/UL2075, and installed in accordance with either the standard of the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions, which the establishment shall retain or provide as proof of compliance. A carbon monoxide detector may be combined with smoke detectors if the combined detector complies with the requirements of this subdivision for carbon monoxide alarms and ANSI/UL217. Smoke detectors comply with the requirements of G.S. 143-138(b2)(2). Upon notification of a violation of G.S. 143-138(b2)(2) by the code official responsible for enforcing the NC State Building Code (Fire Prevention) in accordance..."
with G.S. 143-138(b2)(4), the local health department is authorized to suspend a permit issued pursuant to this section in accordance with G.S. 130A-23."

SECTION 22.(e) No later than March 31, 2015, the Building Code Council shall adopt a rule to amend the NC State Building Code (Fire Prevention) as it applies to structures required to comply with the provisions of G.S. 143-138(b2)(2), as enacted by this section, to adopt the standards for carbon monoxide alarms contained in the 2015 International Fire Code promulgated by the International Code Council. The effective date of the rule required by this section shall be no later than June 1, 2015.

CONTESTED CASES FOR CAMA PERMITS

SECTION 23. G.S. 113A-121.1 reads as rewritten:

"§ 113A-121.1. Administrative review of permit decisions.  
(a) An applicant for a minor or major development permit who is dissatisfied with the decision on his application may file a petition for a contested case hearing under G.S. 150B-23 within 20 days after the decision is made. When a local official makes a decision to grant or deny a minor development permit and the Secretary is dissatisfied with the decision, the Secretary may file a petition for a contested case within 20 days after the decision is made.  
(b) A person other than a permit applicant or the Secretary who is dissatisfied with a decision to deny or grant a minor or major development permit may file a petition for a contested case hearing only if the Commission determines that a hearing is appropriate. A request for a determination of the appropriateness of a contested case hearing shall be made in writing and received by the Commission within 20 days after the disputed permit decision is made. A determination of the appropriateness of a contested case shall be made within 15 days after a request for a determination is received and shall be based on whether the person seeking to commence a contested case:

(1) Has alleged that the decision is contrary to a statute or rule;  
(2) Is directly affected by the decision; and  
(3) Has alleged facts or made legal arguments that demonstrate that the request for the hearing is not frivolous.

If the Commission determines a contested case is appropriate, the petition for a contested case shall be filed within 20 days after the Commission makes its determination. A determination that a person may not commence a contested case is a final agency decision and is subject to judicial review under Article 4 of Chapter 150B of the General Statutes. If, on judicial review, the court determines that the Commission erred in determining that a contested case would not be appropriate, the court shall remand the matter for a contested case hearing under G.S. 150B-23 and final decision on the permit pursuant to G.S. 113A-122. Decisions in such cases shall be rendered pursuant to those rules, regulations, and other applicable laws in effect at the time of the commencement of the contested case.

(c) A When the applicant seeks administrative review of a decision concerning a permit under subsection (a) of this section, the permit is suspended from the time a person seeks administrative review of the decision concerning the permit until the Commission determines that the person seeking the review cannot commence a contested case or the Commission makes a final decision in a the contested case. If the Commission makes a final decision in a contested case, as appropriate, no action may be taken during that time that would be unlawful in the absence of a permit.

(d) A permit challenged under subsection (b) of this section remains in effect unless a stay is issued by the administrative law judge as set forth in G.S. 150B-33 or by a reviewing court as set forth in G.S. 150B-48."

OPEN BURNING

SECTION 24.(a) The definitions set out in G.S. 143-212, G.S. 143-213, and 15A NCAC 02D .1902 (Definitions) apply to this section.

SECTION 24.(b) 15A NCAC 02D .1903 (Open Burning Without an Air Quality Permit). – Until the effective date of the revised permanent rule that the Commission is
required to adopt pursuant to Section 3.11(d) of this section, the Commission and the Department shall implement 15A NCAC 02D .1903 (Open Burning Without an Air Quality Permit) as provided in Section 3.11(c) of this section.

SECTION 24.(c) Implementation. – Notwithstanding Paragraph (b) of 15A NCAC 02D .1903 (Open Burning Without an Air Quality Permit), no air quality permit is required for the open burning of leaves, logs, stumps, tree branches, or yard trimmings if the following conditions are met:

(1) The material burned originates on the premises of private residences and is burned on those premises.
(2) There are no public pickup services available.
(3) Nonvegetative materials, such as household garbage, lumber, or any other synthetic materials, are not burned.
(4) The burning is initiated no earlier than 8:00 A.M. and no additional combustible material is added to the fire between 6:00 P.M. on one day and 8:00 A.M. on the following day.
(5) The burning does not create a nuisance.
(6) Material is not burned when the North Carolina Forest Service has banned burning for that area.

The burning of logs or stumps of any size shall not be considered to create a nuisance for purposes of the application of the open burning air quality permitting exception described in this subsection.

SECTION 24.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend 15A NCAC 02D .1903 (Open Burning Without an Air Quality Permit) consistent with Section 3.11(c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 24(c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 24.(e) Sunset. – Section 24(c) of this section expires on the date that rules adopted pursuant to Section 24(d) of this section become effective.

SECTION 24.(f) Local Government Air Pollution Control Program Limitation. – G.S. 143-215.112(c) is amended by adding a new subdivision to read:

§ 143-215.112. Local air pollution control programs.

(c) (1) The governing body of any county, municipality, or group of counties and municipalities within a designated area of the State, as defined in this Article and Article 21, subject to the approval of the Commission, is hereby authorized to establish, administer, and enforce a local air pollution control program for the county, municipality, or designated area of the State which includes but is not limited to:

a. Development of a comprehensive plan for the control and abatement of new and existing sources of air pollution;

b. Air quality monitoring to determine existing air quality and to define problem areas, as well as to provide background data to show the effectiveness of a pollution abatement program;

c. An emissions inventory to identify specific sources of air contamination and the contaminants emitted, together with the quantity of material discharged into the outdoor atmosphere;

d. Adoption, after notice and public hearing, of air quality and emission control standards, or adoption by reference, without public hearing, of any applicable rules and standards duly adopted by the
Commission; and administration of such rules and standards in accordance with provisions of this section.

c. Provisions for the establishment or approval of time schedules for the control or abatement of existing sources of air pollution and for the review of plans and specifications and issuance of approval documents covering the construction and operation of pollution abatement facilities at existing or new sources;

d. Provision for adequate administrative staff, including an air pollution control officer and technical personnel, and provision for laboratory and other necessary facilities.

(6) No local air pollution control program may limit or otherwise regulate any combustion heater, appliance, or fireplace in private dwellings. For purposes of this subdivision, “combustion heater, appliance, or fireplace” means any heater, appliance, or fireplace that burns combustion fuels, including, but not limited to, natural or liquefied petroleum gas, fuel oil, kerosene, wood, or coal, for heating, cooking, drying, or decorative purposes.”

SECTION 24.(g) G.S. 143-215.108 is amended by adding a new subsection to read:

“§ 143-215.108. Control of sources of air pollution; permits required.

…

(j) No Power to Regulate Residential Combustion. – Nothing in this section shall be interpreted to give the Commission or the Department the power to regulate the emissions from any combustion heater, appliance, or fireplace in private dwellings, except to the extent required by federal law. For purposes of this subsection, “combustion heater, appliance, or fireplace” means any heater, appliance, or fireplace that burns combustion fuels, including, but not limited to, natural or liquefied petroleum gas, fuel oil, kerosene, wood, or coal, for heating, cooking, drying, or decorative purposes.”

SECTION 24.(h) G.S. 160A-193 is amended by adding a new subsection to read:


(a) A city shall have authority to summarily remove, abate, or remedy everything in the city limits, or within one mile thereof, that is dangerous or prejudicial to the public health or public safety. Pursuant to this section, the governing board of a city may order the removal of a swimming pool and its appurtenances upon a finding that the swimming pool or its appurtenances is dangerous or prejudicial to public health or safety. The expense of the action shall be paid by the person in default. If the expense is not paid, it is a lien on the land or premises where the nuisance occurred. A lien established pursuant to this subsection shall have the same priority and be collected as unpaid ad valorem taxes.

…

(c) The authority granted by this section does not authorize the application of a city ordinance banning or otherwise limiting outdoor burning to persons living within one mile of the city, unless the city provides those persons with either (i) trash and yard waste collection services or (ii) access to solid waste dropoff sites on the same basis as city residents.”

COASTAL STORMWATER GRANDFATHER

SECTION 25.(a) The definitions set out in G.S. 143-212, G.S. 143-213, and 15A NCAC 2H .1002 apply to this section.

SECTION 25.(b) 15A NCAC 02H .1005 (Stormwater Requirements: Coastal Counties). – Until the effective date of the revised permanent rule that the Commission is required to adopt pursuant to Section 26(d) of this section, the Commission and the Department shall implement 15A NCAC 02H .1005 (Stormwater Requirements: Coastal Counties) as provided in Section 25(c) of this section.
SECTION 25.(c) Implementation. – Notwithstanding Paragraph (h) of 15A NCAC 02H .1005 (Stormwater Requirements: Coastal Counties), the provisions and requirements applicable to any grandfathered development activity subject to Subparagraph (a)(2) of 15A NCAC 02H .1005 shall also be applicable to an expansion of the development activity. For purposes of this subsection, "grandfathered development activity" means development activity that is regulated by provisions and requirements of 15A NCAC 02H .1005 (Stormwater Requirements: Coastal Counties) that was effective at the time of the original issuance of any of the authorizations listed in Subparagraph (h)(2) of 15A NCAC 02H .1005, because the authorization meets the criteria set forth in that Subparagraph; and "expansion of the development activity" means development activity conducted on a contiguous property or properties under a subdivision plat approved by the local government prior to July 3, 2012.

SECTION 25.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend 15A NCAC 02H .1005 (Stormwater Requirements: Coastal Counties) consistent with Section 25(c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 25(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 25.(e) Sunset. – Section 25(c) of this section expires on the date that rules adopted pursuant to Section 25(d) of this section become effective.

AMEND TRANSPLANTING OF OYSTERS AND CLAMS STATUTE

SECTION 26. G.S. 113-203 reads as rewritten:
"§ 113-203. Transplanting of oysters and clams.
(a) It is unlawful to transplant oysters taken from public grounds to private beds except:
(1) When lawfully taken during open season and transported directly to a private bed in accordance with rules of the Marine Fisheries Commission.
(2) Repealed by Session Laws 2009-433, s. 6, effective August 7, 2009.
(3) When the transplanting is done in accordance with the provisions of this section and implementing rules.

(a1) It is lawful to transplant seed clams less than 12 millimeters in their largest dimension and seed oysters less than 25 millimeters in their largest dimension and when the seed clams and seed oysters originate from an aquaculture operation permitted by the Secretary.

(a2) It is unlawful to do any of the following:
(1) Transplant oysters or clams taken from public grounds to private beds except when lawfully taken during open season and transported directly to a private bed in accordance with rules of the Marine Fisheries Commission.
(2) Transplant oysters or clams taken from permitted aquaculture operations to private beds except from waters in the approved classification.
(3) Transplant oysters or clams from public grounds or permitted aquaculture operations utilizing waters in the restricted or conditionally approved classification to private beds except when the transplanting is done in accordance with the provisions of this section and implementing rules.

(a3) It is lawful to transplant seed oysters or seed clams taken from permitted aquaculture operations that use waters in the restricted or conditionally approved classification to private beds pursuant to an Aquaculture Seed Transplant Permit issued by the Secretary that sets times during which transplant is permissible and other reasonable restrictions imposed by the Secretary under either of the following circumstances:
(1) When transplanting seed clams less than 12 millimeters in their largest dimension.
(2) When transplanting seed oysters less than 25 millimeters in their largest dimension.

804
(a) It is unlawful to conduct a seed transplanting operation pursuant to subsection (a3) of this section if the seed transplanting operation is not conducted in compliance with its Aquaculture Seed Transplant Permit.

(b) It is lawful to transplant from public bottoms to private beds oysters or clams taken from polluted waters in the restricted or conditionally approved classifications with a permit from the Secretary setting out the waters from which the oysters or clams may be taken, the quantities which may be taken, the times during which the taking is permissible, and other reasonable restrictions imposed by the Secretary for the regulation of transplanting operations. Any transplanting operation which does not substantially comply with the restrictions of the permit issued is unlawful.

(c) Repealed by Session Laws 2009-433, s. 6, effective August 7, 2009.

(d) It is lawful to transplant to private beds in North Carolina oysters taken from natural or managed public beds designated by the Marine Fisheries Commission as seed oyster management areas. The Secretary shall issue permits to all qualified individuals who are residents of North Carolina without regard to county of residence to transplant seed oysters from said designated seed oyster management areas, setting out the quantity which may be taken, the times which the taking is permissible and other reasonable restrictions imposed to aid the Secretary in the Secretary's duty of regulating such transplanting operations. Persons taking such seed oysters may, in the discretion of the Marine Fisheries Commission, be required to pay to the Department for oysters taken an amount to reimburse the Department in full or in part for the costs of seed oyster management operations. Any transplanting operation which does not substantially comply with the restrictions of the permit issued is unlawful.

(e) The Marine Fisheries Commission may implement the provisions of this section by rules governing sale, possession, transportation, storage, handling, planting, and harvesting of oysters and clams and setting out any system of marking oysters and clams or of permits or receipts relating to them generally, from both public and private beds, as necessary to regulate the lawful transplanting of seed oysters and oysters or clams taken from or placed on public or private beds.

(f) The Commission may establish a fee for each permit established pursuant to this subsection in an amount that compensates the Division for the administrative costs associated with the permit but that does not exceed one hundred dollars ($100.00) per permit.

(g) Advance Sale of Permits; Permit Revenue. – To ensure an orderly transition from one permit year to the next, the Division may issue a permit prior to July 1 of the permit year for which the permit is valid. Revenue that the Division receives for the issuance of a permit prior to the beginning of a permit year shall not revert at the end of the fiscal year in which the revenue is received and shall be credited and available to the Division for the permit year in which the permit is valid."

EXEMPT CONSTRUCTION AND DEMOLITION LANDFILLS FROM THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS APPLICABLE TO OTHER SOLID WASTE MANAGEMENT FACILITIES

SECTION 27. G.S. 130A-295.2 reads as rewritten:

"§ 130A-295.2. Financial responsibility requirements for applicants and permit holders for solid waste management facilities.

... (h) To meet the financial assurance requirements of this section, the owner or operator of a sanitary landfill, other than a sanitary landfill for the disposal of construction and demolition debris waste, shall establish financial assurance sufficient to cover a minimum of two million dollars ($2,000,000) in costs for potential assessment and corrective action at the facility. The Department may require financial assurance in a higher amount and may increase the amount of financial assurance required of a permit holder at any time based upon the types of waste disposed in the landfill, the projected amount of waste to be disposed in the landfill, the location of the landfill, potential receptors of releases from the landfill, and inflation. The
financial assurance requirements of this subsection are in addition to the other financial responsibility requirements set out in this section.

(h1) To meet the financial assurance requirements of this section, the owner or operator of a sanitary landfill for the disposal of construction and demolition debris waste shall establish financial assurance sufficient to cover a minimum of one million dollars ($1,000,000) in costs for potential assessment and corrective action at the facility. The financial assurance requirements of this subsection are in addition to the other financial responsibility requirements set out in this section.

... (j) In addition to the other methods by which financial assurance may be established as set forth in subsection (f) of this section, the Department may allow the owner or operator of a sanitary landfill permitted on or before August 1, 2009, to meet the financial assurance requirement set forth in subsection (h) of this section by establishing a trust fund which conforms to the following minimum requirements:

... (4) Payments into the fund shall be made in equal annual installments in amounts calculated by dividing the current cost estimate for potential assessment and corrective action at the facility, which, for a sanitary landfill, other than a sanitary landfill for the disposal of construction and demolition debris waste, shall not be less than two million dollars ($2,000,000) in accordance with subsection (h) of this section, by the number of years in the pay-in period.

(5) The trust fund may be terminated by the owner or operator only if the owner or operator establishes financial assurance by another method or combination of methods allowed under subsection (f) of this section.

(6) The trust agreement shall be accompanied by a formal certification of acknowledgement.”

ON-SITE WASTEWATER APPROVAL CLARIFICATION
SECTION 28.(a) G.S. 130A-343 is amended by adding a new subsection to read:

"§ 130A-343. Approval of on-site subsurface wastewater systems.

... (j1) Clarification With Respect to Certain Dispersal Media. – In considering the application by a manufacturer of a wastewater system utilizing expanded polystyrene synthetic aggregate particles as a septic effluent dispersal medium for approval of the system under this section, neither the Commission nor the Department may condition, delay, or deny the approval based on the particle or bulk density of the expanded polystyrene material. With respect to approvals already issued by the Department or Commission that include conditions or requirements related to the particle or bulk density of expanded polystyrene material, the Commission or Department, as applicable, shall promptly reissue all such approvals with the conditions and requirements relating to the density of expanded polystyrene material permanently deleted while leaving all other terms and conditions of the approval intact.

..."

SECTION 28.(b) Until the reissuance of approvals by the Department of Environment and Natural Resources or the Commission for Public Health as required by Section 28(a) of this act, conditions or requirements in existing approvals relating to the particle or bulk density of expanded polystyrene shall have no further force or effect.

REFORM AGENCY REVIEW OF ENGINEERING WORK
SECTION 29.(a) Definitions. – The following definitions apply to Section 6 of this act:

(1) Practice of Engineering. – As defined in G.S. 89C-3.

(2) Professional Engineer. – As defined in G.S. 89C-3.
Session Laws-2014

3. Regulatory Authority. – The Department of Environment and Natural Resources, the Department of Health and Human Services, and any unit of local government operating a program (i) that grants permits, licenses, or approvals to the public and (ii) that is either approved by or delegated from the Department of Environment and Natural Resources or the Department of Health and Human Services.

4. Regulatory Submittal. – An application or other submittal to a Regulatory Authority for a permit, license, or approval. In the case of a unit of local government, Regulatory Submittal shall mean an application or submittal submitted to a program approved by or delegated from the Department of Environment and Natural Resources or the Department of Health and Human Services.

5. Submitting Party. – The person submitting the Regulatory Submittal to the Regulatory Authority.

6. Working Job Title. – The job title a Regulatory Authority uses to publicly identify an employee with job duties that include the review of Regulatory Submittals. Working Job Title does not mean job titles that are used by the human resources department of a Regulatory Authority to classify jobs containing technical aspects related to the Practice of Engineering.

SECTION 29.(b) Standardize Certain Regulatory Review Procedures. – No later than December 1, 2014, each Regulatory Authority shall review and, where necessary, revise its procedures for review of Regulatory Submittals to accomplish the following:

1. Standardize the provision of review and comments on Regulatory Submittals so that revisions or requests for additional information that are required by the Regulatory Authority in order to proceed with the permit, license, or approval are clearly delineated from revisions or requests for additional information that constitute suggestions or recommendations by the Regulatory Authority. For purposes of this subdivision, "suggestions or recommendations by the Regulatory Authority" means comments made by the reviewer of the Regulatory Submittal to the Submitting Party that make a suggestion or recommendation for consideration by the Submitting Party but that are not required by the Regulatory Authority in order to proceed with the permit, license, or approval.

2. With respect to revisions or requests for additional information that are required by the Regulatory Authority in order to proceed with the permit, license, or approval, the Regulatory Authority shall identify the statutory or regulatory authority for the requirement.

SECTION 29.(c) Informal Review. – No later than December 1, 2014, each Regulatory Authority shall create a process for each regulatory program administered by the Regulatory Authority for an informal internal review at the request of the Submitting Party in each of the following circumstances:

1. The inclusion in a Regulatory Submittal of a design or practice sealed by a Professional Engineer but not included in the Regulatory Authority's existing guidance, manuals, or standard operating procedures. This review should first be conducted by the reviewing employee's supervisor or, in the case of a Regulatory Authority that is a unit of local government, either the reviewing employee's supervisor or the delegating or approving State agency. If this initial review was not conducted by a Professional Engineer, then the Submitting Party may request review by (i) a Professional Engineer on the staff of the Regulatory Authority or (ii) the delegating or approving State agency in the case of a Regulatory Authority that is a unit of local government. If the Regulatory Authority or delegating or approving State agency does not employ a Professional Engineer qualified and competent to...
perform the review, it may provide for review by a consulting Professional Engineer selected from a list developed and maintained by the Regulatory Authority. The Regulatory Authority may charge the Submitting Party for the costs of the review by the consulting Professional Engineer. Nothing in this subdivision is intended to limit the authority of the Regulatory Authority to make a final decision with regard to a Regulatory Submittal following the reviews described in this subdivision.

(2) A disagreement between the reviewer of the Regulatory Submittal and the Submitting Party regarding whether the statutory or regulatory authority identified by the Regulatory Authority for revisions or requests for additional information designated as "required" under the procedures set forth in Section 29(b) of this act justifies a required change.

SECTION 29.(d) Scope. – Nothing in Section 29(c) of this act shall limit or abrogate any rights available under Chapter 150B of the General Statutes to any Submitting Party.

SECTION 29.(e) Procedure to Develop List of Consulting Professional Engineers. – Regulatory Authorities shall develop formal written procedures to prepare and maintain a list of consulting Professional Engineers required pursuant to subdivision (1) of Section 29(c) of this act.

SECTION 29.(f) Pilot Study. – No later than March 1, 2015, the Department of Environment and Natural Resources shall complete a pilot study on the Pretreatment, Emergency Response and Collection System (PERCS) wastewater collection system permitting program and the stormwater permitting program and perform the following activities with the assistance and cooperation of the North Carolina Board of Examiners for Engineers and Surveyors and the Professional Engineers of North Carolina:

(1) Produce an inventory of work activities associated with the operation of each regulatory program.
(2) Determine the work activities identified under subdivision (1) of this subsection that constitute the Practice of Engineering.
(3) Develop recommendations for ensuring that work activities constituting the Practice of Engineering are conducted with the appropriate level of oversight.

SECTION 29.(g) Report. – The Department shall report the results of the pilot study to the Environmental Review Commission no later than April 15, 2015.

SECTION 29.(h) Review of Working Job Titles. – No later than December 1, 2014, each Regulatory Authority and the Department of Transportation shall do the following:

(1) Review the Working Job Titles of every employee with job duties that include the review of Regulatory Submittals.
(2) Propose revisions to the Working Job Titles identified under subdivision (1) of this subsection or other administrative measures that will eliminate the public identification as "engineers" of persons reviewing Regulatory Submittals who are not Professional Engineers.

SECTION 29.(i) Initial Report. – Each Regulatory Authority shall report to the Environmental Review Commission prior to the convening of the 2015 Regular Session of the 2015 General Assembly on implementation of the following, if applicable:

(1) The standardized procedures required by Section 29(b) of this act.
(2) The informal review process required by Section 29(c) of this act.
(3) The review of Working Job Titles required by Section 29(h) of this act.

SECTION 29.(j) Annual Report. – Beginning in 2016, each Regulatory Authority shall annually report to the Environmental Review Commission no later than January 15 on the informal review process required by Section 29(c) of this act. The report shall include the number of times the informal review process was utilized and the outcome of the review.
SECTION 29.(k) Annual Reporting Sunset. – Section 29(j) of this act expires on January 1, 2019.

SPEED LIMIT WAIVER IN STATE PARKS AND FORESTS

SECTION 31.(a) G.S. 143-116.8 is amended by adding two new subsections to read:

"§ 143-116.8. Motor vehicle laws applicable to State parks and forests road system.

(a) Except as otherwise provided in this section, all the provisions of Chapter 20 of the General Statutes relating to the use of highways and public vehicular areas of the State and the operation of vehicles thereon are made applicable to the State parks and forests road system. For the purposes of this section, the term "State parks and forests road system" shall mean the streets, alleys, roads, public vehicular areas and driveways of the State parks, State forests, State recreation areas, State lakes, and all other lands administered by the Department of Environment and Natural Resources or the Department of Agriculture and Consumer Services. This term shall not be construed, however, to include streets that are a part of the State highway system. Any person violating any of the provisions of Chapter 20 of the General Statutes hereby made applicable in the State parks and forests road system shall, upon conviction, be punished in accordance with Chapter 20 of the General Statutes. Nothing herein contained shall be construed as in any way interfering with the ownership and control of the State parks road system by the Department of Environment and Natural Resources and the forests road system by the Department of Agriculture and Consumer Services.

(b) (1) It shall be unlawful for a person to operate a vehicle in the State parks road system at a speed in excess of twenty-five miles per hour (25 mph). When the Secretary of Environment and Natural Resources determines that this speed is greater than reasonable and safe under the conditions found to exist in the State parks road system, the Secretary may establish a lower reasonable and safe speed limit. No speed limit established by the Secretary pursuant to this provision shall be effective until posted in the part of the system where the limit is intended to apply.

(1a) It shall be unlawful for a person to operate a vehicle in the State forests road system at a speed in excess of 25 miles per hour. When the Commissioner of Agriculture determines that this speed is greater than reasonable and safe under the conditions found to exist in the State forests road system, the Commissioner may establish a lower reasonable and safe speed limit. No speed limit established by the Commissioner pursuant to this provision shall be effective until posted in the part of the system where the limit is intended to apply.

(f) Notwithstanding any other provision of this section, a person may petition the Department of Environment and Natural Resources for a waiver authorizing the person to operate a vehicle in the State parks road system at a speed in excess of 25 miles per hour in connection with a special event. The Secretary may impose any conditions on a waiver that the Secretary determines to be necessary to protect public health, safety, welfare, and the natural resources of the State park. These conditions shall include a requirement that the person receiving the waiver execute an indemnification agreement with the Department and obtain general liability insurance in an amount not to exceed three million dollars ($3,000,000) covering personal injury and property damage that may result from driving in excess of 25 miles per hour in the State parks road system subject to the conditions determined by the Secretary.

(g) Notwithstanding any other provision of this section, a person may petition the Department of Agriculture and Consumer Services for a waiver authorizing the person to operate a vehicle in the State forests road system at a speed in excess of 25 miles per hour in connection with a special event. The Commissioner may impose any conditions on a waiver
that the Commissioner determines to be necessary to protect public health, safety, welfare, and
the natural resources of the State forest. These conditions shall include a requirement that the
person receiving the waiver execute an indemnification agreement with the Department and
obtain general liability insurance in an amount not to exceed three million dollars ($3,000,000)
covering personal injury and property damage that may result from driving in excess of 25
miles per hour in the State forests road system subject to the conditions determined by the
Commissioner."

SECTION 31.(b) The Department of Environment and Natural Resources and the
Department of Agriculture and Consumer Services shall amend their rules to be consistent with
Section 31(a) of this act.

SCOPE OF LOCAL AUTHORITY FOR ORDINANCES
SECTION 32.(a) Section 10.2 of S.L. 2013-413 is repealed.
SECTION 32.(b) No later than November 1, 2014, and November 1, 2015, the
Department of Agriculture and Consumer Services shall report to the Environmental Review
Commission on any local government ordinances that impinge on or interfere with any area
subject to regulation by the Department.
SECTION 32.(c) No later than November 1, 2014, and November 1, 2015, the
Department of Environment and Natural Resources shall report to the Environmental Review
Commission on any local government ordinances that impinge on or interfere with any area
subject to regulation by the Department.
SECTION 32.(d) In developing the reports pursuant to Sections 32(b) and 32(c) of
this act, the Department of Environment and Natural Resources and the Department of
Agriculture and Consumer Services shall solicit and receive input from the public regarding
any local government ordinances that impinge on or interfere with any area subject to
regulation by the respective Department.

FEE ROLLBACK FOR OYSTER PERMITS UNDER PRIVATE DOCKS
SECTION 33.(a) Subsection (m) of G.S. 113-210 are repealed.
SECTION 33.(b) This section becomes effective July 1, 2014.

LOCAL GOVERNMENT LEASES FOR RENEWABLE ENERGY FACILITIES
SECTION 34. G.S. 160A-272 reads as rewritten:
"§ 160A-272. Lease or rental of property.

(c) The council may approve a lease for the siting and operation of a renewable energy
facility, as that term is defined in G.S. 62-133.8(a)(7), for a term up to 20–25 years without
treating the lease as a sale of property and without giving notice by publication of the intended
lease. This subsection applies to Catawba, Mecklenburg, and Wake Counties, the Cities of
Asheville, Raleigh, and Winston-Salem, and the Towns of Apex, Carrboro, Cary, Chapel Hill,
Fuquay-Varina, Garner, Holly Springs, Knightdale, Morrisville, Rolesville, Wake Forest,
Wendell, and Zebulon only."

INLET HAZARD AREAS
SECTION 35.(a) The definitions set out in G.S. 113A-103 apply to this section.
SECTION 35.(b) 15A NCAC 07H .0304 (AECs Within Ocean Hazard Areas). –
Until the effective date of the revised permanent rule that the Commission is required to adopt
pursuant to Section 35(d) of this act, the Commission and the Department shall implement 15A
NCAC 07H .0304 (AECs Within Ocean Hazard Areas) as provided in Section 35(c) of this act.
SECTION 35.(c) Implementation. – Notwithstanding Subparagraph (3) of 15A
NCAC 07H .0304 (AECs Within Ocean Hazard Areas), the Commission shall not establish any
new and shall repeal any existing inlet hazard area in any location with the following
characteristics:
(1) The location is the former location of an inlet, but the inlet has been closed for at least 15 years.
(2) Due to shoreline migration, the location no longer includes the current location of the inlet.
(3) The location includes an inlet providing access to a State Port via a channel maintained by the United States Army Corps of Engineers.

SECTION 35.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend 15A NCAC 07H .0304 (AECs Within Ocean Hazard Areas) consistent with Section 35(c) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 35(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 35.(e) Sunset. – Section 35(c) of this act expires on the date that rules adopted pursuant to Section 35(d) of this act become effective.

SECTION 35.(f) Nothing in this section is intended to prevent the Commission from (i) studying any current inlet hazard area or any other area considered by the Commission for designation as an inlet hazard area, (ii) designating new inlet hazard areas, or (iii) modifying existing inlet hazard areas consistent with Section 35(c) of this act.

HUNTING TRIALS
SECTION 36.(a) The Wildlife Resources Commission shall adopt rules to clarify the requirements in 15A NCAC 10B .0114 addressing which participants in retriever field trials are required to possess a hunting license, including out-of-state participants, judges, and spectators.

SECTION 36.(b) In developing the rules pursuant to Section 36(a) of this act, the Wildlife Resources Commission shall hold public hearings and consult with field trial groups active in the State.

EXPEDITED IBT PROCESS FOR CERTAIN RESERVOIRS
SECTION 37. G.S. 143-215.22L(w) reads as rewritten:
"(w) Requirements for Coastal Counties. – A petition for a certificate (i) to transfer surface water to supplement ground water supplies in the 15 counties designated as the Central Capacity Use Area under 15A NCAC 2E.0501, or (ii) to transfer surface water withdrawn from the mainstem of a river to provide service to one of the coastal area counties designated pursuant to G.S. 113A-103, or (iii) to withdraw or transfer water stored in any multipurpose reservoir constructed by the United States Army Corps of Engineers and partially located in a state adjacent to North Carolina, provided the United States Army Corps of Engineers approved the withdrawal or transfer on or before July 1, 2014, shall be considered and a determination made according to the following procedures:

(1) The applicant shall file a notice of intent that includes a nontechnical description of the applicant's request and identification of the proposed water source.
(2) The applicant shall prepare an environmental document pursuant to subsection (d) of this section, except that an environmental impact statement shall not be required unless it would otherwise be required by Article 1 of Chapter 113A of the General Statutes.
(3) Upon determining that the documentation submitted by the applicant is adequate to satisfy the requirements of this subsection, the Department shall publish a notice of the petition in the North Carolina Register and shall hold a public hearing at a location convenient to both the source and receiving
river basins. The Department shall provide written notice of the petition and the public hearing in the Environmental Bulletin, a newspaper of general circulation in the source river basin, a newspaper of general circulation in the receiving river basin, and as provided in subdivision (3) of subsection (c) of this section. The applicant who petitions the Commission for a certificate under this subdivision shall pay the costs associated with the notice and public hearing.

(4) The Department shall accept comments on the petition for a minimum of 30 days following the public hearing.

(5) The Commission or the Department may require the applicant to provide any additional information or documentation it deems reasonably necessary in order to make a final determination.

(6) The Commission shall make a final determination whether to grant the certificate based on the factors set out in subsection (k) of this section, information provided by the applicant, and any other information the Commission deems relevant. The Commission shall state in writing its findings of fact and conclusions of law with regard to each factor.

(7) The Commission shall grant the certificate if it finds that the applicant has established by a preponderance of the evidence that the petition satisfies the requirements of subsection (m) of this section. The Commission may grant the certificate in whole or in part, or deny the request, and may impose such limitations and conditions on the certificate as it deems necessary and relevant.”

ELIMINATE OUTDATED AIR QUALITY REPORTING REQUIREMENTS

SECTION 38.(a) G.S. 143-215.3A reads as rewritten:

"§ 143-215.3A. Water and Air Quality Account; use of application and permit fees; Title V Account; I & M Air Pollution Control Account; reports.

... (c) The Department shall report to the Environmental Review Commission and the Fiscal Research Division on the cost of the State's environmental permitting programs contained within the Department on or before 1 November of each year. In addition, the Department shall report to the Environmental Review Commission and the Fiscal Research Division on the cost of the Title V Program on or before 1 November of each year. The report shall include, but is not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all other sources, interest earned and any other information requested by the General Assembly.”

SECTION 38.(b) The following sections of S.L. 2002-4 are repealed:

(1) Section 10.
(2) Section 11, as amended by Section 12 of S.L. 2006-79 and S.L. 2010-142.
(3) Section 12.
(4) Section 13.

SECTION 38.(c) G.S. 143-215.108(g) is repealed.

CLARIFYING CHANGES TO STATUTES PERTAINING TO THE MANAGEMENT OF VENOMOUS SNAKES AND OTHER REPTILES

SECTION 39. G.S. 114-419(b) reads as rewritten:

"§ 14-419. Investigation of suspected violations; seizure and examination of reptiles; disposition of reptiles.

...
(b) If the Museum or the Zoological Park or their designated representatives find that a seized reptile is a venomous reptile, large constricting snake, or crocodilian regulated under this Article, the Museum or the Zoological Park or their designated representative shall determine final disposition of the reptile in a manner consistent with the safety of the public, which in the case of a venomous reptile for which antivenin approved by the United States Food and Drug Administration is not readily available, may include euthanasia shall be euthanized unless the species is protected under the federal Endangered Species Act of 1973."

REFORM ON-SITE WASTEWATER REGULATION

SECTION 40.(a)  G.S. 130A-334 reads as rewritten:


The following definitions shall apply throughout this Article:

(1b) "Ground absorption system" means a system of tanks, treatment units, nitrification fields, and appurtenances for wastewater collection, treatment, and subsurface disposal.

(7a) "Plat" means a property survey prepared by a registered land surveyor, drawn to a scale of one inch equals no more than 60 feet, that includes: the specific location of the proposed facility and appurtenances, the site for the proposed wastewater system, and the location of water supplies and surface waters. "Plat" also means, for subdivision lots approved by the local planning authority and recorded with the county register of deeds, if a local planning authority exists at the time of application for a permit under this Article, a copy of the recorded subdivision plat that has been recorded with the county register of deeds and is accompanied by a site plan that is drawn to scale.

(15) "Wastewater system" means a system of wastewater collection, treatment, and disposal in single or multiple components, including a ground absorption system, privy, septic tank system, public or community wastewater system, wastewater reuse or recycle system, mechanical or biological wastewater treatment system, any other similar system, and any chemical toilet used only for human waste. A wastewater system located on multiple adjoining lots or tracts of land under common ownership or control shall be considered a single system for purposes of permitting under this Article."

SECTION 40.(b)  G.S. 130A-335(f1) reads as rewritten:

"(f1) A preconstruction conference with the owner or developer, or an agent of the owner or developer, and a representative of the local health department shall be required for any authorization for wastewater system construction issued with an improvement permit under G.S. 130-336 when the authorization is greater than five years old. Following the conference, the local health department shall issue a revised authorization advise the owner or developer of any rule changes for wastewater system construction that includes incorporating current technology that can reasonably be expected to improve the performance of the system. The local health department shall issue a revised authorization for wastewater system construction incorporating the rule changes upon the written request of the owner or developer."

SECTION 40.(c)  G.S. 130A-336 reads as rewritten:

"§ 130A-336. Improvement permit and authorization for wastewater system construction required.

(b) The local health department shall issue an authorization for wastewater system construction authorizing work to proceed and the installation or repair of a wastewater system
when it has determined after a field investigation that the system can be installed and operated in compliance with this Article and rules adopted pursuant to this Article. This authorization for wastewater system construction shall be valid for a period equal to the period of validity of the improvement permit, not to exceed five years, permit and may be issued at the same time the improvement permit is issued. No person shall commence or assist in the installation, construction, or repair of a wastewater system unless an improvement permit and an authorization for wastewater system construction have been obtained from the Department or the local health department. No improvement permit or authorization for wastewater system construction shall be required for maintenance of a wastewater system. The Department and the local health department may impose conditions on the issuance of an improvement permit and an authorization for wastewater system construction.

(c) Unless the Commission otherwise provides by rule, plans, and specifications for all wastewater systems designed for the collection, treatment, and disposal of industrial process wastewater shall be reviewed and approved by the Department prior to the issuance of an authorization for wastewater system construction by the local health department.

(d) If a local health department repeatedly fails to issue or deny improvement permits for conventional septic tank systems within 60 days of receiving completed applications for the permits, then the Department of Environment and Natural Resources may withhold public health funding from that local health department."

**REPEAL WASTE MANAGEMENT BOARD RULES**

**SECTION 41.(a)** The General Assembly finds that the statutory authority for the Governor's Waste Management Board was repealed by S.L. 1993-501 and, therefore, regulations previously promulgated by that Board are no longer enforceable or necessary.

**SECTION 41.(b)** The Secretary of Environment and Natural Resources shall repeal 15A NCAC Chapter 14 (Governor's Waste Management Board) on or before December 1, 2014. Until the effective date of the repeal of the rule required pursuant to this section, the Secretary, the Department of Environment and Natural Resources, the Environmental Management Commission, or any other political subdivision of the State shall not implement or enforce 15A NCAC Chapter 14 (Governor's Waste Management Board).

**WELL CONTRACTOR LICENSING CHANGES**

**SECTION 42.(a)** G.S. 87-43.1 is amended by adding the following new subdivision to read:

"§ 87-43.1. Exceptions.

The provisions of this Article shall not apply:

(10) To the installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch."

**SECTION 42.(b)** G.S. 87-98.6 reads as rewritten:

"§ 87-98.6. Well contractor qualifications and examination.

(a) The Commission, with the advice and assistance of the Secretary, shall establish minimum requirements of education, experience, and knowledge for each type of certification for well contractors and shall establish procedures for receiving applications for certification, conducting examinations, and making investigations of applicants as may be necessary and appropriate so that prompt and fair consideration will be given to each applicant.

(b) The Commission, with the advice and assistance of the Secretary, shall establish minimum requirements of education, experience, and knowledge for each type of certification for well contractors for the installation, construction, maintenance, and repair of electrical wiring devices, appliances, and equipment related to the construction, operation, and repair of wells. Requirements developed pursuant to this subsection shall apply only to the initial
certification of an applicant and shall not be required as part of continuing education or as a condition of certification renewal."

SECTION 42.(c) This section is effective when it becomes law. The requirements of subsection (b) of G.S. 87-98.6, as enacted by Section 42(b) of this act, apply to applicants applying for certification on or after the date this section becomes effective.

STANDARDIZE LOCAL WELL PROGRAMS

SECTION 43.(a) G.S. 87-97 reads as rewritten:

"§ 87-97. Permitting, inspection, and testing of private drinking water wells.

(a) Mandatory Local Well Programs. – Each county, through the local health department that serves the county, shall implement a private drinking water well permitting, inspection, and testing program. Local health departments shall administer the program and enforce the minimum well construction, permitting, inspection, repair, and testing requirements set out in this Article and rules adopted pursuant to this Article. No person shall unduly delay or refuse to permit a well that can be constructed or repaired and operated in compliance with the requirements set out in this Article and rules adopted pursuant to this Article.

(a1) Use of Standard Forms. – Local well programs shall use the standard forms created by the Department for all required submittals and shall not create their own forms unless the local program submits a petition for rule-making to the Environmental Management Commission, and the Commission by rule finds that conditions or circumstances unique to the area served by the local well program constitute a threat to public health that will be mitigated by use of a local form different from the form used by the Department.

(k) Registry of Permits and Test Results. – Each local health department shall maintain a registry of all private drinking water wells for which a construction permit or repair permit is issued that is searchable by address or addresses served by the well. The registry shall specify the physical location of each private drinking water well and shall include the results of all tests of water from each well. The local health department shall retain a record of the results of all tests of water from a private drinking water well until the well is properly closed in accordance with the requirements of this Article and rules adopted pursuant to this Article.

..."

SECTION 43.(b) Notwithstanding 15A NCAC 02C .0107(j)(2), neither the Department of Environment and Natural Resources nor any local well program shall require that well contractor identification plates include the well construction permit numbers. Local well programs may install a plate with the well construction permit number or any other information deemed relevant on a well at the expense of the local program.

SECTION 43.(c) The Environmental Management Commission shall adopt a rule to amend 15A NCAC 02C .0107(j)(2) consistent with Section 43(b) of this act.

SECTION 43.(d) Section 43(b) of this act expires on the date that the rule adopted pursuant to Section 43(c) of this act becomes effective.

SECTION 43.(e) If the well location marked on the map submitted with an application to a local well program is also marked with a stake or similar marker on the property, then the local well program may not require the contractor to be on-site during the on-site predrill inspection, as long as the contractor is available by telephone to answer questions.

SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY

SECTION 44.(a) It is the intent of the General Assembly to establish a marine shellfish sanctuary in the Pamlico Sound to be named in honor of former Senator Jean Preston, to be called the "Senator Jean Preston Marine Shellfish Sanctuary."

SECTION 44.(b) The Division of Marine Fisheries of the Department of Environment and Natural Resources shall designate an area of appropriate acreage within the Pamlico Sound as a recommendation to the Environmental Review Commission for
establishment of the "Senator Jean Preston Marine Shellfish Sanctuary" and create a plan for managing the sanctuary that includes the following components:

(1) Location and delineation of the sanctuary. – The plan should include a location for the sanctuary that minimizes the impact on commercial trawling. In addition, the sanctuary should be gridded into areas leased to private parties for restoration and harvest and areas operated and maintained by the State for restoration that are not open for harvest. The leased and unleased areas should be arranged in a pattern where leased squares are surrounded on four sides by unleased squares.

(2) Administration. – The plan should include the prices to be charged for the leased portions of the sanctuary, including an administration fee to be retained by the Division to support the leasing and monitoring program. The plan shall also provide that the balance of lease payments collected by the Division be transferred to the General Fund with a recommendation that some or all of the proceeds be used for the support of the State's special education programs in memory of Senator Jean Preston.

(3) Funding. – The plan should include a request for appropriations sufficient to provide funds for the construction of appropriate bottom habitat and shellfish seeding and for Division staff necessary to conduct oyster restoration and monitoring activities. The plan should provide that, whenever possible, construction and shellfish seeding be carried out by contract with private entities.

(4) Commercial fisherman relief. – To promote the diversification of commercial fishing opportunities, the plan should include a program to award free or discounted leases under this section to commercial fishermen who (i) have held one or more commercial fishing licenses continually for a period of 10 or more years and (ii) receive at least fifty percent (50%) of their income from commercial fishing with those licenses.

(5) Recommendations. – The plan should include recommendations for statutory or regulatory changes needed to expedite the expansion of shellfish restoration and harvesting in order to improve water quality, restore ecological habitats, and expand the coastal economy.

SECTION 44.(c) No later than December 1, 2014, and quarterly thereafter until submission of a final plan to the Environmental Review Commission, the Department of Environment and Natural Resources shall report to the Environmental Review Commission regarding its implementation of this section and its recommended plan.

CLARIFY GRAVEL UNDER STORMWATER LAWS

SECTION 45.(a) G.S. 143-214.7(b2) reads as rewritten:

"(b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a wooden slatted deck, deck or the water area of a swimming pool, or gravel pool."

SECTION 45.(b) The Environmental Management Commission shall amend its rules to be consistent with the definition of "built-upon area" set out in subsection (b2) of G.S. 143-214.7, as amended by Section 45(a) of this act.

SECTION 45.(c) Unless specifically authorized by the General Assembly, neither the Environmental Management Commission nor the Department of Environment and Natural Resources have the authority to define the term "gravel" for purposes of implementing stormwater programs. Any rule adopted by the Environmental Management Commission or the Department of Environment and Natural Resources that defines the term "gravel" for purposes of implementing stormwater programs is not effective and shall not become effective.

816
SESSION 45.(d) This section is effective when it becomes law. Subsection (b2) of G.S. 143-214.7, as amended by Section 45(a) of this act, applies to projects for which permit applications are received on or after that date.

UNITED STATES POSTAL SERVICE CLUSTER BOX UNITS/NO STORMWATER PERMIT MODIFICATION REQUIRED

SECTION 46.(a) Notwithstanding the requirements of Article 21 of Chapter 143 of the General Statutes and rules adopted pursuant to that Article, the addition of a cluster box unit to a single-family or duplex development permitted by a local government shall not require a modification to any stormwater permit for that development. This section shall only apply to single-family or duplex developments in which individual curbside mailboxes are replaced with cluster box units whereupon the associated built-upon area supporting the cluster box units shall be considered incidental and shall not be required in the calculation of built-upon area for the development for stormwater permitting purposes.

SESSION 46.(b) This section is effective when this act becomes law and expires on December 31, 2015, or when regulations on cluster box design and placement by the United States Postal Service become effective and those regulations are adopted by local governments, whichever is earlier.

MODIFICATION OF APPROVED WASTEWATER SYSTEMS

SECTION 47.(a) The definitions set out in G.S. 130A-343 shall apply to this section.

SECTION 47.(b) 15A NCAC 18A .1969(j) (Modification of Approved Systems). – Until the effective date of the revised permanent rule that the Commission is required to adopt pursuant to Section 47(d) of this act, the Commission and the Department shall implement 15A NCAC 18A .1969(j) (Modification of Approved Systems) as provided in Section 47(c) of this act.

SECTION 47.(c) Implementation. – Notwithstanding 15A NCAC 18A .1969(j) (Modification of Approved Systems), the rule shall be implemented so as to not require a survey or audit of installed modified accepted systems in order to confirm the satisfactory performance of such systems.

SECTION 47.(d) Additional Rule-Making Authority. – The Commission for Public Health shall adopt a rule to amend 15A NCAC 18A .1969(j) (Modification of Approved Systems) consistent with Section 47(c) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 47(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 47.(e) Sunset. – Section 47(c) of this act expires on the date that the rule adopted pursuant to Section 47(d) of this act becomes effective.

CAPSTONE PERMITTING

SECTION 48. G.S. 150B-23 is amended by adding a new subsection to read:

"§ 150B-23. Commencement; assignment of administrative law judge; hearing required; notice; intervention.

... (g) Where multiple licenses are required from an agency for a single activity, the Secretary or chief administrative officer of the agency may issue a written determination that the administrative decision reviewable under Article 3 of this Chapter occurs on the date the last license for the activity is issued, denied, or otherwise disposed of. The written determination of the administrative decision is not reviewable under this Article. Any licenses issued for the activity prior to the date of the last license identified in the written determination..."
are not reviewable under this Article until the last license for the activity is issued, denied, or otherwise disposed of. A contested case challenging the last license decision for the activity may include challenges to agency decisions on any of the previous licenses required for the activity.”

CHANGES TO THE RESIDENTIAL PROPERTY DISCLOSURE ACT

SECTION 49.(a) Chapter 47E of the General Statutes reads as rewritten:

"Chapter 47E.

*Residential Property Disclosure Act.

...§ 47E-2. Exemptions.
The following transfers are exempt from the provisions of this Chapter:

(1) Transfers pursuant to court order, including transfers ordered by a court in administration of an estate, transfers pursuant to a writ of execution, transfers by foreclosure sale, transfers by a trustee in bankruptcy, transfers by eminent domain, and transfers resulting from a decree for specific performance.

(2) Transfers to a beneficiary from the grantor or his successor in interest in a deed of trust, or to a mortgagee from the mortgagor or his successor in interest in a mortgage, if the indebtedness is in default; transfers by a trustee under a deed of trust or a mortgagee under a mortgage, if the indebtedness is in default; transfers by a trustee under a deed of trust or a mortgagee under a mortgage pursuant to a foreclosure sale, or transfers by a beneficiary under a deed of trust, who has acquired the real property at a sale conducted pursuant to a foreclosure sale under a deed of trust.

(3) Transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust.

(4) Transfers from one or more co-owners solely to one or more other co-owners.

(5) Transfers made solely to a spouse or a person or persons in the lineal line of consanguinity of one or more transferors.

(6) Transfers between spouses resulting from a decree of divorce or a distribution pursuant to Chapter 50 of the General Statutes or comparable provision of another state.

(7) Transfers made by virtue of the record owner's failure to pay any federal, State, or local taxes.

(8) Transfers to or from the State or any political subdivision of the State.

(b) The following transfers are exempt from the provisions of G.S. 47E-4 but not from the requirements of G.S. 47E-4.1:

(9) Transfers involving the first sale of a dwelling never inhabited.

(10) Lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling.

(11) Transfers between parties when both parties agree not to complete a residential property disclosure statement or an owners' association and mandatory covenants disclosure statement.

...§ 47E-4. Required disclosures.

... (b2) With regard to transfers described in G.S. 47E-1, the owner of the real property shall include in any real estate contract, an oil and gas rights mandatory disclosure as provided in this subsection:
(1) Transfers of residential property set forth in G.S. 47E-2 are excluded from this requirement, except that the exemptions provided under subdivisions (9) and (11) of G.S. 47E-2 specifically are not excluded from this requirement.

(2) The disclosure shall be conspicuous, shall be in boldface type, and shall be as follows:

**OIL AND GAS RIGHTS DISCLOSURE**

Oil and gas rights can be severed from the title to real property by conveyance (deed) of the oil and gas rights from the owner or by reservation of the oil and gas rights by the owner. If oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of oil and gas rights, Seller makes the following disclosures:

<table>
<thead>
<tr>
<th>Buyer Initials</th>
<th>Yes</th>
<th>No</th>
<th>No Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mineral rights were severed from the property by a previous owner.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyer Initials</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seller has severed the oil and gas rights from the property.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyer Initials</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(c) The rights of the parties to a real estate contract as to conditions of the property of which the owner had no actual knowledge are not affected by this Article unless the residential disclosure statement or the owners' association and mandatory covenants disclosure statement, as applicable, states that the owner makes no representations as to those conditions. If the statement states that an owner makes no representations as to the conditions of the property, then the owner has no duty to disclose those conditions, whether or not the owner should have known of them.

§ 47E-4.1. Required mineral and oil and gas rights disclosures.

(a) With regard to transfers described in G.S. 47E-1 and G.S. 47E-2(b), the owner of the real property shall furnish to a purchaser a mineral and oil and gas rights mandatory disclosure statement. The disclosure shall be conspicuous, shall be in boldface type, and shall be as follows:

**MINERAL AND OIL AND GAS RIGHTS DISCLOSURE**

Mineral rights and/or oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral rights and/or oil and gas rights from the owner or by reservation of the mineral rights and/or oil and gas rights by the owner. If mineral rights and/or oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface mineral and/or oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of mineral rights and/or oil and gas rights, Seller makes the following disclosures:

<table>
<thead>
<tr>
<th>Buyer Initials</th>
<th>Yes</th>
<th>No</th>
<th>No Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mineral rights were severed from the property by a previous owner.</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyer Initials</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seller has severed the mineral</td>
<td>Yes</td>
</tr>
<tr>
<td>Buyer Initials</td>
<td>rights from the property.</td>
<td>Yes</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------</td>
<td>-----</td>
</tr>
<tr>
<td>Buyer Initials</td>
<td>Seller intends to sever the mineral rights from the property prior to transfer of title to Buyer.</td>
<td>—</td>
</tr>
<tr>
<td>Buyer Initials</td>
<td>Oil and gas rights were severed from the property by a previous owner.</td>
<td>Yes</td>
</tr>
<tr>
<td>Buyer Initials</td>
<td>Seller has severed the oil and gas rights from the property.</td>
<td>Yes</td>
</tr>
<tr>
<td>Buyer Initials</td>
<td>Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.</td>
<td>—</td>
</tr>
</tbody>
</table>

(b) The North Carolina Real Estate Commission shall develop and require the use of a mineral and oil and gas rights mandatory disclosure statement to comply with the requirements of this section. The disclosure statement shall specify that the transfers identified in G.S. 47E-2(a) are exempt from this requirement but the transfers identified in G.S. 47E-2(b) are not. The disclosure statement shall provide the owner with the option to indicate whether the owner has actual knowledge of the specified characteristics or conditions. The owner may make no representations only as to a previous severance of mineral rights and previous severance of oil and gas rights.

(c) The rights of the parties to a real estate contract as to the severance of minerals or the severance of oil and gas rights by the previous owner of the property and of which the owner had no actual knowledge are not affected by this Article unless the mineral and oil and gas rights mandatory disclosure statement states that the owner makes no representations as to the severance of mineral rights or the severance of oil and gas rights by the previous owner of the property. If the statement states that an owner makes no representations as to the severance of mineral rights or the severance of oil and gas rights by the previous owner of the property, then the owner has no duty to disclose the severance of mineral rights or the severance of oil and gas rights, as applicable, by a previous owner of the property, whether or not the owner should have known of any such severance.

“§ 47E-5. Time for disclosure; cancellation of contract.
(a) The owner of real property subject to this Chapter shall deliver to the purchaser the disclosure statements required by this Chapter no later than the time the purchaser makes an offer to purchase, exchange, or option the property, or exercises the option to purchase the property pursuant to a lease with an option to purchase. The residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, or the owners' association and mandatory covenants disclosure statement may be included in the real estate contract, in an addendum, or in a separate document.

“§ 47E-6. Owner liability for disclosure of information provided by others.
The With the exception of the disclosures required by G.S. 47E-4.1, the owner may discharge the duty to disclose imposed by this Chapter by providing a written report attached to the residential property disclosure statement and the owners' association and mandatory covenants disclosure statement by a public agency or by an attorney, engineer, land surveyor, geologist, pest control operator, contractor, home inspector or other expert, dealing with matters within the scope of the public agency's functions or the expert's license or expertise. The owner shall not be liable for any error, inaccuracy, or omission of any information delivered pursuant to this section if the error, inaccuracy, or omission was made in reasonable reliance upon the information provided by the public agency or expert and the owner was not grossly negligent in obtaining the information or transmitting it.
§ 47E-7. Change in circumstances.
If, subsequent to the owner's delivery of a residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, or the owners' association and mandatory covenants disclosure statement to a purchaser, the owner discovers a material inaccuracy in a disclosure statement, or a disclosure statement is rendered inaccurate in a material way by the occurrence of some event or circumstance, the owner shall promptly correct the inaccuracy by delivering a corrected disclosure statement or statements to the purchaser. Failure to deliver a corrected disclosure statement or to make the repairs made necessary by the event or circumstance shall result in such remedies for the buyer as are provided for by law in the event the sale agreement requires the property to be in substantially the same condition at closing as on the date of the offer to purchase, reasonable wear and tear excepted.

§ 47E-8. Agent's duty.
A real estate broker or salesman acting as an agent in a residential real estate transaction has the duty to inform each of the clients of the real estate broker or salesman of the client's rights and obligations under this Chapter. Provided the owner's real estate broker or salesman has performed this duty, the broker or salesman shall not be responsible for the owner's willful refusal to provide a prospective purchaser with a residential property disclosure statement, the mineral and oil and gas rights mandatory disclosure statement, or an owners' association and mandatory covenants disclosure statement. Nothing in this Chapter shall be construed to conflict with, or alter, the broker or salesman's broker's duties under Chapter 93A of the General Statutes.

SECTION 49.(b) This section becomes effective January 1, 2015, and applies to contracts executed on or after that date.

REPORTS ON MINIMUM DESIGN CRITERIA

SECTION 50. Section 1 of S.L. 2013-82 reads as rewritten:

"SECTION 1. The Department of Environment and Natural Resources shall develop Minimum Design Criteria for permits issued by the stormwater runoff permitting programs authorized by G.S. 143-214.7. The Minimum Design Criteria shall include all requirements for siting, site preparation, design and construction, and post-construction monitoring and evaluation necessary for the Department to issue stormwater permits that comply with State water quality standards adopted pursuant to G.S. 143-214.1, 143-214.7, and 143-215.3(a)(1). In developing and updating the Minimum Design Criteria, the Department shall consult with a technical working group that consists of industry experts, engineers, environmental consultants, relevant faculty from The University of North Carolina, and other interested stakeholders. The Department shall submit interim reports on its progress in developing the Minimum Design Criteria to the Environmental Review Commission no later than September 1, 2014, and December 1, 2014. The Department shall submit a final report, including its recommendations to the Environmental Review Commission no later than February 1, 2015."

CLARIFY EFFECTIVE DATE OF DEFINITION OF DISCHARGE OF WASTE

SECTION 51.(a) Section 17 of S.L. 2012-187 reads as rewritten:

"SECTION 17. Section 11 of this act is effective when it becomes law and applies to contested cases filed or pending on or after that date. Except as otherwise provided, this act is effective when it becomes law."

SECTION 51.(b) This section becomes effective July 16, 2012.

STATEWIDE VENUS FLYTRAP PENALTIES

SECTION 52.(a) Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:
"§ 14-129.3. Felony taking of Venus flytrap.
(a) Any person, firm, or corporation who digs up, pulls up, takes, or carries away, or aids in taking or carrying away, any Venus flytrap (Dionaea muscipula) plant or the seed of any Venus flytrap plant growing upon the lands of another person, or from the public domain, with the intent to steal the Venus flytrap plant or seed is guilty of a Class H felony.
(b) This section shall not apply to any person, firm, or corporation that has a permit to dig up, pull up, take, or carry away the plant or seed, signed by the owner of the land, or the owner's duly authorized agent. At the time of the digging, pulling, taking, or carrying away, the permit shall be in the possession of the person, firm, or corporation on the land."

SECTION 52.(b) G.S. 14-129 reads as rewritten:
"§ 14-129. Taking, etc., of certain wild plants from land of another.
No person, firm or corporation shall dig up, pull up or take from the land of another or from any public domain, the whole or any part of any Venus flytrap (Dionaea muscipula), trailing arbutus, Aaron's Rod (Thermopsis caroliniana), Bird-foot Violet (Viola pedata), Bloodroot (Sanguinaria canadensis), Blue Dogbane (Amsonia tabernaemontana), Cardinal-flower (Lobelia cardinalis), Columbine (Aquilegia canadensis), Dutchman's Breeches (Dicentra cucullaria), Maidenhair Fern (Adiantum pedatum), Walking Fern (Camptosorus rhizophyllus), Gentians (Gentiana), Ground Cedar, Running Cedar, Hepatica (Hepatica americana and acutiloba), Jack-in-the-Pulpit (Arisaema triphyllum), Lily (Lilium), Lupine (Lupinus), Monkshood (Aconitum uncinatum and reclinatum), May Apple (Podophyllum peltatum), Orchids (all species), Pitcher Plant (Sarracenia), Shooting Star (Dodecatheon meadia), Oconee Bells (Shortia galacifolia), Solomon's Seal (Polygonatum), Trailing Christmas (Greens-Lycopodium), Trillium (Trillium), Virginia Bluebells (Mertensia virginica), and Fringe Tree (Chionanthis virginicus), American holly, white pine, red cedar, hemlock or other coniferous trees, or any flowering dogwood, any mountain laurel, any rhododendron, or any ground pine, or any Christmas greens, or any Judas tree, or any leucothea, or any azalea, without having in his possession a permit to dig up, pull up or take such plants, signed by the owner of such land, or by his duly authorized agent. Any person convicted of violating the provisions of this section shall be guilty of a Class 3 misdemeanor only punished by a fine of not less than ten dollars ($10.00), seventy-five dollars ($75.00) nor more than fifty dollars ($50.00)one hundred seventy-five dollars ($175.00) for each offense. The provisions of this section shall not apply to the Counties of Cabarrus, Carteret, Catawba, Cherokee, Chowan, Cumberland, Currituck, Dare, Duplin, Edgecombe, Franklin, Gaston, Granville, Hertford, McDowell, Pamlico, Pender, Person, Richmond, Rockingham, Rowan and Swain offense, with each plant taken in violation of this section constituting a separate offense. The Clerk of Court for the jurisdiction in which a conviction occurs under this section involving any species listed in this section that also appears on the North Carolina Protected Plants list created under the authority granted by Article 19B of Chapter 106 of the General Statutes shall report the conviction to the Plant Conservation Board so the Board may consider a civil penalty under the authority of that Article."

SECTION 52.(c) This section becomes effective December 1, 2014, and applies to offenses committed on or after that date.

EXPAND DAILY FLOW DESIGN EXEMPTION FOR LOW-FLOW FIXTURES

SECTION 53. Section 34(b) of S.L. 2013-413 reads as rewritten:
"SECTION 34.(b) Implementation. – Notwithstanding the Daily Flow for Design rates listed for dwelling units in 15A NCAC 18A .1949(a) or for other establishments in Table No. 1 of 15A NCAC 18A .1949(b) (Sewage Flow Rates for Design Units), a wastewater system shall be exempt from the Daily Flow for Design, and any other design flow standards that are established by the Department of Health and Human Services or the Commission for Public Health provided flow rates that are less than those listed in Table No. 1 of 15A NCAC 18A .1949(b)15A NCAC 18A .1949 (Sewage Flow Rates for Design Units) can be achieved through engineering design that utilizes low-flow fixtures and low-flow technologies and the design is
prepared, sealed, and signed by a professional engineer licensed pursuant to Chapter 89C of the General Statutes. The Department and Commission may establish lower limits on reduced flow rates as necessary to ensure wastewater system integrity and protect public health, safety, and welfare, provided that the Commission relies on scientific evidence specific to soil types found in North Carolina that the lower limits are necessary for those soil types. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2). Proposed daily design flows for wastewater systems that are calculated to be less than 3,000 total gallons per day shall not require State review pursuant to 15A NCAC 18A .1938(e). Neither the State nor any local health department shall be liable for any damages caused by a system approved or permitted pursuant to this section."

AMEND ISOLATED WETLANDS REGULATION

SECTION 54.(a) Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to Section 54(c) of this act, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 02H .1305 (Review of Applications) as provided in Section 54(b) of this act.

SECTION 54.(b) Notwithstanding 15A NCAC 02H .1305 (Review of Applications), all of the following shall apply to the implementation of 15A NCAC 02H .1305:

1. The amount of impacts of isolated wetlands under 15A NCAC 02H .1305(d)(2) shall be less than or equal to one acre of isolated wetlands east of I-95 for the entire project and less than or equal to 1/3 acre of isolated wetlands west of I-95 for the entire project.

2. The mitigation ratio for impacts of greater than one acre for the entire project under 15A NCAC 02H .1305(g)(6) shall be 1:1 and may be located on the same parcel.

3. For purposes of Section 54(b) of this section, "isolated wetlands" means a Basin Wetland or Bog as described in the North Carolina Wetland Assessment User Manual prepared by the North Carolina Wetland Functional Assessment Team, version 4.1 October, 2010, that are not jurisdictional wetlands under the federal Clean Water Act. An "isolated wetland" does not include an isolated man-made ditch or pond constructed for stormwater management purposes or any other man-made isolated pond.

SECTION 54.(c) The Environmental Management Commission shall adopt rules to amend 15A NCAC 02H .1300 through 15A NCAC 02H .1305 consistent with Section 54(b) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subsection shall be substantively identical to the provisions of Section 54(b) of this act. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 54.(d) The Department of Environment and Natural Resources shall study (i) how the term "isolated wetland" has been previously defined in State law and whether the term should be clarified in order to provide greater certainty in identifying isolated wetlands; (ii) the surface area thresholds for the regulation of mountain bog isolated wetlands, including whether mountain bog isolated wetlands should have surface area regulatory thresholds different from other types of isolated wetlands; and (iii) whether impacts to isolated wetlands should be combined with the project impacts to jurisdictional wetlands or streams for the purpose of determining when impact thresholds that trigger a mitigation requirement are met. The Department shall report its findings and recommendations to the Environmental Review Commission on or before November 1, 2014.
SECTION 54.(e) This section is effective when it becomes law. Section 54(b) of this act expires on the date that rules adopted pursuant to Section 54(c) of this act become effective.

ENERGY AUDIT REQUIREMENTS

SECTION 55. G.S. 143-64.12 reads as rewritten:
"§ 143-64.12. Authority and duties of the Department; State agencies and State institutions of higher learning.

(a) The Department of Environment and Natural Resources through the State Energy Office shall develop a comprehensive program to manage energy, water, and other utility use for State agencies and State institutions of higher learning and shall update this program annually. Each State agency and State institution of higher learning shall develop and implement a management plan that is consistent with the State's comprehensive program under this subsection to manage energy, water, and other utility use, and that addresses any findings or recommendations resulting from the energy audit required by subsection (b1) of this section. The energy consumption per gross square foot for all State buildings in total shall be reduced by twenty percent (20%) by 2010 and thirty percent (30%) by 2015 based on energy consumption for the 2002-2003 fiscal year. Each State agency and State institution of higher learning shall update its management plan annually biennially and include strategies for supporting the energy consumption reduction requirements under this subsection. Each community college shall submit to the State Energy Office an annual biennial written report of utility consumption and costs. Management plans submitted annually biennially by State institutions of higher learning shall include all of the following:

(1) Estimates of all costs associated with implementing energy conservation measures, including pre-installation and post-installation costs.
(2) The cost of analyzing the projected energy savings.
(3) Design costs, engineering costs, pre-installation costs, post-installation costs, debt service, and any costs for converting to an alternative energy source.
(4) An analysis that identifies projected annual energy savings and estimated payback periods.

... The State Energy Office shall submit a report by December 1 of each odd-numbered year to the Joint Legislative Commission on Governmental Operations Energy Policy Commission describing the comprehensive program to manage energy, water, and other utility use for State agencies and State institutions of higher learning required by subsection (a) of this section. The report shall also contain the following:

(1) A comprehensive overview of how State agencies and State institutions of higher learning are managing energy, water, and other utility use and achieving efficiency gains.
(2) Any new measures that could be taken by State agencies and State institutions of higher learning to achieve greater efficiency gains, including any changes in general law that might be needed.
(3) A summary of the State agency and State institutions of higher learning management plans required by subsection (a) of this section and the energy audits required by subsection (b1) of this section.
(4) A list of the State agencies and State institutions of higher learning that did and did not submit management plans required by subsection (a) of this section and a list of the State agencies and State institutions of higher learning that received an energy audit.
(5) Any recommendations on how management plans can be better managed and implemented."
STUDY USE OF CONTAMINATED PROPERTY

SECTION 56.(a) The Department of Environment and Natural Resources shall study ways to improve the timeliness of actions necessary to address contaminated properties such that the property is safe for productive use, threats to the environment and public health are minimized to acceptable levels, and the risk of taxpayer-funded remediation is reduced. The Department shall specifically consider all of the following:

1. The expansion of risk-based remediation of groundwater to all remediation programs under the Department.

2. The resources needed within the Department to oversee remediation, including the potential to expand the use of Department-approved private environmental consulting and engineering firms to implement and oversee remedial actions.

3. That rules adopted by the Environmental Management Commission for water quality standards applicable to groundwater be no more stringent than the lower of the federal or State maximum contaminant levels for drinking water in cases where the maximum contaminant levels have been adopted.

4. Liability protection for innocent purchasers of nonresidential property who take actions consistent with the federal Comprehensive Environmental Response, Compensation, and Liability Act for due diligence and due care regarding investigations and contaminants found.

5. Other matters the Department deems appropriate to further the goals of this study.

SECTION 56.(b) The Department shall report the results of this study, including any recommendations, to the Environmental Review Commission no later than November 1, 2014.

HARDISON AMENDMENT CLARIFICATION

SECTION 57. G.S. 150B-19.3 reads as rewritten:

"§ 150B-19.3. Limitation on certain environmental rules.

(a) An agency authorized to implement and enforce State and federal environmental laws may not adopt a rule for the protection of the environment or natural resources that imposes a more restrictive standard, limitation, or requirement than those imposed by federal law or rule, if a federal law or rule pertaining to the same subject matter has been adopted, unless adoption of the rule is required by one of the following subdivisions of this subsection. A rule required by one of the following subdivisions of this subsection shall be subject to the provisions of G.S. 150B-21.3(b1) as if the rule received written objections from 10 or more persons under G.S. 150B-21.3(b2):

1. A serious and unforeseen threat to the public health, safety, or welfare.

2. An act of the General Assembly or United States Congress that expressly requires the agency to adopt rules.

3. A change in federal or State budgetary policy.

4. A federal regulation required by an act of the United States Congress to be adopted or administered by the State.

5. A court order.

(b) For purposes of this section, "an agency authorized to implement and enforce State and federal environmental laws" means any of the following:

1. The Department of Environment and Natural Resources created pursuant to G.S. 143B-279.1.

2. The Environmental Management Commission created pursuant to G.S. 143B-282.

3. The Coastal Resources Commission established pursuant to G.S. 113A-104.

4. The Marine Fisheries Commission created pursuant to G.S. 143B-289.51.

5. The Wildlife Resources Commission created pursuant to G.S. 143-240."
(6) The Commission for Public Health created pursuant to G.S. 130A-29.
(7) The Sedimentation Control Commission created pursuant to G.S. 143B-298.
(8) The North Carolina Mining and Energy Commission created pursuant to G.S. 143B-293.1.
(9) The Pesticide Board created pursuant to G.S. 143-436."

FORESTRY FEES CORRECTION
SECTION 58. G.S. 106-1004, as enacted by S.L. 2014-100, reads as rewritten:
"§ 106-1004. Fees for forest management plans.
The Board of Agriculture shall establish by rule a schedule of fees for the preparation of forest management plans developed pursuant to Article 83 of this Chapter. The fees established by the Board shall not exceed the amount necessary to offset the costs of the Department of Agriculture and Consumer Services to prepare forest management plans."

RECOUSE WHEN AGENCY FAILS TO ACT
SECTION 59.(a) G.S. 150B-23 is amended by adding a new subsection to read:
"(a4) If an agency fails to take any required action within the time period specified by law, any person whose rights are substantially prejudiced by the agency's failure to act may commence a contested case in accordance with this section seeking an order that the agency act as required by law. If the administrative law judge finds that the agency has failed to act as required by law, the administrative law judge may order that the agency take the required action within a specified time period."

SECTION 59.(b) G.S. 150B-44 reads as rewritten:
"§ 150B-44. Right to judicial intervention when final decision unreasonably delayed.
Unreasonable delay on the part of any agency or administrative law judge in taking any required action shall be justification for any person whose rights, duties, or privileges are adversely affected by such delay to seek a court order compelling action by the agency or administrative law judge. Failure of an administrative law judge subject to Article 3 of this Chapter or failure of an agency subject to Article 3A of this Chapter to make a final decision within 120 days of the close of the contested case hearing is justification for a person whose rights, duties, or privileges are adversely affected by the delay to seek a court order compelling action by the agency or by the administrative law judge. The Board of Trustees of the North Carolina State Health Plan for Teachers and State Employees is a "board" for purposes of this section."

SEVERABILITY CLAUSE AND EFFECTIVE DATE
SECTION 60. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 61. Except as otherwise provided, this act is effective when it becomes law.
In the General Assembly read three times and ratified this the 15th day of August, 2014.
Became law upon approval of the Governor at 12:10 p.m. on the 18th day of September, 2014.

Session Law 2014-121

AN ACT TO ESTABLISH THE NORTH CAROLINA AND SOUTH CAROLINA RAIL COMPACT.

The General Assembly of North Carolina enacts:

SECTION 1. This Act shall be known and may be cited as the North Carolina and South Carolina Rail Compact Act.
SECTION 2. The Compact is as follows:

NORTH CAROLINA AND SOUTH CAROLINA RAIL COMPACT COMMISSION

(a) Creation. – There is hereby established the South Carolina and North Carolina Interstate Freight Rail Compact Commission (hereinafter "Commission"). The Commission is established as a regional instrumentality and a common agency of each signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

(b) Purposes. – The State of South Carolina and the State of North Carolina agree, upon adoption of this compact:

1. To study, develop, and promote a plan for the design, construction, financing, and operation of freight rail service between Mullins, South Carolina, and Fair Bluff, North Carolina, between Fair Bluff, North Carolina, and Tabor City, North Carolina, including the branch to Whiteville, North Carolina, and Tabor City, North Carolina, and Conway, South Carolina, or other points east of Conway, South Carolina, to a connection with the Waccamaw Coastline Railroad in Horry County, South Carolina.

2. To coordinate their best efforts to prevent the abandonment of rail service in Columbus County, North Carolina, and in Marion and Horry Counties, South Carolina, in order to promote economic development.

3. To promote the overall health, well-being, and economic growth of Columbus County, North Carolina, Horry and Marion Counties, South Carolina, through improved rail service, improved rail infrastructure, and improved connections to the interstate freight rail network of the United States.

(c) Members, terms. – The North Carolina members of the Commission shall be composed of four members as follows: one person appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one person appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, one member of the North Carolina Railroad Company Board of Directors designated by its Board of Directors, and one member appointed by the Secretary of the North Carolina Department of Commerce. The terms of the North Carolina members are two years, with the initial terms expiring June 30, 2017. The South Carolina members of the Commission shall be as provided by South Carolina law. Their terms of office shall be established by South Carolina law.

(d) Chair. – The chair of the Commission shall be chosen by the members of the Commission from among its membership for a term of one year and shall alternate between the member states.

(e) Meetings and reports. – The Commission shall meet at least twice each year, at least once in South Carolina and once in North Carolina or at such other locations agreed to by a majority of Commission members, and shall issue a report of its activities each year not later than September 30 of each year.

(f) Funds. – The Commission may utilize, for its operation and expenses, funds appropriated or allocated to it by the states of South Carolina and North Carolina, funds received from state or federal sources, or donation of funds or in-kind contributions received from established regional or local economic development organizations in either state.

(g) Expenses of Members. – South Carolina members of the Commission shall receive compensation and reimbursement for expenses in accordance with the applicable laws of that state. North Carolina members of the Commission shall receive per diem, subsistence, and travel allowances which do not exceed those set forth in G.S. 120-31, 138-5, or 138-6.

(h) Staff. – Primary staff or advisors to the Commission shall be provided as determined by the Commission, with the advice and consultation from the South Carolina Department of Commerce and the North Carolina Department of Commerce.
(i) **Powers.** – The Compact or other affiliated entity appropriate for the purposes set forth herein created by the Commission shall have any of the powers of a nonprofit I.R.S. § 501(c)(3) or 501(c)(6) organization, as determined by the Commission, including, but not limited to, the right to acquire, hold, lease, license, or transfer ownership of the Carolina Southern Railroad lines, or any other railroad lines and related assets determined by the Commission to be in the economic development interests of the counties in southeastern North Carolina and northeastern South Carolina.

(j) **Effectiveness.** – This compact is effective when approved by both the North Carolina General Assembly and South Carolina General Assembly, except that if approval is required by the Congress of the United States then this compact is also contingent on such approval by Congress.

**SECTION 3.** This act is effective when it becomes law. In the General Assembly read three times and ratified this the 15th day of August, 2014.

Became law on September 20th.

Session Law 2014-122  
S.B. 729

AN ACT TO (1) PROHIBIT RECOVERY OF COSTS RELATED TO UNLAWFUL DISCHARGES FROM COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (2) ESTABLISH A MORATORIUM ON CERTAIN RATE CASES; (3) CREATE THE COAL ASH MANAGEMENT COMMISSION TO REVIEW AND APPROVE COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS CLASSIFICATIONS AND CLOSURE PLANS AND OTHERWISE STUDY AND MAKE RECOMMENDATIONS ON LAWS GOVERNING MANAGEMENT OF COAL COMBUSTION RESIDUALS; (4) REQUIRE EXPEDITED REVIEW BY THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES OF ANY PERMIT NECESSARY TO CONDUCT ACTIVITIES REQUIRED BY THIS ACT; (5) ESTABLISH VARIOUS REPORTING REQUIREMENTS TO THE GENERAL ASSEMBLY, INCLUDING A QUARTERLY REPORT FROM THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES ON ITS OPERATIONS, ACTIVITIES, PROGRAMS, AND PROGRESS WITH RESPECT TO ITS OBLIGATIONS UNDER THIS ACT FOR COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (6) PROHIBIT LOCAL GOVERNMENT REGULATION OF MANAGEMENT OF COAL COMBUSTION RESIDUALS OR COAL COMBUSTION PRODUCTS; (7) PROHIBIT CONSTRUCTION OF NEW OR EXPANSION OF EXISTING COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS EFFECTIVE OCTOBER 1, 2014; (8) PROHIBIT THE DISPOSAL OF COAL COMBUSTION RESIDUALS INTO COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS AT COAL-FIRED GENERATING UNITS THAT ARE NO LONGER PRODUCING COAL COMBUSTION RESIDUALS EFFECTIVE OCTOBER 1, 2014; (9) PROHIBIT DISPOSAL OF STORMWATER TO COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS EFFECTIVE DECEMBER 31, 2018; (10) REQUIRE ALL ELECTRIC GENERATING FACILITIES TO CONVERT TO GENERATION OF DRY FLY ASH ON OR BEFORE DECEMBER 31, 2017, AND DRY BOTTOM ASH ON OR BEFORE DECEMBER 31, 2020, OR RETIRE; (11) REQUIRE THE ASSESSMENT OF GROUNDWATER AT COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (12) REQUIRE CORRECTIVE ACTION FOR THE RESTORATION OF GROUNDWATER QUALITY AT COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (13) REQUIRE A SURVEY OF DRINKING WATER SUPPLY WELLS AND REPLACEMENT OF CONTAMINATED WATER SUPPLIES; (14) REQUIRE THE IDENTIFICATION, ASSESSMENT, AND CORRECTION OF UNPERMITTED DISCHARGES FROM
COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (15) REQUIRE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO, AS SOON AS PRACTICABLE, BUT NO LATER THAN DECEMBER 31, 2015, PRIORITIZE FOR THE PURPOSE OF CLOSURE AND REMEDIATION COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS, INCLUDING ACTIVE AND RETIRED SITES, BASED ON THESE SITES' RISKS TO PUBLIC HEALTH, SAFETY, AND WELFARE, THE ENVIRONMENT, AND NATURAL RESOURCES; (16) REQUIRE OWNERS OF COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS TO SUBMIT A PROPOSED PLAN FOR CLOSURE OF ALL IMPOUNDMENTS TO THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES; (17) REQUIRE CLOSURE AND REMEDIATION OF CERTAIN COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS AS SOON AS PRACTICABLE, BUT NO LATER THAN AUGUST 1, 2019; (18) REQUIRE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ESTABLISH A SCHEDULE AND PROCESS FOR CLOSURE AND REMEDIATION OF ALL COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS BASED UPON THE DEPARTMENT'S RISK ASSESSMENT OF THESE SITES, BASELINE REQUIREMENTS SET BY THE GENERAL ASSEMBLY, EVALUATION OF PROPOSED CLOSURE PLANS SUBMITTED BY IMPOUNDMENT OWNERS, AND INPUT FROM THE PUBLIC AND OTHER STAKEHOLDERS; (19) ESTABLISH MINIMUM STATUTORY REQUIREMENTS FOR STRUCTURAL FILL PROJECTS USING COAL COMBUSTION PRODUCTS AND REQUIRE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO INVENTORY AND INSPECT CERTAIN STRUCTURAL FILL PROJECTS; (20) PLACE A MORATORIUM ON CERTAIN PROJECTS USING COAL COMBUSTION PRODUCTS AS STRUCTURAL FILL UNTIL AUGUST 1, 2015, AND DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE ENVIRONMENTAL MANAGEMENT COMMISSION TO STUDY THE ADEQUACY OF CURRENT LAW GOVERNING USE OF COAL COMBUSTION PRODUCTS AS STRUCTURAL FILL AND FOR BENEFICIAL USE; (21) PLACE A MORATORIUM ON THE EXPANSION AND CONSTRUCTION OF COAL COMBUSTION RESIDUALS LANDFILLS UNTIL AUGUST 1, 2015, AND DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ASSESS THE RISKS TO PUBLIC HEALTH, SAFETY, AND WELFARE, THE ENVIRONMENT, AND NATURAL RESOURCES OF COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS LOCATED BENEATH THESE LANDFILLS TO DETERMINE THE ADVISABILITY OF CONTINUED OPERATION OF THESE LANDFILLS; (22) STRENGTHEN THE REPORTING AND NOTIFICATION REQUIREMENTS APPLICABLE TO DISCHARGES OF WASTEWATER TO WATERS OF THE STATE; (23) REQUIRE CERTAIN EMERGENCY CALLS TO BE RECORDED; (24) REQUIRE DEVELOPMENT OF EMERGENCY ACTION PLANS FOR HIGH AND INTERMEDIATE HAZARD DAMS AND AMEND OTHER DAM SAFETY LAW REQUIREMENTS APPLICABLE TO COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; (25) TRANSFER SOLID WASTE RULE-MAKING AUTHORITY FROM COMMISSION FOR PUBLIC HEALTH TO ENVIRONMENTAL MANAGEMENT COMMISSION; (26) AMEND COMPLIANCE BOUNDARY PROVISIONS; (27) PROVIDE FOR VARIOUS STUDIES; (28) REQUIRE THE STATE CONSTRUCTION OFFICE AND THE DEPARTMENT OF TRANSPORTATION TO DEVELOP TECHNICAL SPECIFICATIONS FOR USE OF COAL COMBUSTION PRODUCTS; AND (29) PROVIDE RESOURCES FOR IMPLEMENTATION OF THIS ACT.
The General Assembly of North Carolina enacts:

PART I. PROHIBIT RECOVERY OF COSTS RELATED TO UNLAWFUL DISCHARGES FROM COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS; MORATORIUM ON RATE CASES

SECTION 1.(a) Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-133.13. Recovery of costs related to unlawful discharges from coal combustion residuals surface impoundments to the surface waters of the State.

The Commission shall not allow an electric public utility to recover from the retail electric customers of the State costs resulting from an unlawful discharge to the surface waters of the State from a coal combustion residuals surface impoundment, unless the Commission determines the discharge was due to an event of force majeure. For the purposes of this section, "coal combustion residuals surface impoundments" has the same meaning as in G.S. 130A-309.201. For the purposes of this section, "unlawful discharge" means a discharge that results in a violation of State or federal surface water quality standards."

SECTION 1.(b) Section 1(a) of this act is effective when it becomes law and applies to discharges occurring on or after January 1, 2014.

SECTION 2.(a) Moratorium on Cost Recovery. – The Utilities Commission shall not issue an order authorizing an electric public utility the recovery of any costs related to coal combustion residuals surface impoundments that were not included in the utility's cost of service approved in its most recent general rate case until the end of the moratorium provided in this section. Nothing in this section prohibits the utility from seeking, nor prohibits the Commission from authorizing under its existing authority, a deferral for costs related to coal ash combustion residual surface impoundments. The moratorium established under this section shall not apply to the net recovery of any fuel and fuel-related costs under G.S. 62-133.2. For the purposes of this section, "coal combustion residuals surface impoundments" has the same meaning as in G.S. 130A-309.201. The moratorium in this section shall end January 15, 2015.

SECTION 2.(b) Purpose of Moratorium. – The purpose of the moratorium is to allow the State to study the disposition of coal combustion residuals surface impoundments, including any final rules adopted by the United States Environmental Protection Agency on the regulation of coal combustion residuals.

PART II. PROVISIONS FOR COMPREHENSIVE MANAGEMENT OF COAL COMBUSTION RESIDUALS

SECTION 3.(a) Article 9 of Chapter 130A of the General Statutes is amended by adding a new Part to read:

"Part 21. Coal Ash Management

"§ 130A-309.200. Title.
This Part may be cited as the "Coal Ash Management Act of 2014."

"§ 130A-309.201. Definitions.
Unless a different meaning is required by the context, the definitions of G.S. 130A-290 and the following definitions apply throughout this Part:

(1) "Beneficial and beneficial use" means projects promoting public health and environmental protection, offering equivalent success relative to other alternatives, and preserving natural resources.

(2) "Boiler slag" means the molten bottom ash collected at the base of slag tap and cyclone type furnaces that is quenched with water. It is made up of hard, black, angular particles that have a smooth, glassy appearance.

(3) "Bottom ash" means the agglomerated, angular ash particles formed in pulverized coal furnaces that are too large to be carried in the flue gases and
"Coal combustion products" means fly ash, bottom ash, boiler slag, or flue gas desulfurization materials that are beneficially used, including use for structural fill.

"Coal combustion residuals" has the same meaning as defined in G.S. 130A-290.

"Coal combustion residuals surface impoundment" means a topographic depression, excavation, or diked area that is (i) primarily formed from earthen materials; (ii) without a base liner approved for use by Article 9 of Chapter 130A of the General Statutes or rules adopted thereunder for a combustion products landfill or coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill; and (iii) designed to hold accumulated coal combustion residuals in the form of liquid wastes, wastes containing free liquids, or sludges, and that is not backfilled or otherwise covered during periods of deposition. "Coal combustion residuals surface impoundment" shall only include impoundments owned by a public utility, as defined in G.S. 62-3. "Coal combustion residuals surface impoundment" includes all of the following:

a. An impoundment that is dry due to the deposited liquid having evaporated, volatilized, or leached.

b. An impoundment that is wet with exposed liquid.

c. Lagoons, ponds, aeration pits, settling ponds, tailings ponds, and sludge pits, when these structures are designed to hold accumulated coal combustion residuals.

d. A coal combustion residuals surface impoundment that has been covered with soil or other material after the final deposition of coal combustion residuals at the impoundment.

"Commission" means the Environmental Management Commission.

"Fly ash" means the very fine, powdery material, composed mostly of silica with nearly all particles spherical in shape, which is a product of burning finely ground coal in a boiler to produce electricity and is removed from the plant exhaust gases by air emission control devices.

"Flue gas desulfurization material" means the material produced through a process used to reduce sulfur dioxide emissions from the exhaust gas system of a coal-fired boiler. The physical nature of these materials varies from a wet sludge to a dry powdered material, depending on the process, and their composition comprises either sulfites, sulfates, or a mixture thereof.

"Minerals" means soil, clay, coal, phosphate, metallic ore, and any other material or substance of commercial value found in natural deposits on or in the earth.

"Open pit mine" means an excavation made at the surface of the ground for the purpose of extracting minerals, inorganic and organic, from their natural deposits, which excavation is open to the surface.

"Owner" or "owner of a coal combustion residuals surface impoundment" means a public utility, as defined in G.S. 62-3, that owns a coal combustion residuals surface impoundment.

"Receptor" means any human, plant, animal, or structure which is, or has the potential to be, affected by the release or migration of contaminants. Any well constructed for the purpose of monitoring groundwater and contaminant concentrations shall not be considered a receptor.

"Structural fill" means an engineered fill with a projected beneficial end use constructed using coal combustion products that are properly placed and
compacted. For purposes of this Part, the term includes fill used to reclaim open pit mines and for embankments, greenscapes, foundations, construction foundations, and for bases or sub-bases under a structure or a footprint of a paved road, parking lot, sidewalk, walkway, or similar structure.

(15) "Use or reuse of coal combustion products" means the procedure whereby coal combustion products are directly used as either of the following:
   a. As an ingredient in an industrial process to make a product, unless distinct components of the coal combustion products are recovered as separate end products.
   b. In a function or application as an effective substitute for a commercial product or natural resource.


(a) Creation. – In recognition of the complexity and magnitude of the issues associated with the management of coal combustion residuals and the proper closure and remediation of coal combustion residuals surface impoundments, the Coal Ash Management Commission is hereby established.

(b) Membership. – The Commission shall consist of nine members as follows:
   (1) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a resident of the State.
   (2) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use.
   (3) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 who shall at the time of appointment be a licensed physician or a person with experience in public health.
   (4) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a member of a nongovernmental conservation interest.
   (5) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment have special training or scientific expertise in waste management, including solid waste disposal, hauling, or beneficial use, or is a representative of or on the faculty of a State college or university that conducts coal ash research.
   (6) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 who shall at the time of appointment be a representative of an electric membership corporation organized under Article 2 of Chapter 117 of the General Statutes and have a background in power supply resource planning and engineering.
   (7) One appointed by the Governor who shall at the time of appointment have experience in economic development.
   (8) One appointed by the Governor who shall at the time of appointment have expertise in determining and evaluating the costs associated with electricity generation and establishing the rates associated with electricity consumption.
   (9) One appointed by the Governor who shall at the time of appointment be a person with experience in science or engineering in the manufacturing sector.
Chair. – The Governor shall appoint the Chair of the Commission from among the Commission's members, and that person shall serve at the pleasure of the Governor. The Chair shall serve two-year terms. The Governor shall make:

(1) The initial appointment of the Chair no later than October 1, 2014. If the initial appointment is not made by that date, the Chair shall be elected by a vote of the membership; and

(2) Appointments of a subsequent Chair, including appointments to fill a vacancy of the Chair created by resignation, dismissal, death, or disability of the Chair, no later than 30 days after the last day of the previous Chair's term. If an appointment of a subsequent Chair is not made by that date, the Chair shall be elected by a vote of the membership.

(d) Vacancies. – Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term. The Governor may reappoint a gubernatorial appointee of the Commission to an additional term if, at the time of the reappointment, the member qualifies for membership on the Commission under subdivisions (7) through (9) of subsection (b) of this section. Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122.

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

(f) Powers and Duties. – The Commission shall have all of the following powers and duties:

(1) To review and approve the classification of coal combustion residuals surface impoundments required by G.S. 130A-309.211.

(2) To review and approve Coal Combustion Residuals Surface Impoundment Closure Plans as provided in G.S. 130A-309.212.

(3) To review and make recommendations on the provisions of this Part and other statutes and rules related to the management of coal combustion residuals.

(4) To undertake any additional studies as requested by the General Assembly.

(g) Reimbursement. – The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(h) Quorum. – Five members of the Commission shall constitute a quorum for the transaction of business.

(i) Staff. – The Commission is authorized and empowered to employ staff as the Commission may determine to be necessary for the proper discharge of the Commission's duties and responsibilities. The Chair of the Commission shall organize and direct the work of the Commission staff. The salaries and compensation of all such personnel shall be fixed in the manner provided by law for fixing and regulating salaries and compensation by other State agencies. The Chair, within allowed budgetary limits and as allowed by law, shall authorize and approve travel, subsistence, and related expenses of such personnel incurred while traveling on official business. All State agencies, including the constituent institutions of The University of North Carolina, shall provide information and support to the Commission upon request.

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

(l) Meetings. – The Commission shall meet at least once every two months and may hold special meetings at any time and place within the State at the call of the Chair or upon the written request of at least five members.

(m) Reports. – The Commission shall submit quarterly written reports as to its operation, activities, programs, and progress to the Environmental Review Commission. The Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

(n) Administrative Location; Independence. – The Commission shall be administratively located in the Division of Emergency Management of the Department of Public Safety. The Commission shall exercise all of its powers and duties independently and shall not be subject to the supervision, direction, or control of the Division or Department.

(o) Terms of Members. – Members of the Commission shall serve terms of six years, beginning effective July 1 of the year of appointment.

"§ 130A-309.203. Expedited permit review.

(a) The Department shall act as expeditiously as practicable, but no later than the deadlines established under subsection (b) of this section, except in compliance with subsection (c) of this section, to issue all permits necessary to conduct activities required by this Part.

(b) Notwithstanding G.S. 130A-295.8(e), the Department shall determine whether an application for any permit necessary to conduct activities required by this Part is complete within 30 days after the Department receives the application for the permit. A determination of completeness means that the application includes all required components but does not mean that the required components provide all of the information that is required for the Department to make a decision on the application. If the Department determines that an application is not complete, the Department shall notify the applicant of the components needed to complete the application. An applicant may submit additional information to the Department to cure the deficiencies in the application. The Department shall make a final determination as to whether the application is complete within the later of (i) 30 days after the Department receives the application for the permit less the number of days that the applicant uses to provide the additional information or (ii) 10 days after the Department receives the additional information from the applicant. The Department shall issue a draft permit decision on an application for a permit within 90 days after the Department determines that the application is complete. The Department shall hold a public hearing and accept written comment on the draft permit decision for a period of not less than 30 or more than 60 days after the Department issues a draft permit decision. The Department shall issue a final permit decision on an application for a permit within 60 days after the comment period on the draft permit decision closes. If the Department fails to act within any time period set out in this subsection, the applicant may treat the failure to act as a denial of the permit and may challenge the denial as provided in Chapter 150B of the General Statutes.

(c) If the Department finds that compliance with the deadlines established under subsection (b) of this section would result in insufficient review of a permit application that would pose a risk to public health, safety, and welfare; the environment; or natural resources, the applicable deadline shall be waived for the application as necessary to allow for adequate review. If a deadline is waived pursuant to this subsection, the Secretary shall issue a written declaration, including findings of fact, documenting the need for the waiver.
(d) Notwithstanding any other provision of this section or any other provision of law, the Department shall either issue or deny a permit required for dewatering of a retired impoundment within 90 days of receipt of a completed application, in such a form and including such information as the Department may prescribe, for the dewatering activities. The Department shall accept written comment on a draft permit decision for a period of not less than 30 days or more than 60 days prior to issuance or denial of such a permit. If the Department fails to act within any time period set out in this subsection, the applicant may treat the failure to act as a denial of the permit and may challenge the denial as provided in Chapter 150B of the General Statutes.

"§ 130A-309.204. Reports.

(a) The Department shall submit quarterly written reports to the Environmental Review Commission and the Coal Ash Management Commission on its operations, activities, programs, and progress with respect to its obligations under this Part concerning all coal combustion residuals surface impoundments. At a minimum, the report shall include information concerning the status of assessment, corrective action, prioritization, and closure for each coal combustion residuals surface impoundment and information on costs connected therewith. The report shall include an executive summary of each annual Groundwater Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.209(d) and a summary of all groundwater sampling, protection, and restoration activities related to the impoundment for the preceding year. The report shall also include an executive summary of each annual Surface Water Protection and Restoration Report submitted to the Department by the operator of any coal combustion residuals surface impoundments pursuant to G.S. 130A-309.210(e) and a summary of all surface water sampling, protection, and restoration activities related to the impoundment for the preceding year, including the status of the identification, assessment, and correction of unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State. The Department shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission. The Department shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

(b) On or before October 1 of each year, the Department shall report to each member of the General Assembly who has a coal combustion residuals surface impoundment in the member's district. This report shall include the location of each impoundment in the member's district, the amount of coal combustion residuals known or believed to be located in the impoundment, the last action taken at the impoundment, and the date of that last action.

(c) On or before October 1 of each year, a public utility generating coal combustion residuals and coal combustion products shall submit an annual summary to the Department. The annual summary shall be for the period of July 1 through June 30 and shall include all of the following:

1. The volume of coal combustion residuals and products produced.
2. The volume of coal combustion residuals disposed.
3. The volume of coal combustion products used in structural fill projects.
4. The volume of coal combustion products beneficially used, other than for structural fill.

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

(a) It is the intent of the General Assembly to maintain a uniform system for the management of coal combustion residuals and coal combustion products, including matters of disposal and beneficial use, and to place limitations upon the exercise by all units of local government in North Carolina of the power to regulate the management of coal combustion residuals and coal combustion products by means of ordinances, property restrictions, zoning regulations, or otherwise. Notwithstanding any authority granted to counties, municipalities, or
other local authorities to adopt local ordinances, including those imposing taxes, fees, or charges or regulating health, environment, or land use, all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that regulate or have the effect of regulating the management of coal combustion residuals and coal combustion products, including regulation of carbon burn-out plants, within the jurisdiction of a local government are invalidated, to the extent necessary to effectuate the purposes of this Part, that do the following:

1. Place any restriction or condition not placed by this Part upon management of coal combustion residuals or coal combustion products within any county, city, or other political subdivision.

2. Conflict or are in any manner inconsistent with the provisions of this Part.

(b) If a local zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable todevelopment, including, but not limited to, setback, buffer, and stormwater requirements, and coal combustion residuals and coal combustion products would be regulated under the ordinance of general applicability, the operator of the proposed activities may petition the Environmental Management Commission to review the matter. After receipt of a petition, the Commission shall hold a hearing in accordance with the procedures in subsection (c) of this section and shall determine whether or to what extent to preempt the local ordinance to allow for the management of coal combustion residuals and coal combustion products.

(c) When a petition described in subsection (b) of this section has been filed with the Environmental Management Commission, the Commission shall hold a public hearing to consider the petition. The public hearing shall be held in the affected locality within 60 days after receipt of the petition by the Commission. The Commission shall give notice of the public hearing by both of the following means:

1. Publication in a newspaper or newspapers having general circulation in the county or counties where the activities are to be conducted, once a week for three consecutive weeks, the first notice appearing at least 30 days prior to the scheduled date of the hearing.

2. First-class mail to persons who have requested notice. The Commission shall maintain a mailing list of persons who request notice in advance of the hearing pursuant to this section. Notice by mail shall be complete upon deposit of a copy of the notice in a postage-paid wrapper addressed to the person to be notified at the address that appears on the mailing list maintained by the Commission in a post office or official depository under the exclusive care and custody of the United States Postal Service.

(d) Any interested person may appear before the Environmental Management Commission at the hearing to offer testimony. In addition to testimony before the Commission, any interested person may submit written evidence to the Commission for the Commission's consideration. At least 20 days shall be allowed for receipt of written comment following the hearing.

(e) A local zoning or land-use ordinance is presumed to be valid and enforceable to the extent the zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, unless the Environmental Management Commission makes a finding of fact to the contrary. The Commission shall determine whether or to what extent to preempt local ordinances so as to allow the project involving management of coal combustion residuals and coal combustion products no later than 60 days after conclusion of the hearing. The Commission shall preempt a local ordinance only if the Commission makes all of the following findings:

1. That there is a local ordinance that would regulate the management of coal combustion residuals and coal combustion products.
(2) That all legally required State and federal permits or approvals have been issued by the appropriate State and federal agencies or that all State and federal permit requirements have been satisfied and that the permits or approvals have been denied or withheld only because of the local ordinance.

(3) That local citizens and elected officials have had adequate opportunity to participate in the permitting process.

(4) That the project involving management of coal combustion residuals and coal combustion products will not pose an unreasonable health or environmental risk to the surrounding locality and that the operator has taken or consented to take reasonable measures to avoid or manage foreseeable risks and to comply to the maximum feasible extent with applicable local ordinances.

(f) If the Environmental Management Commission does not make all of the findings under subsection (e) of this section, the Commission shall not preempt the challenged local ordinance. The Commission's decision shall be in writing and shall identify the evidence submitted to the Commission plus any additional evidence used in arriving at the decision.

(g) The decision of the Environmental Management Commission shall be final, unless a party to the action files a written appeal under Article 3 of Chapter 150B of the General Statutes, as modified by this section, within 30 days of the date of the decision. The record on appeal shall consist of all materials and information submitted to or considered by the Commission, the Commission's written decision, a complete transcript of the hearing, the specific findings required by subsection (e) of this section, and any minority positions on the specific findings required by subsection (e) of this section. The scope of judicial review shall be as set forth in G.S. 150B-51, except as this subsection provides regarding the record on appeal.

(h) If the court reverses or modifies the decision of the Environmental Management Commission, the judge shall set out in writing, which writing shall become part of the record, the reasons for the reversal or modification.

(i) In computing any period of time prescribed or allowed by the procedure in this section, the provisions of Rule 6(a) of the Rules of Civil Procedure, G.S. 1A-1, shall apply.

“§ 130A-309.206. Federal preemption; severability.
The provisions of this Part shall be severable, and if any phrase, clause, sentence, or provision is declared to be unconstitutional or otherwise invalid or is preempted by federal law or regulation, the validity of the remainder of this Part shall not be affected thereby.

“§ 130A-309.207. General rule making for Part.
The Environmental Management Commission shall adopt rules as necessary to implement the provisions of the Part. Such rules shall be exempt from the requirements of G.S. 150B-19.3.

“§ 130A-309.208. Generation, disposal, and use of coal combustion residuals.

(a) On or after October 1, 2014, the construction of new and expansion of existing coal combustion residuals surface impoundments is prohibited.

(b) On or after October 1, 2014, the disposal of coal combustion residuals into a coal combustion residuals surface impoundment at an electric generating facility where the coal-fired generating units are no longer producing coal combustion residuals is prohibited.

(c) On or after December 31, 2018, the discharge of stormwater into a coal combustion surface impoundment at an electric generating facility where the coal-fired generating units are no longer producing coal combustion residuals is prohibited.

(d) On or after December 31, 2019, the discharge of stormwater into a coal combustion surface impoundment at an electric generating facility where the coal-fired generating units are actively producing coal combustion residuals is prohibited.

(e) On or before December 31, 2018, all electric generating facilities owned by a public utility shall convert to the disposal of “dry” fly ash or the facility shall be retired. For purposes of this subsection, the term “dry” means coal combustion residuals that are not in the form of liquid wastes, wastes containing free liquids, or sludges.
(f) On or before December 31, 2019, all electric generating facilities owned by a public utility shall convert to the disposal of "dry" bottom ash or the facility shall be retired. For purposes of this subsection, the term "dry" means coal combustion residuals that are not in the form of liquid wastes, wastes containing free liquids, or sludges.

§ 130A-309.209. Groundwater assessment and corrective action; drinking water supply well survey and provision of alternate water supply; reporting.

(a) Groundwater Assessment of Coal Combustion Residuals Surface Impoundments. – The owner of a coal combustion residuals surface impoundment shall conduct groundwater monitoring and assessment as provided in this subsection. The requirements for groundwater monitoring and assessment set out in this subsection are in addition to any other groundwater monitoring and assessment requirements applicable to the owners of coal combustion residuals surface impoundments.

(1) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Groundwater Assessment Plan for the impoundment to the Department for its review and approval. The Groundwater Assessment Plan shall, at a minimum, provide for all of the following:
   a. A description of all receptors and significant exposure pathways.
   b. An assessment of the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards.
   c. A description of all significant factors affecting movement and transport of contaminants.
   d. A description of the geological and hydrogeological features influencing the chemical and physical character of the contaminants.
   e. A schedule for continued groundwater monitoring.
   f. Any other information related to groundwater assessment required by the Department.

(2) The Department shall approve the Groundwater Assessment Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 10 days from approval of the Groundwater Assessment Plan, the owner shall begin implementation of the Plan.

(4) No later than 180 days from approval of the Groundwater Assessment Plan, the owner shall submit a Groundwater Assessment Report to the Department. The Report shall describe all exceedances of groundwater quality standards associated with the impoundment.

(b) Corrective Action for the Restoration of Groundwater Quality. – The owner of a coal combustion residuals surface impoundment shall implement corrective action for the restoration of groundwater quality as provided in this subsection. The requirements for corrective action for the restoration of groundwater quality set out in this subsection are in addition to any other corrective action for the restoration of groundwater quality requirements applicable to the owners of coal combustion residuals surface impoundments.

(1) No later than 90 days from submission of the Groundwater Assessment Report required by subsection (a) of this section, or a time frame otherwise approved by the Department not to exceed 180 days from submission of the Groundwater Assessment Report, the owner of the coal combustion residuals surface impoundment shall submit a proposed Groundwater Corrective Action Plan to the Department for its review and approval. The Groundwater Corrective Action Plan shall provide for the restoration of groundwater in conformance with the requirements of Subchapter L of Chapter 2 of Title
15A of the North Carolina Administrative Code. The Groundwater Corrective Action Plan shall include, at a minimum, all of the following:

a. A description of all exceedances of the groundwater quality standards, including any exceedances that the owner asserts are the result of natural background conditions.

b. A description of the methods for restoring groundwater in conformance with the requirements of Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code and a detailed explanation of the reasons for selecting these methods.

c. Specific plans, including engineering details, for restoring groundwater quality.

d. A schedule for implementation of the Plan.

e. A monitoring plan for evaluating the effectiveness of the proposed corrective action and detecting movement of any contaminant plumes.

f. Any other information related to groundwater assessment required by the Department.

(2) The Department shall approve the Groundwater Corrective Action Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Groundwater Corrective Action Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

c. Drinking Water Supply Well Survey and Provision of Alternate Water Supply. – No later than October 1, 2014, the owner of a coal combustion residuals surface impoundment shall conduct a Drinking Water Supply Well Survey that identifies all drinking water supply wells within one-half mile down-gradient from the established compliance boundary of the impoundment and submit the Survey to the Department. The Survey shall include well locations, the nature of water uses, available well construction details, and information regarding ownership of the wells. No later than December 1, 2014, the Department shall determine, based on the Survey, which drinking water supply wells the owner is required to sample and how frequently and for what period sampling is required. The Department shall require sampling for drinking water supply wells where data regarding groundwater quality and flow and depth in the area of any surveyed well provide a reasonable basis to predict that the quality of water from the surveyed well may be adversely impacted by constituents associated with the presence of the impoundment. No later than January 1, 2015, the owner shall initiate sampling and water quality analysis of the drinking water supply wells. A property owner may elect to have an independent third party selected from a laboratory certified by the Department's Wastewater/Groundwater Laboratory Certification program sample wells located on their property in lieu of sampling conducted by the owner of the coal combustion residuals surface impoundment. The owner of the coal combustion residuals surface impoundment shall pay for the reasonable costs of such sampling. Nothing in this subsection shall be construed to preclude or impair the right of any property owner to refuse such sampling of wells on their property. If the sampling and water quality analysis indicates that water from a drinking water supply well exceeds groundwater quality standards for constituents associated with the presence of the impoundment, the owner shall replace the contaminated drinking water supply well with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses. The alternate supply of potable drinking water shall be supplied within 24 hours of the Department's determination that there is an exceedance of groundwater quality standards attributable to constituents associated with the presence of the impoundment. The alternate supply of water that is safe for other household uses shall be supplied within 30 days of the Department's determination that there is an exceedance of groundwater quality standards.
attributable to constituents associated with the presence of the impoundment. The requirement to replace a contaminated drinking water supply well with an alternate supply of potable drinking water and an alternate supply of water that is safe for other household uses set out in this subsection is in addition to any other requirements to replace a contaminated drinking water supply well with an alternate supply of potable drinking water or an alternate supply of water that is safe for other household uses applicable to the owners of coal combustion residuals surface impoundments.

(d) Reporting. – In addition to any other reporting required by the Department, the owner of a coal combustion residuals surface impoundment shall submit an annual Groundwater Protection and Restoration Report to the Department no later than January 31 of each year. The Report shall include a summary of all groundwater monitoring, protection, and restoration activities related to the impoundment for the preceding year, including the status of the Groundwater Assessment Plan, the Groundwater Assessment Report, the Groundwater Corrective Action Plan, the Drinking Water Supply Well Survey, and the replacement of any contaminated drinking water supply wells. The owner of a coal combustion residuals surface impoundment shall also submit all information required to be submitted to the Department pursuant to this section to the Coal Ash Management Commission.


(a) Identification of Discharges from Coal Combustion Residuals Surface Impoundments. – The owner of a coal combustion residuals surface impoundment shall identify all discharges from the impoundment as provided in this subsection. The requirements for identifying all discharges from an impoundment set out in this subsection are in addition to any other requirements for identifying discharges applicable to the owners of coal combustion residuals surface impoundments.

(1) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a topographic map that identifies the location of all (i) outfalls from engineered channels designed or improved for the purpose of collecting water from the toe of the impoundment and (ii) seeps and weeps discharging from the impoundment that are not captured by engineered channels designed or improved for the purpose of collecting water from the toe of the impoundment to the Department. The topographic map shall comply with all of the following:
   a. Be at a scale as required by the Department.
   b. Specify the latitude and longitude of each toe drain outfall, seep, and weep.
   c. Specify whether the discharge from each toe drain outfall, seep, and weep is continuous or intermittent.
   d. Provide an average flow measurement of the discharge from each toe drain outfall, seep, and weep including a description of the method used to measure average flow.
   e. Specify whether the discharge from each toe drain outfall, seep, and weep identified reaches the surface waters of the State. If the discharge from a toe drain outfall, seep, or weep reaches the surface waters of the State, the map shall specify the latitude and longitude of where the discharge reaches the surface waters of the State.
   f. Include any other information related to the topographic map required by the Department.

(b) Assessment of Discharges from Coal Combustion Residuals Surface Impoundments to the Surface Waters of the State. – The owner of a coal combustion residuals surface impoundment shall conduct an assessment of discharges from the coal combustion residuals.
surface impoundment to the surface waters of the State as provided in this subsection. The requirements for assessment of discharges from the coal combustion residuals surface impoundment to the surface waters of the State set out in this subsection are in addition to any other requirements for the assessment of discharges from coal combustion residuals surface impoundments to surface waters of the State applicable to the owners of coal combustion residuals surface impoundments.

(1) No later than December 31, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Discharge Assessment Plan to the Department. The Discharge Assessment Plan shall include information sufficient to allow the Department to determine whether any discharge, including a discharge from a toe drain outfall, seep, or weep, has reached the surface waters of the State and has caused a violation of surface water quality standards. The Discharge Assessment Plan shall include, at a minimum, all of the following:
   a. Upstream and downstream sampling locations within all channels that could potentially carry a discharge.
   b. A description of the surface water quality analyses that will be performed.
   c. A sampling schedule, including the frequency and duration of sampling activities.
   d. Reporting requirements.
   e. Any other information related to the assessment of discharges required by the Department.

(2) The Department shall approve the Discharge Assessment Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Discharge Assessment Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

(c) Corrective Action to Prevent Unpermitted Discharges from Coal Combustion Residuals Surface Impoundments to the Surface Waters of the State. – The owner of a coal combustion residuals surface impoundment shall implement corrective action to prevent unpermitted discharges from the coal combustion residuals surface impoundment to the surface waters of the State as provided in this subsection. The requirements for corrective action to prevent unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State set out in this subsection are in addition to any other requirements for corrective action to prevent unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State applicable to the owners of coal combustion residuals surface impoundments.

(1) If the Department determines, based on information provided pursuant to subsection (a) or (b) of this section, that an unpermitted discharge from a coal combustion residuals surface impoundment, including an unpermitted discharge from a toe drain outfall, seep, or weep, has reached the surface waters of the State, the Department shall notify the owner of the impoundment of its determination.

(2) No later than 30 days from a notification pursuant to subdivision (1) of this subsection, the owner of the coal combustion residuals surface impoundment shall submit a proposed Unpermitted Discharge Corrective Action Plan to the Department for its review and approval. The proposed Unpermitted Discharge Corrective Action Plan shall include, at a minimum, all of the following:
   a. One of the following methods of proposed corrective action:
1. Elimination of the unpermitted discharge.

2. Application for a National Pollutant Discharge Elimination System (NPDES) permit amendment pursuant to G.S. 143-215.1 and Subchapter H of Chapter 2 of Title 15A of the North Carolina Administrative Code to bring the unpermitted discharge under permit regulations.

   b. A detailed explanation of the reasons for selecting the method of corrective action.

c. Specific plans, including engineering details, to prevent the unpermitted discharge.

d. A schedule for implementation of the Plan.

e. A monitoring plan for evaluating the effectiveness of the proposed corrective action.

f. Any other information related to the correction of unpermitted discharges required by the Department.

(3) The Department shall approve the Unpermitted Discharge Corrective Action Plan if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(4) No later than 30 days from the approval of the Unpermitted Discharge Corrective Action Plan, the owner shall begin implementation of the Plan in accordance with the Plan's schedule.

(d) Identification of New Discharges. – No later than October 1, 2014, the owner of a coal combustion residuals surface impoundment shall submit a proposed Plan for the Identification of New Discharges to the Department for its review and approval as provided in this subsection.

(1) The proposed Plan for the Identification of New Discharges shall include, at a minimum, all of the following:

   a. A procedure for routine inspection of the coal combustion residuals surface impoundment to identify indicators of potential new discharges, including toe drain outfalls, seeps, and weeps.

   b. A procedure for determining whether a new discharge is actually present.

   c. A procedure for notifying the Department when a new discharge is confirmed.

   d. Any other information related to the identification of new discharges required by the Department.

(2) The Department shall approve the Plan for the Identification of New Discharges if it determines that the Plan complies with the requirements of this subsection and will be sufficient to protect public health, safety, and welfare; the environment; and natural resources.

(3) No later than 30 days from the approval of the Plan for the Identification of New Discharges, the owner shall begin implementation of the Plan in accordance with the Plan.

(e) Reporting. – In addition to any other reporting required by the Department, the owner of a coal combustion residuals surface impoundment shall submit an annual Surface Water Protection and Restoration Report to the Department no later than January 31 of each year. The Report shall include a summary of all surface water sampling, protection, and restoration activities related to the impoundment for the preceding year, including the status of the identification, assessment, and correction of unpermitted discharges from coal combustion residuals surface impoundments to the surface waters of the State. The owner of a coal combustion residuals surface impoundment shall also submit all information required to be
submitted to the Department pursuant to this section to the Coal Ash Management Commission.

"§ 130A-309.211. Prioritization of coal combustion residuals surface impoundments."

(a) As soon as practicable, but no later than December 31, 2015, the Department shall develop proposed classifications for all coal combustion residuals surface impoundments, including active and retired sites, for the purpose of closure and remediation based on these sites’ risks to public health, safety, and welfare; the environment; and natural resources and shall determine a schedule for closure and required remediation that is based on the degree of risk to public health, safety, and welfare; the environment; and natural resources posed by the impoundments and that gives priority to the closure and required remediation of impoundments that pose the greatest risk. In assessing the risk, the Department shall evaluate information received pursuant to G.S. 130A-309.209 and G.S. 130A-309.210 and any other information deemed relevant and, at a minimum, consider all of the following:

1. Any hazards to public health, safety, or welfare resulting from the impoundment.
2. The structural condition and hazard potential of the impoundment.
3. The proximity of surface waters to the impoundment and whether any surface waters are contaminated or threatened by contamination as a result of the impoundment.
4. Information concerning the horizontal and vertical extent of soil and groundwater contamination for all contaminants confirmed to be present in groundwater in exceedance of groundwater quality standards and all significant factors affecting contaminant transport.
5. The location and nature of all receptors and significant exposure pathways.
6. The geological and hydrogeological features influencing the movement and chemical and physical character of the contaminants.
7. The amount and characteristics of coal combustion residuals in the impoundment.
8. Whether the impoundment is located within an area subject to a 100-year flood.
9. Any other factor the Department deems relevant to establishment of risk.

(b) The Department shall issue a proposed classification for each coal combustion residuals surface impoundment based upon the assessment conducted pursuant to subsection (a) of this section as high-risk, intermediate-risk, or low-risk. Within 30 days after a proposed classification has been issued, the Department shall issue a written declaration, including findings of fact, documenting the proposed classification. The Department shall provide for public participation on the proposed risk classification as follows:

1. The Department shall make copies of the written declaration issued pursuant to this subsection available for inspection as follows:
   a. A copy of the declaration shall be provided to the local health director.
   b. A copy of the declaration shall be provided to the public library located in closest proximity to the site in the county or counties in which the site is located.
   c. The Department shall post a copy of the declaration on the Department's Web site.
   d. The Department shall place copies of the declaration in other locations so as to assure the reasonable availability thereof to the public.

2. The Department shall give notice of the written declaration issued pursuant to this subsection as follows:
a. A notice and summary of the declaration shall be published weekly for a period of three consecutive weeks in a newspaper having general circulation in the county or counties where the site is located.

b. Notice of the written declaration shall be given by first-class mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

c. Notice of the written declaration shall be given by electronic mail to persons who have requested such notice. Such notice shall include a summary of the written declaration and state the locations where a copy of the written declaration is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

(3) No later than 60 days after issuance of the written declaration, the Department shall conduct a public meeting in the county or counties in which the site is located to explain the written declaration to the public. The Department shall give notice of the hearing at least 15 days prior to the date thereof by all of the following methods:

a. Publication as provided in subdivision (1) of this subsection, with first publication to occur not less than 30 days prior to the scheduled date of the hearing.

b. First-class mail to persons who have requested notice as provided in subdivision (2) of this subsection.

c. Electronic mail to persons who have requested notice as provided in subdivision (2) of this subsection.

(4) At least 30 days from the latest date on which notice is provided pursuant to subdivision (2) of this subsection shall be allowed for the receipt of written comment on the written declaration prior to issuance of a final risk classification. At least 20 days will be allowed for receipt of written comment following a hearing conducted pursuant to subdivision (3) of this subsection prior to issuance of a final risk classification.

(c) Within 30 days of the receipt of all written comment as required by subdivision (4) of subsection (b) of this section, the Department shall submit a proposed classification for a coal combustion residuals surface impoundment to the Coal Ash Management Commission established pursuant to G.S. 130A-309.202. The Commission shall evaluate all information submitted in accordance with this Part related to the proposed classification and any other information the Commission deems relevant. The Commission shall only approve the proposed classification if it determines that the classification was developed in accordance with this section and that the classification accurately reflects the level of risk posed by the coal combustion residuals surface impoundment. The Commission shall issue its determination in writing, including findings in support of its determination. If the Commission fails to act on a proposed classification within 60 days of receipt of the proposed classification, the proposed classification shall be deemed approved. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.

§ 130A-309.212. Closure of coal combustion residuals surface impoundments.

(a) An owner of a coal combustion residuals surface impoundment shall submit a proposed Coal Combustion Residuals Surface Impoundment Closure Plan for the Department's approval. If corrective action to restore groundwater has not been completed pursuant to the requirements of G.S. 130A-309.209(b), the proposed closure plan shall include provisions for completion of activities to restore groundwater in conformance with the requirements of
Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code. In addition, the following requirements, at a minimum, shall apply to such plans:

1. High-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2019. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, 2016. At a minimum, (i) impoundments located in whole above the seasonal high groundwater table shall be dewatered; (ii) impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable; and (iii) the owner of an impoundment shall either:
   a. Convert the coal combustion residuals impoundment to an industrial landfill by removing all coal combustion residuals and contaminated soil from the impoundment temporarily, safely storing the residuals on-site, and complying with the requirements for such landfills established by this Article and rules adopted thereunder. At a minimum, the landfills shall have a design with a leachate collection system, a closure cap system, and a composite liner system consisting of two components: the upper component shall consist of a minimum 30-ml flexible membrane (FML), and the lower components shall consist of at least a two-foot layer of compacted soil with a hydraulic conductivity of no more than $1 \times 10^{-7}$ centimeters per second. FML components consisting of high density polyethylene (HDPE) shall be at least 60 ml thick. The landfill shall otherwise comply with the construction requirements established by Section .1624 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, and the siting and design requirements for disposal sites established by Section .0503 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, except with respect to those requirements that pertain to buffers. In lieu of the buffer requirement established by Section .0503(f)(2)(iii) of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, the owner of the impoundment shall establish and maintain a 300-foot buffer between surface waters and disposal areas. After the temporarily displaced coal combustion residuals have been returned for disposal in the industrial landfill constructed pursuant to the requirements of this sub-subdivision, the owner of the landfill shall comply with the closure and post-closure requirements established by Section .1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code. A landfill constructed pursuant to this sub-subdivision shall otherwise be subject to all applicable requirements of this Chapter and rules adopted thereunder. Prior to closure, the Department may allow the disposal of coal combustion residuals, in addition to those originally contained in the impoundment, to the landfill constructed pursuant to this sub-subdivision, if the Department determines that the site is suitable for additional capacity and that disposal of additional coal combustion residuals will not pose an unacceptable risk to public health, safety, welfare, the environment, and natural resources.
   b. Remove all coal combustion residuals from the impoundment, return the former impoundment to a nonerosive and stable condition and (i) transfer the coal combustion residuals for disposal in a coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill.
waste landfill or (ii) use the coal combustion products in a structural fill or other beneficial use as allowed by law. The use of coal combustion products (i) as structural fill shall be conducted in accordance with the requirements of Subpart 3 of this Part and (ii) for other beneficial uses shall be conducted in accordance with the requirements of Section 1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section 1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management).

(2) Intermediate-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2024. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, 2017. At a minimum, such impoundments shall be dewatered, and the owner of an impoundment shall close the impoundment in any manner allowed pursuant to subdivision (1) of this subsection.

(3) Low-risk impoundments shall be closed as soon as practicable, but no later than December 31, 2029. A proposed closure plan for such impoundments must be submitted as soon as practicable, but no later than December 31, 2018. At a minimum, (i) impoundments located in whole above the seasonal high groundwater table shall be dewatered; (ii) impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable; and (iii) the owner of an impoundment shall either:

a. Close in any manner allowed pursuant to subdivision (1) of this subsection.

b. Comply with the closure and post-closure requirements established by Section 1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, except that such impoundments shall not be required to install and maintain a leachate collection system. Specifically, the owner of an impoundment shall install and maintain a cap system that is designed to minimize infiltration and erosion in conformance with the requirements of Section 1624 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code, and, at a minimum, shall be designed and constructed to (i) have a permeability no greater than $1 \times 10^{-5}$ centimeters per second; (ii) minimize infiltration by the use of a low-permeability barrier that contains a minimum 18 inches of earthen material; and (iii) minimize erosion of the cap system and protect the low-permeability barrier from root penetration by use of an erosion layer that contains a minimum of six inches of earthen material that is capable of sustaining native plant growth. In addition, the owner of an impoundment shall (i) install and maintain a groundwater monitoring system; (ii) establish financial assurance that will ensure that sufficient funds are available for closure pursuant to this subdivision, post-closure maintenance and monitoring, any corrective action that the Department may require, and satisfy any potential liability for sudden and nonsudden accidental occurrences arising from the impoundment and subsequent costs incurred by the Department in response to an incident, even if the owner becomes insolvent or ceases to reside, be incorporated, do business, or maintain assets in the State; and (iii) conduct post-closure care for a period of 30 years, which period may
be increased by the Department upon a determination that a longer period is necessary to protect public health, safety, welfare; the environment; and natural resources, or decreased upon a determination that a shorter period is sufficient to protect public health, safety, welfare; the environment; and natural resources. The Department may require implementation of any other measure it deems necessary to protect public health, safety, and welfare; the environment; and natural resources, including imposition of institutional controls that are sufficient to protect public health, safety, and welfare; the environment; and natural resources. The Department may not approve closure for an impoundment pursuant to sub-subdivision b. of subdivision (3) of this subsection unless the Department finds that the proposed closure plan includes design measures to prevent, upon the plan’s full implementation, post-closure exceedances of groundwater quality standards beyond the compliance boundary that are attributable to constituents associated with the presence of the impoundment.

(4) Closure Plans for all impoundments shall include all of the following:

a. Facility and coal combustion residuals surface impoundment description. – A description of the operation of the site that shall include, at a minimum, all of the following:

1. Site history and history of site operations, including details on the manner in which coal combustion residuals have been stored and disposed of historically.

2. Estimated volume of material contained in the impoundment.

3. Analysis of the structural integrity of dikes or dams associated with impoundment.

4. All sources of discharge into the impoundment, including volume and characteristics of each discharge.

5. Whether the impoundment is lined, and, if so, the composition thereof.

6. A summary of all information available concerning the impoundment as a result of inspections and monitoring conducted pursuant to this Part and otherwise available.

b. Site maps, which, at a minimum, illustrate all of the following:

1. All structures associated with the operation of any coal combustion residuals surface impoundment located on the site. For purposes of this sub-subdivision, the term "site" means the land or waters within the property boundary of the applicable electric generating station.

2. All current and former coal combustion residuals disposal and storage areas on the site, including details concerning coal combustion residuals produced historically by the electric generating station and disposed of through transfer to structural fills.

3. The property boundary for the applicable site, including established compliance boundaries within the site.

4. All potential receptors within 2,640 feet from established compliance boundaries.

5. Topographic contour intervals of the site shall be selected to enable an accurate representation of site features and terrain and in most cases should be less than 20-foot intervals.
6. Locations of all sanitary landfills permitted pursuant to this Article on the site that are actively receiving waste or are closed, as well as the established compliance boundaries and components of associated groundwater and surface water monitoring systems.

7. All existing and proposed groundwater monitoring wells associated with any coal combustion residuals surface impoundment on the site.

8. All existing and proposed surface water sample collection locations associated with any coal combustion residuals surface impoundment on the site.

c. The results of a hydrogeologic, geologic, and geotechnical investigation of the site, including, at a minimum, all of the following:

1. A description of the hydrogeology and geology of the site.

2. A description of the stratigraphy of the geologic units underlying each coal combustion residuals surface impoundment located on the site.

3. The saturated hydraulic conductivity for (i) the coal combustion residuals within any coal combustion residuals surface impoundment located on the site and (ii) the saturated hydraulic conductivity of any existing liner installed at an impoundment, if any.

4. The geotechnical properties for (i) the coal combustion residuals within any coal combustion residuals surface impoundment located on the site, (ii) the geotechnical properties of any existing liner installed at an impoundment, if any, and (iii) the uppermost identified stratigraphic unit underlying the impoundment, including the soil classification based upon the Unified Soil Classification System, in-place moisture content, particle size distribution, Atterberg limits, specific gravity, effective friction angle, maximum dry density, optimum moisture content, and permeability.

5. A chemical analysis of the coal combustion residuals surface impoundment, including water, coal combustion residuals, and coal combustion residuals-affected soil.

6. Identification of all substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code, including all laboratory results for these analyses.

7. Summary tables of historical records of groundwater sampling results.

8. A map that illustrates the potentiometric contours and flow directions for all identified aquifers underlying impoundments (shallow, intermediate, and deep) and the horizontal extent of areas where groundwater quality standards established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code for a substance are exceeded.

9. Cross-sections that illustrate the following: the vertical and horizontal extent of the coal combustion residuals within an impoundment; stratigraphy of the geologic units underlying...
an impoundment; and the vertical extent of areas where groundwater quality standards established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code for a substance are exceeded.

d. The results of groundwater modeling of the site that shall include, at a minimum, all of the following:

1. An account of the design of the proposed Closure Plan that is based on the site hydrogeologic conceptual model developed and includes (i) predictions on post-closure groundwater elevations and groundwater flow directions and velocities, including the effects on and from the potential receptors and (ii) predictions at the compliance boundary for substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code.

2. Predictions that include the effects on the groundwater chemistry and should describe migration, concentration, mobilization, and fate for substances with concentrations determined to be in excess of the groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code pre- and post-closure, including the effects on and from potential receptors.

3. A description of the groundwater trend analysis methods used to demonstrate compliance with groundwater quality standards for the substance established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code and requirements for corrective action of groundwater contamination established by Subchapter L of Chapter 2 of Title 15A of the North Carolina Administrative Code.

e. A description of any plans for beneficial use of the coal combustion residuals in compliance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management).

f. All engineering drawings, schematics, and specifications for the proposed Closure Plan. If required by Chapter 89C of the General Statutes, engineering design documents should be prepared, signed, and sealed by a professional engineer.

g. A description of the construction quality assurance and quality control program to be implemented in conjunction with the Closure Plan, including the responsibilities and authorities for monitoring and testing activities, sampling strategies, and reporting requirements.

h. A description of the provisions for disposal of wastewater and management of stormwater and the plan for obtaining all required permits.

i. A description of the provisions for the final disposition of the coal combustion residuals. If the coal combustion residuals are to be removed, the owner must identify (i) the location and permit number for the coal combustion residuals landfills, industrial landfills, or
municipal solid waste landfills in which the coal combustion residuals will be disposed and (ii) in the case where the coal combustion residuals are planned for beneficial use, the location and manner in which the residuals will be temporarily stored. If the coal combustion residuals are to be left in the impoundment, the owner must (i) in the case of closure pursuant to sub-subdivision (a)(1)a. of this section, provide a description of how the ash will be stabilized prior to completion of closure in accordance with closure and post-closure requirements established by Section 1627 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code and (ii) in the case of closure pursuant to sub-subdivision (a)(1)b. of this section, provide a description of how the ash will be stabilized pre- and post-closure. If the coal combustion residuals are to be left in the impoundment, the owner must provide an estimate of the volume of coal combustion residuals remaining.

j. A list of all permits that will need to be acquired or modified to complete closure activities.

k. A description of the plan for post-closure monitoring and care for an impoundment for a minimum of 30 years. The length of the post-closure care period may be (i) proposed to be decreased or the frequency and parameter list modified if the owner demonstrates that the reduced period or modifications are sufficient to protect public health, safety, and welfare; the environment; and natural resources and (ii) increased by the Department at the end of the post-closure monitoring and care period if there are statistically significant increasing groundwater quality trends or if contaminant concentrations have not decreased to a level protective of public health, safety, and welfare; the environment; and natural resources. If the owner determines that the post-closure care monitoring and care period is no longer needed and the Department agrees, the owner shall provide a certification, signed and sealed by a professional engineer, verifying that post-closure monitoring and care has been completed in accordance with the post-closure plan. If required by Chapter 89C of the General Statutes, the proposed plan for post-closure monitoring and care should be signed and sealed by a professional engineer. The plan shall include, at a minimum, all of the following:

1. A demonstration of the long-term control of all leachate, affected groundwater, and stormwater.

2. A description of a groundwater monitoring program that includes (i) post-closure groundwater monitoring, including parameters to be sampled and sampling schedules; (ii) any additional monitoring well installations, including a map with the proposed locations and well construction details; and (iii) the actions proposed to mitigate statistically significant increasing groundwater quality trends.

l. An estimate of the milestone dates for all activities related to closure and post-closure.

m. Projected costs of assessment, corrective action, closure, and post-closure care for each coal combustion residuals surface impoundment.

n. A description of the anticipated future use of the site and the necessity for the implementation of institutional controls following
(b) The Department shall review a proposed Coal Combustion Residuals Surface Impoundment Closure Plan for consistency with the minimum requirements set forth in subsection (a) of this section and whether the proposed Closure Plan is protective of public health, safety, and welfare; the environment; and natural resources and otherwise complies with the requirements of this Part. Prior to issuing a decision on a proposed Closure Plan, the Department shall provide for public participation on the proposed Closure Plan as follows:

1. The Department shall make copies of the proposed Closure Plan available for inspection as follows:
   a. A copy of the proposed Closure Plan shall be provided to the local health director.
   b. A copy of the proposed Closure Plan shall be provided to the public library located in closest proximity to the site in the county or counties in which the site is located.
   c. The Department shall post a copy of the proposed Closure Plan on the Department's Web site.
   d. The Department shall place copies of the declaration in other locations so as to assure the reasonable availability thereof to the public.

2. Before approving a proposed Closure Plan, the Department shall give notice as follows:
   a. A notice and summary of the proposed Closure Plan shall be published weekly for a period of three consecutive weeks in a newspaper having general circulation in the county or counties where the site is located.
   b. Notice that a proposed Closure Plan has been developed shall be given by first-class mail to persons who have requested such notice. Such notice shall include a summary of the proposed Closure Plan and state the locations where a copy of the proposed Closure Plan is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.
   c. Notice that a proposed Closure Plan has been developed shall be given by electronic mail to persons who have requested such notice. Such notice shall include a summary of the proposed Closure Plan and state the locations where a copy of the proposed Closure Plan is available for inspection. The Department shall maintain a mailing list of persons who request notice pursuant to this section.

3. No later than 60 days after receipt of a proposed Closure Plan, the Department shall conduct a public meeting in the county or counties in which the site is located to explain the proposed Closure Plan and alternatives to the public. The Department shall give notice of the hearing at least 30 days prior to the date thereof by all of the following methods:
   a. Publication as provided in subdivision (1) of this subsection, with first publication to occur not less than 30 days prior to the scheduled date of the hearing.
   b. First-class mail to persons who have requested notice as provided in subdivision (2) of this subsection.
   c. Electronic mail to persons who have requested notice as provided in subdivision (2) of this subsection.

4. At least 30 days from the latest date on which notice is provided pursuant to subdivision (2) of this subsection shall be allowed for the receipt of written
comment on the proposed Closure Plan prior to its approval. At least 20 days will be allowed for receipt of written comment following a hearing conducted pursuant to subdivision (3) of this subsection prior to the approval of the proposed Closure Plan.

(c) The Department shall disapprove a proposed Coal Combustion Residuals Surface Impoundment Closure Plan unless the Department finds that the Closure Plan is protective of public health, safety, and welfare; the environment; and natural resources and otherwise complies with the requirements of this Part. The Department shall provide specific findings to support its decision to approve or disapprove a proposed Closure Plan. If the Department disapproves a proposed Closure Plan, the person who submitted the Closure Plan may seek review as provided in Article 3 of Chapter 150B of the General Statutes. If the Department fails to approve or disapprove a proposed Closure Plan within 120 days after a complete Closure Plan has been submitted, the person who submitted the proposed Closure Plan may treat the Closure Plan as having been disapproved at the end of that time period. The Department may require a person who proposes a Closure Plan to supply any additional information necessary for the Department to approve or disapprove the Closure Plan.

(d) Within 30 days of its approval of a Coal Combustion Residuals Surface Impoundment Closure Plan, the Department shall submit the Closure Plan to the Coal Ash Management Commission. The Commission shall evaluate all information submitted in accordance with this Part related to the Closure Plan and any other information the Commission deems relevant. The Commission shall approve the Closure Plan if it determines that the Closure Plan was developed in accordance with this section, that implementation of the Closure Plan according to the Closure Plan's schedule is technologically and economically feasible, and the Closure Plan is protective of the public health, safety, and welfare; the environment; and natural resources. In addition, the Commission may consider any impact on electricity costs and reliability; but this factor may not be dispositive of the Commission's determination. The Commission shall issue its determination in writing, including findings in support of its determination. If the Commission fails to act on a Closure Plan within 60 days of receipt of the Closure Plan, the Closure Plan shall be deemed approved. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.

(e) As soon as practicable, but no later than 60 days after a Coal Combustion Residuals Surface Impoundment Closure Plan has been approved by the Coal Ash Management Commission, the owner of the coal combustion residuals impoundment shall begin implementation of the approved plan. Modifications to an approved Closure Plan may only be allowed in conformance with the requirements of this Part, upon written request of an owner of an impoundment, with the written approval of the Department, and after public notice of the change in accordance with the requirements of subdivision (2) of subsection (b) of this section. Provided, however, minor technical modifications may be made in accordance with standard Department procedures for such minor modifications and may be made without written approval of the Department or public notice of the change.

(f) Nothing in this section shall be construed to obviate the need for sampling, remediation, and monitoring activities at the site as required by G.S. 130A-309.209 and G.S. 130A-309.310.

§ 130A-309.213. Variance authority.

(a) In recognition of the complexity and magnitude of the issues surrounding the management of coal combustion residuals and coal combustion residuals surface impoundments, the General Assembly authorizes the Commission to grant a variance to extend any deadline for closure of an impoundment established under G.S. 130A-309.212 in conformance with the requirements of this section. To request such a variance the owner of an impoundment shall, no earlier than two years prior to the applicable deadline, submit an application in a form acceptable to the Department which shall include, at a minimum, all of the following information: identification of the site, applicable requirements, and applicable...
deadlines for which a variance is sought, and the site-specific circumstances that support the need for the variance. The owner of the impoundment shall also provide detailed information that demonstrates (i) the owner has substantially complied with all other requirements and deadlines established by this Part; (ii) the owner has made good faith efforts to comply with the applicable deadline for closure of the impoundment; and (iii) that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public. As soon as practicable, but no later than 60 days from receipt of an application, the Secretary shall evaluate the information submitted in conjunction with the application, and any other information the Secretary deems relevant, to determine whether the information supports issuance of a variance. After such evaluation, if the Secretary finds that the information supports issuance of a variance from the deadline, the Secretary shall issue a proposed variance. Within 10 days after a proposed variance has been issued, the Secretary shall issue a written declaration, including findings of fact, documenting the proposed variance. The Department shall provide for public participation on the proposed variance in the manner provided by G.S. 130A-309.212(b) and shall take the public input received through the process into account in its decision concerning the proposed variance. Within 30 days of the receipt of all public input received, the Department shall submit a proposed variance to the Coal Ash Management Commission. The Commission shall evaluate all information submitted in accordance with this section and any other information the Commission deems relevant. The Commission shall only approve a variance if it determines that compliance with the deadline cannot be achieved by application of best available technology found to be economically reasonable at the time and would produce serious hardship without equal or greater benefits to the public. The Commission shall issue its determination in writing, including findings in support of its determination. If the Commission fails to act on a variance request within 60 days of receipt, the variance shall be deemed denied. Parties aggrieved by a final decision of the Commission pursuant to this subsection may appeal the decision as provided under Article 3 of Chapter 150B of the General Statutes.

(b) A variance granted pursuant to this section shall not extend a deadline for closure of an impoundment more than three years beyond the date applicable to the impoundment as provided under G.S. 130A-309.212.

(c) No more than one variance may be granted pursuant to this section per impoundment.

"Subpart 3. Use of Coal Combustion Products in Structural Fill.

§ 130A-309.214. Applicability.
The provisions of this Subpart shall apply to the siting, design, construction, operation, and closure of projects that utilize coal combustion products for structural fill.

§ 130A-309.215. Permit requirements for projects using coal combustion products for structural fill.

(a) Permit Requirements. –

(1) Projects using coal combustion products as structural fill involving the placement of less than 8,000 tons of coal combustion products per acre or less than 80,000 tons of coal combustion products in total per project, which proceed in compliance with the requirements of this section and rules adopted thereunder, are deemed permitted. Any person proposing such a project shall submit an application for a permit to the Department upon such form as the Department may prescribe, including, at a minimum, the information set forth in subdivision (1) of subsection (b) of this section.

(2) No person shall commence or operate a project using coal combustion residuals as structural fill involving the placement of 8,000 or more tons of coal combustion products per acre or 80,000 or more tons of coal combustion products in total per project without first receiving an individual permit from the Department. Any person proposing such a project shall
submit an application for a permit to the Department upon such form as the Department may prescribe, including, at a minimum, the information set forth in subdivisions (1) and (2) of subsection (b) of this section.

(b) Information to Be Provided to the Department. – At least 60 days before initiation of a proposed project using coal combustion products as structural fill, the person proposing the project shall submit all of the following information to the Department on a form as prescribed by the Department:

(1) For projects involving placement of less than 8,000 tons of coal combustion products per acre or less than 80,000 tons of coal combustion products in total per project, the person shall provide, at a minimum, the following information:
   a. The description of the nature, purpose, and location of the project.
   b. The estimated start and completion dates for the project.
   c. An estimate of the volume of coal combustion products to be used in the project.
   d. A Toxicity Characteristic Leaching Procedure analysis from a representative sample of each different coal combustion product's source to be used in the project for, at a minimum, all of the following constituents: arsenic, barium, cadmium, lead, chromium, mercury, selenium, and silver.
   e. A signed and dated statement by the owner of the land on which the structural fill is to be placed, acknowledging and consenting to the use of coal combustion products as structural fill on the property and agreeing to record the fill in accordance with the requirements of G.S. 130A-390.219.
   f. The name, address, and contact information for the generator of the coal combustion products.
   g. Physical location of the project at which the coal combustion products were generated.

(2) For projects involving placement of 8,000 or more tons of coal combustion products per acre or 80,000 or more tons of coal combustion products in total per project, the person shall provide all information required pursuant to subdivision (1) of this subsection and shall provide construction plans for the project, including a stability analysis as the Department may require. If required by the Department, a stability analysis shall be prepared, signed, and sealed by a professional engineer in accordance with sound engineering practices. A construction plan shall, at a minimum, include a groundwater monitoring system and an encapsulation liner system in compliance with the requirements of G.S. 130A-309.216.

§ 130A-309.216. Design, construction, and siting requirements for projects using coal combustion products for structural fill.

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

(1) A structural fill site must be designed, constructed, operated, closed, and maintained in such a manner as to minimize the potential for harmful release of constituents of coal combustion residuals to the environment or create a nuisance to the public.

(2) Coal combustion products shall be collected and transported in a manner that will prevent nuisances and hazards to public health and safety. Coal combustion products shall be moisture conditioned, as necessary, and transported in covered trucks to prevent dusting.

(3) Coal combustion products shall be placed uniformly and shall be compacted to standards, including in situ density, compaction effort, and relative
density, specified by a registered professional engineer for a specific end-use purpose.

(4) Equipment shall be provided that is capable of placing and compacting the coal combustion products and handling the earthwork required during the periods that coal combustion products are received at the fill project.

(5) The coal combustion product structural fill project shall be effectively maintained and operated as a nondischarge system to prevent discharge to surface water resulting from the project.

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

(7) Surface waters resulting from precipitation shall be diverted away from the active coal combustion product placement area during filling and construction activity.

(8) Site development shall comply with the North Carolina Sedimentation Pollution Control Act of 1973, as amended.

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

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

(11) Compliance with this subsection shall not insulate any of the owners or operators of a structural fill project from claims for damages to surface waters, groundwater, or air resulting from the operation of the structural fill project. If the project fails to comply with the requirements of this section, the constructor, generator, owner, or operator shall notify the Department and shall take any immediate corrective action as may be required by the Department.

(b) Liners, Leachate Collection System, Cap, and Groundwater Monitoring System Required for Large Structural Fills. – For projects involving placement of 8,000 or more tons of coal combustion products per acre or 80,000 or more tons of coal combustion products in total per project shall have an encapsulation liner system. The encapsulation liner system shall be constructed on and around the structural fill and shall be designed to efficiently contain, collect, and remove leachate generated by the coal combustion products, as well as separate the coal combustion products from any exposure to surrounding environs. At a minimum, the components of the liner system shall consist of the following:

(1) A base liner, which shall consist of one of the following designs:

a. A composite liner utilizing a compacted clay liner. This composite liner is one liner that consists of two components: a geomembrane liner installed above and in direct and uniform contact with a compacted clay liner with a minimum thickness of 24 inches (0.61 m) and a permeability of no more than 1.0 x 10^-7 centimeters per second.

b. A composite liner utilizing a geosynthetic clay liner. This composite liner is one liner that consists of three components: a geomembrane liner installed above and in uniform contact with a geosynthetic clay liner overlying a compacted clay liner with a minimum thickness of 18 inches (0.46 m) and a permeability of no more than 1.0 x 10^-5 centimeters per second.
(2) A leachate collection system, which is constructed directly above the base liner and shall be designed to effectively collect and remove leachate from the project.

(3) A cap system that is designed to minimize infiltration and erosion as follows:
   a. The cap system shall be designed and constructed to (i) have a permeability less than or equal to the permeability of any base liner system or the in situ subsoils underlying the structural fill, or the permeability specified for the final cover in the effective permit, or a permeability no greater than $1 \times 10^{-5}$ centimeters per second, whichever is less; (ii) minimize infiltration through the closed structural fill by the use of a low-permeability barrier that contains a minimum 18 inches of earthen material; and (iii) minimize erosion of the cap system and protect the low-permeability barrier from root penetration by use of an erosion layer that contains a minimum of six inches of earthen material that is capable of sustaining native plant growth.
   b. The Department may approve an alternative cap system if the owner or operator can adequately demonstrate (i) the alternative cap system will achieve an equivalent or greater reduction in infiltration as the low-permeability barrier specified in sub-subdivision a. of this subdivision and (ii) the erosion layer will provide equivalent or improved protection as the erosion layer specified in sub-subdivision a. of this subdivision.

(4) A groundwater monitoring system, that shall be approved by the Department and, at a minimum, consists of all of the following:
   a. A sufficient number of wells, installed at appropriate locations and depths, to yield groundwater samples from the uppermost aquifer that represent the quality of groundwater passing the relevant point of compliance as approved by the Department. A down-gradient monitoring system shall be installed at the relevant point of compliance so as to ensure detection of groundwater contamination in the uppermost aquifer.
   b. A proposed monitoring plan, which shall be certified by a licensed geologist or professional engineer to be effective in providing early detection of any release of hazardous constituents from any point in a structural fill or leachate surface impoundment to the uppermost aquifer, so as to be protective of public health, safety, and welfare; the environment; and natural resources.
   c. A groundwater monitoring program, which shall include consistent sampling and analysis procedures that are designed to ensure monitoring results that provide an accurate representation of groundwater quality at the background and down-gradient wells. Monitoring shall be conducted through construction and the post-closure care period. The sampling procedures and frequency shall be protective of public health, safety, and welfare; the environment; and natural resources.
   d. A detection monitoring program for all Appendix I constituents. For purposes of this subdivision, the term "Appendix I" means Appendix I to 40 C.F.R., Part 258, "Appendix I Constituents for Detection Monitoring," including subsequent amendments and editions.
g. An assessment monitoring program and corrective action plan if one or more of the constituents listed in Appendix I is detected in exceedance of a groundwater protection standard.

(c) Siting for Structural Fill Facilities. – Coal combustion products used as a structural fill shall not be placed:

1. Within 50 feet of any property boundary.
2. Within 300 horizontal feet of a private dwelling or well.
3. Within 50 horizontal feet of the top of the bank of a perennial stream or other surface water body.
4. Within four feet of the seasonal high groundwater table.
5. Within a 100-year floodplain except as authorized under G.S. 143-215.54A(b). A site located in a floodplain shall not restrict the flow of the 100-year flood, reduce the temporary water storage capacity of the floodplain or result in washout of solid waste so as to pose a hazard to human life, wildlife or land or water resources.
6. Within 50 horizontal feet of a wetland, unless, after consideration of the chemical and physical impact on the wetland, the United States Army Corps of Engineers issues a permit or waiver for the fill.

"§ 130A-309.217. Financial assurance requirements for large projects using coal combustion products for structural fill.

(a) For projects involving placement of 8,000 or more tons of coal combustion products per acre or 80,000 or more tons of coal combustion products in total per project, the applicant for a permit or a permit holder to construct or operate a structural fill shall establish financial assurance that will ensure that sufficient funds are available for facility closure, post-closure maintenance and monitoring, any corrective action that the Department may require, and to satisfy any potential liability for sudden and nonsudden accidental occurrences, and subsequent costs incurred by the Department in response to an incident at a structural fill project, even if the applicant or permit holder becomes insolvent or ceases to reside, be incorporated, do business, or maintain assets in the State.

(b) To establish sufficient availability of funds under this section, the applicant for a permit or a permit holder may use insurance, financial tests, third-party guarantees by persons who can pass the financial test, guarantees by corporate parents who can pass the financial test, irrevocable letters of credit, trusts, surety bonds, or any other financial device, or any combination of the foregoing shown to provide protection equivalent to the financial protection that would be provided by insurance if insurance were the only mechanism used.

(c) The applicant for a permit or a permit holder and any parent, subsidiary, or other affiliate of the applicant, permit holder, or parent, including any joint venturer with a direct or indirect interest in the applicant, permit holder, or parent shall be a guarantor of payment for closure, post-closure maintenance and monitoring, any corrective action that the Department may require, and to satisfy any potential liability for sudden and nonsudden accidental occurrences arising from the operation of the hazardous waste facility.

(d) Assets used to meet the financial assurance requirements of this section shall be in a form that will allow the Department to readily access funds for the purposes set out in this section. Assets used to meet financial assurance requirements of this section shall not be accessible to the permit holder except as approved by the Department.

(e) The Department may provide a copy of any filing that an applicant for a permit or a permit holder submits to the Department to meet the financial responsibility requirements under this section to the State Treasurer. The State Treasurer shall review the filing and provide the Department with a written opinion as to the adequacy of the filing to meet the purposes of this section, including any recommended changes.

(f) In order to continue to hold a permit for a structural fill, a permit holder must maintain financial responsibility as required by this Part and must provide any information
requested by the Department to establish that the permit holder continues to maintain financial responsibility.

(g) An applicant for a permit or a permit holder shall satisfy the Department that the applicant or permit holder has met the financial responsibility requirements of this Part before the Department is required to otherwise review the application.

§ 130A-309.218. Closure of projects using coal combustion products for structural fill.

(a) Closure of Structural Fill Projects. –

(1) No later than 30 working days or 60 calendar days, whichever is less, after coal combustion product placement has ceased, the final cover shall be applied over the coal combustion product placement area.

(2) The final surface of the structural fill shall be graded and provided with drainage systems that do all of the following:
   a. Minimize erosion of cover materials.
   b. Promote drainage of area precipitation, minimize infiltration, and prevent ponding of surface water on the structural fill.

(3) Other erosion control measures, such as temporary mulching, seeding, or silt barriers shall be installed to ensure no visible coal combustion product migration to adjacent properties until the beneficial end use of the project is realized.

(4) The constructor or operator shall submit a certification to the Department signed and sealed by a registered professional engineer or signed by the Secretary of the Department of Transportation or the Secretary's designee certifying that all requirements of this Subpart have been met. The report shall be submitted within 30 days of application of the final cover.

(b) Additional Closure and Post-Closure Requirements for Large Structural Fill Projects. – For projects involving placement of 8,000 or more tons of coal combustion products per acre or 80,000 or more tons of coal combustion products in total per project, a constructor or operator shall conduct post-closure care. Post-closure care shall be conducted for 30 years, which period may be increased by the Department upon a determination that a longer period is necessary to protect public health, safety, and welfare; the environment; and natural resources, or decreased upon a determination that a shorter period is sufficient to protect public health, safety, and welfare; the environment; and natural resources. Additional closure and post-closure requirements include, at a minimum, all of the following:

(1) Submit a written closure plan that includes all of the following:
   a. A description of the cap liner system and the methods and procedures used to install the cap that conforms to the requirement in G.S. 130A-309.216(b).
   b. An estimate of the largest area of the structural fill project ever requiring the cap liner system at any time during the overall construction period that is consistent with the drawings prepared for the structural fill.
   c. An estimate of the maximum inventory of coal combustion products ever on-site over the construction duration of the structural fill.
   d. A schedule for completing all activities necessary to satisfy the closure criteria set forth in this section.

(2) Submit a written post-closure plan that includes all of the following:
   a. A description of the monitoring and maintenance activities required for the project and the frequency at which these activities must be performed.
   b. The name, address, and telephone number of the person or office responsible for the project during the post-closure period.
   c. A description of the planned uses of the property during the post-closure period. Post-closure use of the property must not disturb
the integrity of the cap system, base liner system, or any other components of the containment system or the function of the monitoring systems, unless necessary to comply with the requirements of this subsection. The Department may approve disturbance if the constructor or operator demonstrates that disturbance of the cap system, base liner system, or other component of the containment system will not increase the potential threat to public health, safety, and welfare; the environment; and natural resources.

d. The cost estimate for post-closure activities required under this section.

(3) Maintain the integrity and effectiveness of any cap system, including repairing the system as necessary to correct the defects of settlement, subsidence, erosion, or other events and preventing run-on and runoff from eroding or otherwise damaging the cap system.

(4) Maintain and operate the leachate collection system. The Department may allow the constructor or operator to stop managing leachate upon a satisfactory demonstration that leachate from the project no longer poses a threat to human health and the environment.

(5) Monitor and maintain the groundwater monitoring system in accordance with G.S. 130A-309.216 and monitor the surface water in accordance with 15A NCAC 13B .0602.

(c) Completion of Post-Closure Care. – Following completion of the post-closure care period, the constructor or operator shall submit a certification, signed by a registered professional engineer, to the Department, verifying that post-closure care has been completed in accordance with the post-closure plan, and include the certification in the operating record.

"§ 130A-309.219. Recordation of projects using coal combustion products for structural fill.

(a) The owner of land where coal combustion products have been used in volumes of more than 1,000 cubic yards shall file a statement of the volume and locations of the coal combustion residuals with the Register of Deeds in the county or counties where the property is located. The statement shall identify the parcel of land according to the complete legal description on the recorded deed, either by metes and bounds or by reference to a recorded plat map. The statement shall be signed and acknowledged by the landowners in the form prescribed by G.S. 47-38 through G.S. 47-43.

(b) Recordation shall be required within 90 days after completion of a structural fill project using coal combustion residuals.

(c) The Register of Deeds, in accordance with G.S. 161-14, shall record the notarized statement and index it in the Grantor Index under the name of the owner of the land. The original notarized statement with the Register's seal and the date, book, and page number of recording shall be returned to the Department after recording.

(d) When property with more than 1,000 cubic yards of coal combustion products is sold, leased, conveyed, or transferred in any manner, the deed or other instrument of transfer shall contain in the description section in no smaller type than used in the body of the deed or instrument a statement that coal combustion products have been used as structural fill material on the property.

"§ 130A-309.220. Department of Transportation projects.

The Department and the Department of Transportation may agree on specific design, construction, siting, operation, and closure criteria that may apply to the Department of Transportation structural fill projects.

"§ 130A-309.221. Inventory and inspection of certain structural fill projects.

No later than July 1, 2015, the Department shall prepare an inventory of all structural fill projects with a volume of 10,000 cubic yards or more. The Department shall update the
structural fill project inventory at least annually. The Department shall inspect each structural fill project with a volume of 10,000 cubic yards or more at least annually to determine if the project or facility has been constructed and operated in compliance with Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1200 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management), as applicable.

"§ 130A-309.222. Amendments required to rules.

Requirements under existing rules governing the use of coal combustion products for structural fill that do not conflict with the provisions of this Subpart shall continue to apply to such projects. The Environmental Management Commission shall amend existing rules governing the use of coal combustion products for structural fill as necessary to implement the provisions of this Subpart. Such rules shall be exempt from the requirements of G.S. 150B-19.3.

"Subpart 4. Enforcement.

"§ 130A-309.223. General enforcement.

Except as otherwise provided in this Subpart, the provisions of this Part shall be enforced as provided in Article 1 of this Chapter.

"§ 130A-309.224. Penalties for making false statements.

Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Part or a rule implementing this Part shall be guilty of a Class 2 misdemeanor, which may include a fine not to exceed ten thousand dollars ($10,000).

SECTION 3.(b) Notwithstanding G.S. 130A-309.211 or G.S. 130A-309.212, as enacted by Section 3(a) of this act, and except as otherwise preempted by the requirements of federal law, the following coal combustion residuals surface impoundments shall be deemed high-priority and, as soon as practicable, but no later than August 1, 2019, shall be closed in conformance with Section 3(c) of this act:

(1) Coal combustion residuals surface impoundments located at the Dan River Steam Station, owned and operated by Duke Energy Progress, and located in Rockingham County.

(2) Coal combustion residuals surface impoundments located at the Riverbend Steam Station, owned and operated by Duke Energy Carolinas, and located in Gaston County.

(3) Coal combustion residuals surface impoundments located at the Asheville Steam Electric Generating Plant, owned and operated by Duke Energy Progress, and located in Buncombe County.

(4) Coal combustion residuals surface impoundments located at the Sutton Plant, owned and operated by Duke Energy Progress, and located in New Hanover County.

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

(1) Impoundments located in whole above the seasonal high groundwater table shall be dewatered. Impoundments located in whole or in part beneath the seasonal high groundwater table shall be dewatered to the maximum extent practicable.

(2) All coal combustion residuals shall be removed from the impoundments and transferred for (i) disposal in a coal combustion residuals landfill, industrial landfill, or municipal solid waste landfill or (ii) use in a structural fill or other beneficial use as allowed by law. Any disposal or use of coal combustion products pursuant to this section shall comply with the moratoriums enacted under Section 4(a) and Section 5(a) of this act and any
extensions thereof. The use of coal combustion products (i) as structural fill, as authorized by Section 4(b) of this act, shall be conducted in accordance with the requirements of Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, and (ii) for other beneficial uses shall be conducted in accordance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management), as applicable.

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

SECTION 3.(d) G.S. 130A-290(a) reads as rewritten:

"§ 130A-290. Definitions."

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

... (2b) "Combustion products" means residuals, including fly ash, bottom ash, boiler slag, mill rejects, and flue gas desulfurization residue produced by a coal-fired generating unit destined for disposal. The term does not include coal combustion products as defined in G.S. 130A-309.201(4).

(2c) "Combustion products landfill" means a facility or unit for the disposal of combustion products, where the landfill is located at the same facility with the coal-fired generating unit or units producing the combustion products, and where the landfill is located wholly or partly on top of a facility that is, or was, being used for the disposal or storage of such combustion products, including, but not limited to, landfills, wet and dry ash ponds, and structural fill facilities.

... (20) "Open dump" means any facility or site where solid waste is disposed of that is not a sanitary landfill and that is not a coal combustion residuals surface impoundment or a facility for the disposal of hazardous waste.

... (35) "Solid waste" means any hazardous or nonhazardous garbage, refuse or sludge from a waste treatment plant, water supply treatment plant or air pollution control facility, domestic sewage and sludges generated by the treatment thereof in sanitary sewage collection, treatment and disposal systems, and other material that is either discarded or is being accumulated, stored or treated prior to being discarded, or has served its original intended use and is generally discarded, including solid, liquid, semisolid or contained gaseous material resulting from industrial, institutional, commercial and agricultural operations, and from community activities. Notwithstanding sub-sub-subdivision b.3. of this subdivision, the term includes coal combustion residuals. The term does not include:

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

b. Solid or dissolved material in:

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

2. Irrigation return flows.

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

SECTION 3.(e) The initial members of the Coal Ash Management Commission established pursuant to G.S. 130A-309.202, as enacted by Section 3(a) of this act, whose qualifications are described in subdivisions (3), (4), and (9) of G.S. 130A-309.202(b), shall be appointed for an initial term of two years beginning effective July 1, 2014, and subsequent appointments shall be for six-year terms. The initial members of the Coal Ash Management Commission established pursuant to G.S. 130A-309.202, as enacted by Section 3(a) of this act, whose qualifications are described in subdivisions (1), (6), and (8) of G.S. 130A-309.202(b), shall be appointed for an initial term of four years beginning effective July 1, 2014, and subsequent appointments shall be for six-year terms. The initial members of the Coal Ash Management Commission established pursuant to G.S. 130A-309.202, as enacted by Section 3(a) of this act, whose qualifications are described in subdivisions (2), (5), and (7) of G.S. 130A-309.202(b), shall be appointed for an initial term of six years beginning effective July 1, 2014, and subsequent appointments shall be for six-year terms.

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

PART III. MORATORIUMS AND STUDY ON (1) USE OF COAL COMBUSTION PRODUCTS AS STRUCTURAL FILL AND (2) CONSTRUCTION OR EXPANSION OF COMBUSTION PRODUCTS LANDFILLS

SECTION 4.(a) Notwithstanding 15A NCAC 13B .1701, et seq., and except as provided in Section 4(b) of this act, the use of coal combustion products, as defined in G.S. 130A-309.201, as structural fill is prohibited until August 1, 2015, in order to allow the Department of Environment and Natural Resources, the Environmental Management Commission, and the General Assembly time to review and evaluate the use of coal combustion residuals as structural fill.

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>A project where the structural fill is used with a base liner, leachate collection system, cap liner, or groundwater monitoring system and where the constructor or operator establishes financial assurance, as required by G.S. 130A–309.217.</td>
</tr>
<tr>
<td>(2)</td>
<td>As the base or sub-base of a concrete or asphalt paved road constructed under the authority of a public entity.</td>
</tr>
</tbody>
</table>

SECTION 4.(c) The use of coal combustion products (i) as structural fill as authorized by Section 4(b) of this act shall be conducted in accordance with the requirements of
Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, and (ii) for other beneficial uses shall be conducted in accordance with the requirements of Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1205 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management), as applicable.

SECTION 4.(d) The Department of Environment and Natural Resources and the Environmental Management Commission shall jointly review Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, and 15A NCAC 13B .1701, et seq. In conducting this review, the Department and Commission shall do all of the following:

1. Review the uses of coal combustion products as structural fill and the regulation of this use under Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, to determine if the requirements are sufficient to protect public health, safety, and welfare; the environment; and natural resources.

2. Review the uses of coal combustion products for other beneficial uses and the regulation of these uses under Section .1700 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code (Requirements for Beneficial Use of Coal Combustion By-Products) and Section .1200 of Subchapter T of Chapter 2 of Title 15A of the North Carolina Administrative Code (Coal Combustion Products Management), and other applicable rules, to determine if the rules are sufficient to protect public health, safety, and welfare; the environment; and natural resources.

3. Evaluate additional opportunities for the use of coal combustion products as structural fill and for other beneficial uses that would reduce the volume of coal combustion residuals that are being disposed of in coal combustion residuals landfills, industrial landfills, or municipal solid waste landfills while still being protective of public health, safety, and welfare; the environment; and natural resources.

4. Monitor any actions of the United States Environmental Protection Agency regarding the use of coal combustion products as structural fill or for other beneficial uses.

5. Jointly report to the Environmental Review Commission no later than January 15, 2015, on their findings and recommendations regarding the use of coal combustion products as structural fill and for other beneficial uses.

SECTION 4.(e) All electric generating facilities owned by a public utility that produce coal combustion residuals and coal combustion products shall issue a request for proposals on or before December 31, 2014, for (i) the conduct of a market analysis for the concrete industry and other industries that might beneficially use coal combustion residuals and coal combustion products; (ii) the study of the feasibility and advisability of installation of technology to convert existing and newly generated coal combustion residuals to commercial-grade coal combustion products suitable for use in the concrete industry and other industries that might beneficially use coal combustion residuals; and (iii) an examination of all innovative technologies that might be applied to diminish, recycle or reuse, or mitigate the impact of existing and newly generated coal combustion residuals. All electric generating facilities shall present the materials and information received in response to a request for proposals issued pursuant to this section and an assessment of the materials and information, including a forecast of specific actions to be taken in response to the materials and information received, to the Environmental Management Commission and the Coal Ash Management Commission on or before August 1, 2016.

SECTION 4.(f) This section is effective when it becomes law and applies to the use of coal combustion residuals as structural fill contracted for on or after that date.
SECTION 5.(a) There is hereby established a moratorium on construction of new or expansion of existing coal combustion residuals landfills, as defined by G.S. 130A-290(2c) and amended by Section 3(d) of this act. The purpose of this moratorium is to allow the State to assess the risks to public health, safety, and welfare; the environment; and natural resources of coal combustion residuals impoundments located beneath coal combustion residuals landfills to determine the advisability of continued operation of these landfills.

SECTION 5.(b) The Department of Environment and Natural Resources shall evaluate each coal combustion residuals landfill currently operating in the State and, in particular, assess the risks to public health, safety, and welfare; the environment; and natural resources, of coal combustion residuals surface impoundments located beneath coal combustion residuals landfills to determine the advisability of continued operation of these landfills. The Department shall report to the Environmental Review Commission no later than January 15, 2015, on its findings and recommendations concerning the risk assessment of each of these sites and the advisability of continued operation of coal combustion residuals landfills.

SECTION 5.(c) This section is effective when it becomes law and expires August 1, 2015.

PART IV. STRENGTHEN THE REPORTING AND NOTIFICATION REQUIREMENTS APPLICABLE TO DISCHARGES OF WASTEWATER TO WATERS OF THE STATE; REQUIRE CERTAIN EMERGENCY CALLS TO BE RECORDED

SECTION 6.(a) G.S. 143-215.1C reads as rewritten:

"§ 143-215.1C. Report to wastewater system customers on system performance; report discharge of untreated wastewater to the Department; publication of notice of discharge of untreated wastewater and waste.

(a) Report to Wastewater System Customers. – The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part and having an average annual flow greater than 200,000 gallons per day, shall provide to the users or customers of the collection system or treatment works and to the Department an annual report that summarizes the performance of the collection system or treatment works and the extent to which the collection system or treatment works has violated the permit or federal or State laws, regulations, or rules related to the protection of water quality. The report shall be prepared on either a calendar or fiscal year basis and shall be provided no later than 60 days after the end of the calendar or fiscal year.

(a1) Report Discharge of Untreated Wastewater to the Department. – The owner or operator of any wastewater collection or treatment works for which a permit is issued under this Part shall report a discharge of 1,000 gallons or more of untreated wastewater to the surface waters of the State to the Department as soon as practicable, but no later than 24 hours after the owner or operator has determined that the discharge has reached the surface waters of the State. This reporting requirement shall be in addition to any other reporting requirements applicable to the owner or operator of the wastewater collection or treatment works.

(b) Publication of Notice of Discharge of Untreated Wastewater. – The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part shall:

(1) In the event of a discharge of 1,000 gallons or more of untreated wastewater to the surface waters of the State, issue a press release to all print and electronic news media that provide general coverage in the county where the discharge occurred setting out the details of the discharge. The owner or operator shall issue the press release within 48-24 hours after the owner or operator has determined that the discharge has reached the surface waters of the State. The owner or operator shall retain a copy of the press release and a
list of the news media to which it was distributed for at least one year after the discharge and shall provide a copy of the press release and the list of the news media to which it was distributed to any person upon request.

(2) In the event of a discharge of 15,000 gallons or more of untreated wastewater to the surface waters of the State, publish a notice of the discharge in a newspaper having general circulation in the county in which the discharge occurs and in each county downstream from the point of discharge that is significantly affected by the discharge. The Secretary shall determine, at the Secretary's sole discretion, which counties are significantly affected by the discharge and shall approve the form and content of the notice and the newspapers in which the notice is to be published. The notice shall be captioned "NOTICE OF DISCHARGE OF UNTREATED SEWAGE". The owner or operator shall publish the notice within 10 days after the Secretary has determined the counties that are significantly affected by the discharge and approved the form and content of the notice and the newspapers in which the notice is to be published. The owner or operator shall file a copy of the notice and proof of publication with the Department within 30 days after the notice is published. Publication of a notice of discharge under this subdivision is in addition to the requirement to issue a press release under subdivision (1) of this subsection.

(c) Publication of Notice of Discharge of Untreated Waste. – The owner or operator of any wastewater collection or treatment works, other than a wastewater collection or treatment works the operation of which is primarily to collect or treat municipal or domestic wastewater, for which a permit is issued under this Part shall:

(1) In the event of a discharge of 1,000 gallons or more of untreated waste to the surface waters of the State, issue a press release to all print and electronic news media that provide general coverage in the county where the discharge occurred setting out the details of the discharge. The owner or operator shall issue the press release within 48 hours after the owner or operator has determined that the discharge has reached the surface waters of the State. The owner or operator shall retain a copy of the press release and a list of the news media to which it was distributed for at least one year after the discharge and shall provide a copy of the press release and the list of the news media to which it was distributed to any person upon request.

(2) In the event of a discharge of 15,000 gallons or more of untreated waste to the surface waters of the State, publish a notice of the discharge in a newspaper having general circulation in the county in which the discharge occurs and in each county downstream from the point of discharge that is significantly affected by the discharge. The Secretary shall determine, at the Secretary's sole discretion, which counties are significantly affected by the discharge and shall approve the form and content of the notice and the newspapers in which the notice is to be published. The notice shall be captioned "NOTICE OF DISCHARGE OF UNTREATED WASTE". The owner or operator shall publish the notice within 10 days after the Secretary has determined the counties that are significantly affected by the discharge and approved the form and content of the notice and the newspapers in which the notice is to be published. The owner or operator shall file a copy of the notice and proof of publication with the Department within 30 days after the notice is published. Publication of a notice of discharge under this subdivision is in addition to the requirement to issue a press release under subdivision (1) of this subsection."

SECTION 6.(b) Section 6(a) of this act becomes effective October 1, 2014.

SECTION 6.(c) G.S. 166A-19.12(16) reads as rewritten:
“(16) Establishing and operating a 24-hour Operations Center to serve as a single point of contact for local governments to report the occurrence of emergency and disaster events and to coordinate local and State response assets. The Division shall record all telephone calls to the 24-hour Operations Center emergency hotline and shall maintain the recording of each telephone call for at least one year.”

PART V. REQUIRE NOTIFICATION OF THE DEPARTMENT OF EMERGENCY DAM REPAIRS; REQUIRE EMERGENCY ACTION PLANS FOR CERTAIN DAMS; REQUIRE INSPECTION OF DAMS AT COAL COMBUSTION RESIDUALS SURFACE IMPOUNDMENTS

SECTION 7. G.S. 143-215.27 reads as rewritten:

"§ 143-215.27. Repair, alteration, or removal of dam.
(a) Before commencing the repair, alteration or removal of a dam, application shall be made for written approval by the Department, except as otherwise provided by this Part. The application shall state the name and address of the applicant, shall adequately detail the changes it proposes to effect and shall be accompanied by maps, plans and specifications setting forth such details and dimensions as the Department requires. The Department may waive any such requirements. The application shall give such other information concerning the dam and reservoir required by the Department, such information concerning the safety of any change as it may require, and shall state the proposed time of commencement and completion of the work. When an application has been completed it may be referred by the Department for agency review and report, as provided by subsection (b) of G.S. 143-215.26 in the case of original construction.

(b) When emergency repairs are necessary to safeguard life and property they may be started immediately but the Department shall be notified forthwith of the proposed repairs and of the work underway as soon as possible, but not later than 24 hours after first knowledge of the necessity for the emergency repairs, and the emergency repairs shall be made to conform to the Department's orders.”

SECTION 7.1. Part 3 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-215.27A. Closure of coal combustion residuals surface impoundments to render such facilities exempt from the North Carolina Dam Safety Law of 1967.
(a) Decommissioning Request. – The owner of a coal combustion residuals surface impoundment, as defined by G.S. 130A-309.201, that seeks to decommission the impoundment shall submit a Decommissioning Request to the Division of Energy, Mineral, and Land Resources of the Department requesting that the facility be decommissioned. The Decommissioning Request shall include, at a minimum, all of the following:

(1) A proposed geotechnical investigation plan scope of work. Upon preliminary plan approval pursuant to subsection (b) of this section, the owner shall proceed with necessary field work and submit a geotechnical report with site-specific field data indicating that the containment dam and material impounded by the containment dam are stable, and that the impounded material is not subject to liquid flow behavior under expected static and dynamic loading conditions. Material testing should be performed along the full extent of the containment dam and in a pattern throughout the area of impounded material.

(2) A topographic map depicting existing conditions of the containment dam and impoundment area at two-foot contour intervals or less.

(3) If the facility contains areas capable of impounding by topography, a breach plan must be included that ensures that there shall be no place within the facility capable of impounding. The breach plan shall include, at a minimum, proposed grading contours superimposed on the existing topographic map as
well as necessary engineering calculations, construction details, and construction specifications.

(4) A permanent vegetation and stabilization or capping plan by synthetic liner or other means, if needed. These plans shall include at minimum, proposed grading contours superimposed on the existing topographic map where applicable as well as necessary engineering calculations, construction details, construction specifications, and all details for the establishment of surface area stabilization.

(5) A statement indicating that the impoundment facility has not received sluiced coal combustion residuals for at least three years and that there are no future plans to place coal combustion residuals in the facility by sluicing methods. The Division of Energy, Mineral, and Land Resources may waive the three-year requirement if proper evidence is presented by a North Carolina registered professional engineer indicating that the impounded material is not subject to liquid flow behavior.

(b) Preliminary Review and Approval. – The Decommissioning Request shall undergo a preliminary review by the Division for completeness and approval of the proposed geotechnical investigation plan scope of work. The owner shall be notified by letter with results of the preliminary review, including approval or revision requests relative to the proposed scope of work included in the geotechnical investigation plan. Upon receipt of a letter issued by the Division approving the preliminary geotechnical plan scope of work, the owner may proceed with field work and development of the geotechnical report.

(c) Final Determination and Approval. – Upon receipt of the geotechnical report, the Division shall complete the submittal review as provided in this subsection.

(1) If it is determined that sufficient evidence has been presented to clearly show that the facility no longer functions as a dam in its current state, a letter decommissioning the facility shall be issued by the Division, and the facility shall no longer be under jurisdiction of the Dam Safety Law of 1967.

(2) If modifications such as breach construction or implementation of a permanent vegetation or surface lining plan are needed, such plans shall be reviewed per standard procedures for consideration of a letter of approval to modify or breach.

(3) If approved, such plans shall follow standard procedure for construction, including construction supervision by a North Carolina registered professional engineer, as-built submittal by a North Carolina registered professional engineer, and follow up final inspection by the Division.

(4) Final approval shall be issued by the Division in the form of a letter decommissioning the facility, and the facility shall no longer be under jurisdiction of the Dam Safety Law of 1967.

SECTION 8.(a) G.S. 143-215.31 reads as rewritten:

"§ 143-215.31. Supervision over maintenance and operation of dams.

(a) The Commission shall have jurisdiction and supervision over the maintenance and operation of dams to safeguard life and property and to satisfy minimum streamflow requirements. The Commission may adopt standards for the maintenance and operation of dams as may be necessary for the purposes of this Part. The Commission may vary the standards applicable to various dams, giving due consideration to the minimum flow requirements of the stream, the type and location of the structure, the hazards to which it may be exposed, and the peril of life and property in the event of failure of a dam to perform its function.

(a1) The owner of a dam classified by the Department as a high-hazard dam or an intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this subsection.

867
(1) The owner of the dam shall submit a proposed Emergency Action Plan for the dam within 90 days after the dam is classified as a high-hazard dam or an intermediate-hazard dam to the Department and the Department of Public Safety for their review and approval. The Department and the Department of Public Safety shall approve the Emergency Action Plan if they determine that it complies with the requirements of this subsection and will protect public health, safety, and welfare; the environment; and natural resources.

(2) The Emergency Action Plan shall include, at a minimum, all of the following:
   a. A description of potential emergency conditions that could occur at the dam, including security risks.
   b. A description of actions to be taken in response to an emergency condition at the dam.
   c. Emergency notification procedures to aid in warning and evacuations during an emergency condition at the dam.
   d. A downstream inundation map depicting areas affected by a dam failure and sudden release of the impoundment.

(3) The owner of the dam shall update the Emergency Action Plan annually and shall submit it to the Department and the Department of Public Safety for their review and approval within one year of the prior approval.

(4) The Department shall provide a copy of the Emergency Action Plan to the regional offices of the Department that might respond to an emergency condition at the dam.

(5) The Department of Public Safety shall provide a copy of the Emergency Action Plan to all local emergency management agencies that might respond to an emergency condition at the dam.

(6) Information included in an Emergency Action Plan that constitutes sensitive public security information, as provided in G.S. 132-1.7, shall be maintained as confidential information and shall not be subject to disclosure under the Public Records Act. For purposes of this section, "sensitive public security information" shall include Critical Energy Infrastructure Information protected from disclosure under rules adopted by the Federal Energy Regulatory Commission in 18 C.F.R. § 333.112.

SECTION 8.(b) Notwithstanding G.S. 143-215.31, as amended by Section 8(a) of this act, the owners of all high-hazard dams and intermediate-hazard dams in operation on the effective date of this act shall submit their proposed Emergency Action Plans to the Department of Environment and Natural Resources and the Department of Public Safety no later than March 1, 2015.

SECTION 8.(c) G.S. 143-215.30 reads as rewritten:

"§ 143-215.30. Notice of completion; certification of final approval; notice of transfer.
   (a) Immediately upon completion, enlargement, repair, alteration or removal of a dam, notice of completion shall be given the Commission. As soon as possible thereafter supplementary drawings or descriptive matter showing or describing the dam as actually constructed shall be filed with the Department in such detail as the Commission may require.
   (b) When an existing dam is enlarged, the supplementary drawings and descriptive matter need apply only to the new work.
   (c) The completed work shall be inspected by the supervising engineers, and upon finding that the work has been done as required and that the dam is safe and satisfies minimum streamflow requirements, they shall file with the Department a certificate that the work has been completed in accordance with approved design, plans, specifications and other requirements. Unless the Commission has reason to believe that the dam is unsafe or is not in
compliance with any applicable rule or law, the Commission shall grant final approval of the work in accordance with the certificate, subject to such terms as it deems necessary for the protection of life and property.

(d) Pending issuance of the Commission's final approval, the dam shall not be used except on written consent of the Commission, subject to conditions it may impose.

(e) The owner of a dam shall provide written notice of transfer to the Department within 30 days after title to the dam has been legally transferred. The notice of transfer shall include the name and address of the new dam owner.

SECTION 9. Section 3(b) of S.L. 2009-390 reads as rewritten:

"SECTION 3.(b) Any impoundments or other facilities that were in use on the effective date of this section January 1, 2010, in connection with nonnuclear electric generating facilities under the jurisdiction of the North Carolina Utilities Commission, and that had been exempted under the provisions of G.S. 143-215.25A(4), prior to amendment by Section 3(a) of this act, January 1, 2010, shall be deemed to have received all of the necessary approvals from the Department of Environment and Natural Resources and the Commission for Dam Safety, and shall not be required to submit application, certificate, or other materials in connection with the continued normal operation and maintenance of those facilities. Environmental Management Commission."

SECTION 10. G.S. 143-215.32 reads as rewritten:

"§ 143-215.32. Inspection of dams.

(a) The Department may at any time inspect any dam, including a dam that is otherwise exempt from this Part, upon receipt of a written request of any affected person or agency, or upon a motion of the Environmental Management Commission. Within the limits of available funds the Department shall endeavor to provide for inspection of all dams at intervals of approximately five years.

   (a1) Coal combustion residuals surface impoundments, as defined by G.S. 130A-309.201, shall be inspected as provided in this subsection:

   (1) The Department shall inspect each dam associated with a coal combustion residuals surface impoundment at least annually.

   (2) The owner of a coal combustion residuals surface impoundment shall inspect the impoundment weekly and after storms to detect evidence of any of the following conditions:

      a. Deterioration, malfunction, or improper operation of spillway control systems.
      b. Sudden drops in the level of the contents of the impoundment.
      c. Severe erosion or other signs of deterioration in dikes or other containment devices or structures.
      d. New or enlarged seeps along the downstream slope or toe of the dike or other containment devices or structures.
      e. Any other abnormal conditions at the impoundment that could pose a risk to public health, safety, or welfare; the environment; or natural resources.

   (3) If any of the conditions described in subdivision (2) of this subsection are observed, the owner shall provide documentation of the conditions to the Department and a registered professional engineer. The registered professional engineer shall investigate the conditions and, if necessary, develop a plan of corrective action to be implemented by the owner of the impoundment. The owner of the impoundment shall provide documentation of the completed corrective action to the Department.

   (4) The owner of a coal combustion residuals surface impoundment shall provide for the annual inspection of the impoundment by an independent registered professional engineer to ensure that the structural integrity and the design, operation, and maintenance of the impoundment is in accordance
with generally accepted engineering standards. Within 30 days of the
inspection, the owner shall provide to the Department the inspection report
and a certification by the engineer that the impoundment is structurally
sound and that the design, operation, and maintenance of the impoundment
is in accordance with generally accepted engineering standards. The owner
and the Department shall each place the inspection report and certification
on a publicly accessible Internet Web site.

(b) If the Department upon inspection finds that any dam is not sufficiently strong, is
not maintained in good repair or operating condition, is dangerous to life or property, or does
not satisfy minimum streamflow requirements, the Department shall present its findings to the
Commission and the Commission may issue an order directing the owner or owners of the dam
to make at his or her expense maintenance, alterations, repairs, reconstruction, change in
construction or location, or removal as may be deemed necessary by the Commission within a
time limited by the order, not less than 90 days from the date of issuance of each order, except
in the case of extreme danger to the safety of life or property, as provided by subsection (c) of
this section.

(c) If at any time the condition of any dam becomes so dangerous to the safety of life or
property, in the opinion of the Environmental Management Commission, as not to permit
sufficient time for issuance of an order in the manner provided by subsection (b) of this section,
the Environmental Management Commission may immediately take such measures as may be
essential to provide emergency protection to life and property, including the lowering of the
level of a reservoir by releasing water impounded or the destruction in whole or in part of the
dam or reservoir. The Environmental Management Commission may recover the costs of such
measures from the owner or owners by appropriate legal action.

(d) An order issued under this Part shall be served on the owner of the dam as provided
in G.S. 1A-1, Rule 4."

PART VI. TRANSFER SOLID WASTE RULE-MAKING AUTHORITY FROM
COMMISSION FOR PUBLIC HEALTH TO ENVIRONMENTAL MANAGEMENT
COMMISSION

SECTION 11.(a) G.S. 130A-29 reads as rewritten:


... The Commission shall adopt rules:

(c) Establishing standards for approving sewage-treatment devices and holding
tanks for marine toilets as provided in G.S. 75A-6(o).

(d) Establishing specifications for sanitary privies for schools where
water-carried sewage facilities are unavailable as provided in
G.S. 115C-522.

(e) Establishing requirements for the sanitation of local confinement facilities as
provided in Part 2 of Article 10 of Chapter 153A of the General Statutes.

(f) Requiring proper treatment and disposal of sewage and other waste from
chemical and portable toilets.

(g) Establishing statewide health outcome objectives and delivery standards.

(h) Establishing permit requirements for the sanitation of premises, utensils,
equipment, and procedures to be used by a person engaged in tattooing, as
provided in Part 11 of Article 8 of this Chapter.

(i) Implementing immunization requirements for adult care homes as provided
in G.S. 131D-9 and for nursing homes as provided in G.S. 131E-113.
(10) Pertaining to the biological agents registry in accordance with G.S. 130A-479.

(11) For matters within its jurisdiction that allow for and regulate horizontal drilling and hydraulic fracturing for the purpose of oil and gas exploration and development.

"...

SECTION 11.(b) G.S. 130A-291.1 reads as rewritten:

"§ 130A-291.1. Septage management program; permit fees.

... (d) Septage shall be treated and disposed only at a wastewater system that has been approved by the Department under rules adopted by the Commission or by the Environmental Management Commission or at a site that is permitted by the Department under this section. A permit shall be issued only if the site satisfies all of the requirements of the rules adopted by the Commission.

..."

SECTION 11.(c) G.S. 130A-294(a)(4) reads as rewritten:

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

(a) The Department is authorized and directed to engage in research, conduct investigations and surveys, make inspections and establish a statewide solid waste management program. In establishing a program, the Department shall have authority to:

... (4) a. Develop a permit system governing the establishment and operation of solid waste management facilities. A landfill with a disposal area of 1/2 acre or less for the on-site disposal of land clearing and inert debris is exempt from the permit requirement of this section and shall be governed by G.S. 130A-301.1. Demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, that is disposed of on the same site as the decommissioned buildings, is exempt from the permit requirement of this section and rules adopted pursuant to this section and shall be governed by G.S. 130A-301.3. The Department shall not approve an application for a new permit, the renewal of a permit, or a substantial amendment to a permit for a sanitary landfill, excluding demolition landfills as defined in the rules of the Commission, except as provided in subdivisions (3) and (4) of subsection (b1) of this section. No permit shall be granted for a solid waste management facility having discharges that are point sources until the Department has referred the complete plans and specifications to the Environmental Management Commission and has received advice in writing that the plans and specifications are approved in accordance with the provisions of G.S. 143-215.1. In any case where the Department denies a permit for a solid waste management facility, it shall state in writing the reason for denial and shall also state its estimate of the changes in the applicant's proposed activities or plans that will be required for the applicant to obtain a permit.


c. The Department shall deny an application for a permit for a solid waste management facility if the Department finds that:

1. Construction or operation of the proposed facility would be inconsistent with or violate rules adopted by the Commission.

2. Construction or operation of the proposed facility would result in a violation of water quality standards adopted by the

871
3. Construction or operation of the facility would result in significant damage to ecological systems, natural resources, cultural sites, recreation areas, or historic sites of more than local significance. These areas include, but are not limited to, national or State parks or forests; wilderness areas; historic sites; recreation areas; segments of the natural and scenic rivers system; wildlife refuges, preserves, and management areas; areas that provide habitat for threatened or endangered species; primary nursery areas and critical fisheries habitat designated by the Marine Fisheries Commission; and Outstanding Resource Waters designated by the Environmental Management Commission.

SECTION 11.(d) G.S. 130A-300 reads as rewritten:

"§ 130A-300. Effect on laws applicable to water pollution control.

This Article shall not be considered as amending, repealing or in any manner abridging or interfering with those sections of the General Statutes of North Carolina relative to the control of water pollution as now administered by the Environmental Management Commission nor shall the provisions of this Article be construed as being applicable to or in any way affecting the authority of the Environmental Management Commission to control the discharges of wastes to the waters of the State as provided in Articles 21 and 21A, Chapter 143 of the General Statutes."

SECTION 11.(e) G.S. 130A-302 reads as rewritten:

"§ 130A-302. Sludge deposits at sanitary landfills.

Sludges generated by the treatment of wastewater discharges which are point sources subject to permits granted under Section 402 of the Federal Water Pollution Act, as amended (P.L. 92-500), or permits generated under G. S. 143-215.1 by the Environmental Management Commission shall not be deposited in or on a sanitary landfill permitted under this Article unless in a compliance with the rules concerning solid waste adopted under this Article."

SECTION 11.(f) G.S. 130A-310.3 reads as rewritten:

"§ 130A-310.3. Remedial action programs for inactive hazardous substance or waste disposal sites.

... (b) Where possible, the Secretary shall work cooperatively with any owner, operator, responsible party, or any appropriate agency of the State or federal government to develop and implement the inactive hazardous substance or waste disposal site remedial action program. The Secretary shall not take action under this section to the extent that the Environmental Management Commission, the Commissioner of Agriculture, or the Pesticide Board has assumed jurisdiction pursuant to Articles 21 or 21A of Chapter 143 of the General Statutes.

... (d) In any inactive hazardous substance or waste disposal site remedial action program implemented hereunder, the Secretary shall ascertain the most nearly applicable cleanup standard as would be applied under CERCLA/SARA, and may seek federal approval of any such program to insure concurrent compliance with federal standards. State standards may exceed and be more comprehensive than such federal standards. The Secretary shall assure concurrent compliance with applicable standards set by the Environmental Management Commission.

..."

SECTION 11.(g) G.S. 130A-310.4(g) reads as rewritten:

"(g) The Commission on Health Services [Commission for Public Health] shall adopt rules prescribing the form and content of the notices required by this section. The proposed
remedial action plan shall include a summary of all alternatives considered in the development of the plan. A record shall be maintained of all comment received by the Department regarding the remedial action plan.”

SECTION 11.(b) G.S. 130A-310.31(b)(5) reads as rewritten:

"(5) "Unrestricted use standards” when used in connection with "cleanup", "remediated", or "remediation" means contaminant concentrations for each environmental medium that are considered acceptable for all uses and that comply with generally applicable standards, guidance, or established methods governing the contaminants that are established by statute or adopted, published, or implemented by the Environmental Management Commission, the Commission, the Commission or the Department instead of the site-specific contaminant levels established pursuant to this Part.”

SECTION 11.(f) G.S. 130A-310.65 reads as rewritten:

"§ 130A-310.65. Definitions.
As used in this Part:

(1) "Background standard" means the naturally occurring concentration of a substance in the absence of the release of a contaminant.

(2) "Commission" means the Environmental Management Commission created pursuant to G.S. 143B-282.

(12) "Unrestricted use standards" means contaminant concentrations for each environmental medium that are acceptable for all uses; that are protective of public health, safety, and welfare and the environment; and that comply with generally applicable standards, guidance, or methods established by statute or adopted, published, or implemented by the Commission, the Commission for Public Health, Commission or the Department.”

SECTION 11.(j) G.S. 113-391(a)(5) reads as rewritten:

"f. Management of wastes produced in connection with oil and gas exploration and development and use of horizontal drilling and hydraulic fracturing treatments for that purpose. Such rules shall address storage, transportation, and disposal of wastes that may contain radioactive materials or wastes that may be toxic or have other hazardous wastes' characteristics that are not otherwise regulated as a hazardous waste by the federal Resource Conservation and Recovery Act (RCRA), such as top-hole water, brines, drilling fluids, additives, drilling muds, stimulation fluids, well servicing fluids, oil, production fluids, and drill cuttings from the drilling, alteration, production, plugging, or other activity associated with oil and gas wells. Wastes generated in connection with oil and gas exploration and development and use of horizontal drilling and hydraulic fracturing treatments for that purpose that constitute hazardous waste under RCRA shall be subject to rules adopted by the Environmental Management Commission for Public Health to implement RCRA requirements in the State.”

SECTION 11.(k) G.S. 113-415 reads as rewritten:

"§ 113-415. Conflicting laws.
No provision of this Article shall be construed to repeal, amend, abridge or otherwise affect: (i) affect the authority and responsibility vested in the Environmental Management Commission by Article 7 of Chapter 87 of the General Statutes, pertaining to the location, construction, repair, operation and abandonment of wells; (ii) vested in the Environmental Management Commission related to the control of water and air pollution as provided in Articles 21 and 21A of Chapter 143 of the General Statutes; or (iii) vested in the Department and the
Environmental Management Commission for Public Health by Article 10 of Chapter 130A of the General Statutes pertaining to public water-supply requirements; or the authority and responsibility vested in the Environmental Management Commission for Public Health related to the management of solid and hazardous waste as provided in Article 9 of Chapter 130A of the General Statutes."

SECTION 11.(l) The Revisor of Statutes shall make any conforming statutory changes necessary to reflect the transfer of rule-making authority under Article 9 of Chapter 130A of the General Statutes from the Commission for Public Health to the Environmental Management Commission.

SECTION 11.(m) The Codifier of Rules shall make any conforming rule changes necessary to reflect the transfer of rule-making authority under Article 9 of Chapter 130A of the General Statutes from the Commission for Public Health to the Environmental Management Commission.

PART VII. AMEND COMPLIANCE BOUNDARY PROVISIONS

SECTION 12.(a) G.S. 143-215.1 reads as rewritten:

"§ 143-215.1. Control of sources of water pollution; permits required.

(i) Any person subject to the requirements of this section who is required to obtain an individual permit from the Commission for a disposal system under the authority of G.S. 143-215.1 or Chapter 130A of the General Statutes shall have a compliance boundary as may be established by rule or permit for various categories of disposal systems and beyond which groundwater quality standards may not be exceeded. The location of the compliance boundary shall be established at the property boundary, except as otherwise established by the Commission. Multiple contiguous properties under common ownership and permitted for use as a disposal system shall be treated as a single property with regard to determination of a compliance boundary under this subsection. Nothing in this subsection shall be interpreted to require a revision to an existing compliance boundary previously approved by rule or permit boundary.

(j) When operation of a disposal system permitted under this section results in an exceedance of the groundwater quality standards adopted in accordance with G.S. 143-214.1, the Commission shall require that the exceedances within the compliance boundary be remedied through cleanup, recovery, containment, or other response only when any of the following conditions occur:

1. A violation of any water quality standard in adjoining classified waters of the State occurs or can be reasonably predicted to occur considering hydrogeological conditions, modeling, or any other available evidence.

2. An imminent hazard or threat to the environment, public health, or safety exists.

3. A violation of any standard in groundwater occurring in the bedrock, including limestone aquifers in Coastal Plain sediments, unless it can be demonstrated that the violation will not adversely affect, or have the potential to adversely affect, a water supply well.

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

SECTION 12.(b) Section 46(b) of S.L. 2013-413 is repealed.

SECTION 12.(c) The Environmental Management Commission shall review the compliance boundary and corrective action provisions of Subchapter 2L of Title 15A of the North Carolina Administrative Code for clarity and internal consistency. The Commission shall report the results of its review, including any recommendations, to the Environmental Review Commission no later than December 1, 2014.

PART VIII. OTHER STUDIES

SECTION 13.(a) The Coal Ash Management Commission, established pursuant to G.S. 130A-309.202, as enacted by Section 3(a) of this act, shall study whether and under what circumstances no further action or natural attenuation is appropriate for a coal combustion residuals surface impoundment that is classified as low-risk pursuant to G.S. 130A-309.211, as enacted by Section 3(a) of this act. In conducting this study, the Commission shall specifically consider whether there is any contact or interaction between coal combustion residuals and groundwater and surface water, whether the area has reverted to a natural state as evidenced by the presence of wildlife and vegetation, and whether no further action or natural attenuation would be protective of public health, safety, and welfare; the environment; and natural resources. The Commission shall report the results of its study, including any recommendations, to the Environmental Review Commission no later than October 1, 2015.

SECTION 13.(b) The Department of Environment and Natural Resources shall review and make recommendations on all deadlines established under Part 2I of Article 9 of Chapter 130A of the General Statutes, as enacted by Section 3(a) of this act. At a minimum, the Department shall identify all permits that may be required for closure requirements established under this act and expected time frames for issuance of these permits. The Department shall report the results of its study, including any recommendations, to the Environmental Review Commission no later than December 1, 2014.

SECTION 13.(c) The Coal Ash Management Commission, established pursuant to G.S. 130A-309.202, as enacted by Section 3(a) of this act, shall study how to promote, incentivize, and prioritize the beneficial use of coal combustion products over the disposal of coal combustion residuals. The Commission shall report the results of its study, including any recommendations, to the Environmental Review Commission no later than December 1, 2014.

SECTION 14. The Department of Transportation shall evaluate additional opportunities for the use of coal combustion products in the construction and maintenance of roads and bridges within the State. The Department shall report the results of its study, including any recommendations, to the Environmental Review Commission and the Joint Legislative Transportation Oversight Committee no later than December 1, 2014.

PART IX. PROVIDE RESOURCES FOR IMPLEMENTATION OF THIS ACT

SECTION 15.(a) Article 14 of Chapter 62 of the General Statutes is amended by adding a new section to read:


(a) Fee Imposed. — Each public utility with a coal combustion residuals surface impoundment shall pay a regulatory fee for the purpose of defraying the costs of oversight of coal combustion residuals. The fee is in addition to the fee imposed under G.S. 62-302. The fees collected under this section shall only be used to pay the expenses of the Coal Ash Management Commission and the Department of Environment and Natural Resources in providing oversight of coal combustion residuals.

(b) Rate. — The combustion residuals surface impoundment fee shall be three-hundredths of one percent (0.03%) of the North Carolina jurisdictional revenues of each public utility with a coal combustion residuals surface impoundment. For the purposes of this
section, the term "North Carolina jurisdictional revenues" has the same meaning as in G.S. 62-302.

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

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

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

SECTION 15.(b) Notwithstanding G.S. 62-302.1, as enacted by this section, for the first two quarters of fiscal year 2014-2015, each public utility shall pay the fee in G.S. 62-302.1 on a monthly basis. The fee shall be paid by the 15th of the following month.

SECTION 15.(c) Twenty-five receipt-supported positions are created in the Department of Environment and Natural Resources to carry out the duties in Part 2I of Article 9 of Chapter 130A of the General Statutes. There is appropriated from the Coal Combustion Residuals Management Fund the sum of one million seven hundred fifty thousand dollars ($1,750,000) to the Department of Environment and Natural Resources to support the positions for the 2014-2015 fiscal year.

SECTION 15.(d) Five receipt-supported positions are created in the Division of Emergency Management of the Department of Public Safety to carry out the duties in G.S. 130A-309.202. The funds remaining in the Coal Combustion Residuals Management Fund after the appropriation to the Department of Environment and Natural Resources are appropriated to the Department of Public Safety for the 2014-2015 fiscal year. These positions shall be used to provide assistance to the Coal Ash Management Commission established by G.S. 130A-309.202, as enacted by Section 3(a) of this act. The positions shall be assigned in the following manner: one of the positions shall be the executive director of the staff, two positions shall be assigned as analysts, one position shall be assigned as a technician, and one position shall be assigned as administrative. The Division of Emergency Management in the Department of Public Safety shall consult with the Chair of the Commission in hiring the staff for the Coal Ash Management Commission. The Division of Emergency Management in the Department of Public Safety shall provide support to the Commission until the staff of the Commission is hired, including the designation of an individual to serve as an interim executive director of the staff.

SECTION 15.(e) Subsection (a) of this section becomes effective July 1, 2014, and expires April 1, 2030, and applies to jurisdictional revenues earned on or after July 1, 2014, and before April 1, 2030. The remainder of this section becomes effective July 1, 2014.
PART X. SPECIFICATIONS FOR USE OF COAL COMBUSTION PRODUCTS IN PUBLIC PROCUREMENT

SECTION 16. Article 3 of Chapter 143 of the General Statutes is amended by adding a new section to read:


(a) State Construction Office to Develop Technical Specifications. – The State Construction Office shall develop recommended technical specifications for the use of coal combustion products that may be utilized in any construction by all State departments, institutions, agencies, community colleges, and local school administrative units, other than the Department of Transportation. The technical specifications shall address all products used in construction, including, but not limited to, the use of coal combustion products in concrete and cement products and in construction fill.

(b) Department of Transportation to Develop Technical Specifications. – The Department of Transportation shall develop recommended technical specifications for the use of coal combustion products that may be utilized in any construction by the Department of Transportation. The technical specifications shall address all products used in construction, including, but not limited to, the use of coal combustion products in concrete and cement products and in construction fill.

(c) Specification Factors. – The State Construction Office and the Department of Transportation shall consider safety, best practice engineering standards, quality, cost, and availability of an in-State source of coal combustion products in developing the recommended technical specifications pursuant to this section.

(d) Consultation. – The State Construction Office and the Department of Transportation shall consult with each other in the development of the recommended technical specifications pursuant to the provisions of this section in order to ensure that the recommended technical standards are uniform for similar types of construction. The goal of the Department of Administration and the Department of Transportation shall be to increase the usage and consumption of coal combustion products in their respective construction projects.

(e) Report of Recommended Specifications. – The State Construction Office and the Department of Transportation shall report the recommended technical specifications developed pursuant to this section to the Environmental Review Commission and the Joint Legislative Transportation Oversight Committee on or before February 1, 2015."

PART XI. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 17. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 18. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of August, 2014.

Became law on September 20th.
G.S. 120-34(a) provides that "In any case where the Governor has returned a bill to the General Assembly with objections, those objections shall be printed verbatim in the Session Laws, regardless of whether or not the bill became law notwithstanding the objections."

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Title of Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSE BILL 1069</td>
<td>AN ACT TO AMEND THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE.</td>
</tr>
</tbody>
</table>
June 24, 2014

GOVERNOR'S OBJECTIONS AND VETO MESSAGE

House Bill 1069, "An act to amend the unemployment insurance laws, as recommended by the Joint Legislative Oversight Committee on Unemployment Insurance."

After reviewing House Bill 1069, I have determined a veto is the proper course of action.

Although the vast majority of this bill contains much needed revisions to unemployment insurance laws, there are unacceptable provisions which stagger and shorten terms of current lawfully seated members. I appointed these members following a previous legislative directive that did not require confirmation for initial appointees.

The three qualified, capable, and bipartisan appointees by all accounts have performed well.

I look forward to working with House and Senate leaders to help craft a new bill which addresses our concerns while also improving employment policies.

Therefore, I veto the bill.

Pat McCrory

This bill, having been vetoed, is returned to the Clerk of the North Carolina House of Representatives on this 24th day of June 2014 at 1:50 PM for reconsideration of that body.
A JOINT RESOLUTION HONORING NASCAR AND THE INDUCTEES OF THE
NASCAR HALL OF FAME.

Whereas, North Carolina has a rich heritage in the sport of stock car racing and is
proud of NASCAR's presence in the State and its position as the stock car racing capital of the
world; and

Whereas, after World War II, stock car racing evolved as a sport in the foothills,
pinewoods, and piedmont of North Carolina and quickly became one of the deepest traditions
in the State's popular culture; and

Whereas, North Carolina is the home of NASCAR and motorsports events, which
staged its first sanctioned "purely stock car" race at the Charlotte Speedway on June 19, 1949; and

Whereas, in 2011, stock car racing became the official State sport of North
Carolina; and

Whereas, the Charlotte Motor Speedway currently hosts six NASCAR events
annually, including one NASCAR Camping World Series truck race, two NASCAR
Nationwide Series races, and three NASCAR Sprint Cup Series races; and

Whereas, motorsports and stock car racing tremendously affect the economy of
North Carolina through travel and tourism and job creation; and

Whereas, NASCAR nonprofits, operated by both drivers and owners, have provided
millions of dollars to support and enhance the quality of life in North Carolina; and

Whereas, the NASCAR Research and Development Center, located in Concord,
focuses on safety, improvement, and development of the sport; the NASCAR Transportation
Center, located in Concord, provides equipment to support races held throughout the year both
in North Carolina and throughout the United States; and the NASCAR Plaza, located in
Charlotte, houses NASCAR's corporate offices as well as the site of the new digital floor
containing NASCAR.com and NASCAR's Fan and Media Engagement Center, which was built
in partnership with Hewlett Packard (HP) and later became the centerpiece of HP's multimillion
dollar advertising campaign in 2013; and

Whereas, skills and trades used in NASCAR are supported as part of the State's
educational system at the university, community college, and career school levels; and

Whereas, the State's motorsports industry partnered with the military in February
2012 to share technology related to performance and safety to help our nation's service men and
women; and

880
Whereas, as the home to many of the legends and pioneers of stock car racing, it was fitting that North Carolina was chosen in 2006 as the site of the prestigious NASCAR Hall of Fame, which opened in Charlotte in 2010 and whose mission is to preserve the history of NASCAR and to entertain and educate racing and nonracing fans alike; and

Whereas, each year, the NASCAR Hall of Fame recognizes those who have made outstanding contributions to the sport by inducting five legends into the Hall of Fame; and

Whereas, this year's class of NASCAR Hall of Fame inductees, Tim Flock, Jack Ingram, Dale Jarrett, Maurice Petty, and Fireball Roberts, will join other Hall of Fame members: Bobby Allison, Buck Baker, Dale Earnhardt, Richie Evans, Bill France, Sr., Bill France, Jr., Dale Inman, Ned Jarrett, Junior Johnson, Bud Moore, Cotton Owens, David Pearson, Lee Petty, Richard Petty, Herb Thomas, Rusty Wallace, Darrell Waltrip, Glen Wood, Leonard Wood, and Cale Yarborough; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The North Carolina General Assembly pays tribute to the racing legends that have been inducted into the NASCAR Hall of Fame and commends NASCAR for the many valuable contributions it has made to the sporting scene and popular culture in North Carolina.

SECTION 2. The North Carolina General Assembly honors the memory of the deceased NASCAR Hall of Fame inductees, Dale Earnhardt, Bill France, Sr., Bill France, Jr., Lee Petty, Richie Evans, Buck Baker, Cotton Owens, Herb Thomas, Tim Flock, and Fireball Roberts, and expresses its appreciation for their contributions to the sport.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to NASCAR and the NASCAR Hall of Fame.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 15th day of May, 2014.

Resolution 2014-2

A JOINT RESOLUTION EXPRESSING GRATITUDE AND APPRECIATION TO THE MEN AND WOMEN OF THE UNITED STATES ARMED FORCES.

Whereas, the month of May is National Military Appreciation Month and honors, remembers, recognizes, and appreciates all military personnel; those men and women who have served throughout our history, and all who now serve in uniform and their families, as well as those Americans who have given their lives in defense of our freedoms we all enjoy today; and

Whereas, North Carolina is the home of six major Department of Defense (DOD)/Department of Homeland Security (DHS) installations: Coast Guard Station, Elizabeth City; Fort Bragg; Marine Corps Air Station Cherry Point; Marine Corps Air Station New River; Marine Corps Base Camp Lejeune; and Seymour Johnson Air Force Base, as well as the North Carolina National Guard and other DOD/DHS activities and organizations; and

Whereas, North Carolina is home to nearly 800,000 veterans and has the third largest military force in the nation with nearly 120,000 active duty personnel and another 12,000 members of the North Carolina National Guard; and

Whereas, the United States military is the second largest sector of North Carolina's economy, accounting for 10% of the North Carolina's gross State product, worth $48 billion; and

Whereas, more than 540,000 individuals are either directly employed by the military or work in jobs providing goods or services that support the military's presence in North Carolina; and
Whereas, businesses with defense-related contracts operate in 87 of North Carolina’s 100 counties, contributing to an excess of $3.4 billion in defense procurement contracts in North Carolina during 2012; and

Whereas, the observance of events recognizing the contributions of the Armed Forces is a tangible and highly effective way of sustaining morale and improving quality of life for service members and their families; and

Whereas, North Carolina prides itself as being the nation’s "Most Military Friendly State;" and

Whereas, veterans, service members, their families, and their communities have shouldered a heavy burden exemplified by repeated combat deployments for their nation; and

Whereas, the support of the families of service members enhances the effectiveness and capabilities of the Armed Forces; and

Whereas, North Carolina is committed to supporting and promoting the military within the State; and

Whereas, the continued long-term military presence in North Carolina is directly dependent on DOD/DHS's ability to operate not only its installations but also its training and other readiness functions critical to national defense; and

Whereas, it is therefore of paramount importance to the future of North Carolina to maintain the best possible relationship with all branches of the United States military and to promote practices that maintain North Carolina's preeminent position as the best location for military bases and training installations; and

Whereas, to those ends, it is critical for all North Carolinians, all North Carolina businesses, all sectors of North Carolina's economy, and especially all branches and agencies of North Carolina's State and local governments to be knowledgeable about not only the military's presence and contributions to our State but also of the military's special and unique requirements that are critical to carrying out its national defense mission; and

Whereas, North Carolina also seeks to promote the economic development, growth, and expansion of other industries within the State, such as the agriculture/agribusiness industry, the renewable energy industry, the tourism/outdoor recreation industry, and the fisheries industries; and

Whereas, North Carolina has a vested economic interest in the preservation and enhancement of land uses that are compatible with military activities; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly expresses its profound gratitude and appreciation to all the men and women of the United States Armed Forces for their selfless service and pays tribute to those who paid the ultimate sacrifice.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 21st day of May, 2014.

Resolution 2014-3

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF LEO MERCER, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Leo Mercer was born on March 20, 1926, in Chadbourn, North Carolina, to Bailey Mercer and Lottie Hinson Mercer; and

Whereas, Leo Mercer graduated from Chadbourn High School in 1943 and, during that same year, served in the United States Navy; and

Whereas, Leo Mercer was a farmer and business owner, serving as co-owner of Mercer-Worthington Funeral Home (now Worthington Funeral Home) until his retirement in 1984; and
Whereas, Leo Mercer had a 33-year career with the United States Postal Service; he began working for the organization in 1951 and later served as the postmaster for the Town of Chadbourn from 1962 to 1984; and

Whereas, Leo Mercer was a leader in his community, serving as Mayor of Chadbourn from 1969 to 1970, 1975 to 1982, and 1999 to 2005 and as a member of the Columbus County Board of Education from 1982 to 1988 and the Columbus County Board of Elections from 2008 to 2011; and

Whereas, Leo Mercer served with honor and distinction as a member of the North Carolina House of Representatives for two terms between 1989 and 1992, where he was a member of numerous committees, including Agriculture, Ethics, Finance, Pensions and Retirement, State Government, State Revenue, and Transportation; and

Whereas, Leo Mercer served five years as a special assistant to Governor James B. Hunt, Jr. in the Governor's eastern office; and

Whereas, Leo Mercer was a leader in his community, serving as Mayor of Chadbourn from 1969 to 1970, 1975 to 1982, and 1999 to 2005 and as a member of the Columbus County Board of Education from 1982 to 1988 and the Columbus County Board of Elections from 2008 to 2011; and

Whereas, Leo Mercer served with honor and distinction as a member of the North Carolina House of Representatives for two terms between 1989 and 1992, where he was a member of numerous committees, including Agriculture, Ethics, Finance, Pensions and Retirement, State Government, State Revenue, and Transportation; and

Whereas, Leo Mercer served five years as a special assistant to Governor James B. Hunt, Jr. in the Governor's eastern office; and

Whereas, Leo Mercer was a member of several fraternal and civic organizations, including the Chadbourn Masonic Lodge #607, Chadbourn Merchants Association, Chadbourn Civitan Club, and Columbus County Committee of 100; and

Whereas, Leo Mercer was an active member of Chadbourn Baptist Church, where he held several positions, including deacon and superintendent; and

Whereas, Leo Mercer was honored by being named the North Carolina Postmaster of the Year in 1978, having a section of NC Highway 410 named the "Leo Mercer Highway," and receiving the State's highest honor, the Order of the Long Leaf Pine in 2012; and

Whereas, Leo Mercer was married to the late Irene Bullard Mercer; and

Whereas, Leo Mercer died December 26, 2013, at the age of 87; and

Whereas, Leo Mercer is survived by a daughter, Gwendolyn Mercer Sanderson; two sons, Kenneth L. Mercer and Kipling Sherrill Mercer; seven grandchildren; and 18 great-grandchildren; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly honors the memory of Leo Mercer and expresses the gratitude and appreciation of this State and its citizens for his life and service to his community, State, and nation.

SECTION 2. The General Assembly extends its sympathy to the family of Leo Mercer for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Leo Mercer.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 28th day of May, 2014.

Resolution 2014-4

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF ZEBULON DOYLE ALLEY, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Zebulon Doyle Alley was born on August 9, 1928, in Sylva, North Carolina, to Doyle Davis Alley and Edith Purcell Alley; and

Whereas, Zebulon Doyle Alley attended the public schools of Haywood County, North Carolina, before transferring to Oak Ridge Military Academy; and

Whereas, in 1948, Zebulon Doyle Alley joined the United States Army and served until 1950, when he entered the enlisted reserves; and

Whereas, Zebulon Doyle Alley was soon called back to active duty when the Korean War broke out and served as a forward observer in the 38th Infantry Regiment. On March 3, 1951, he was involved in an intense battle in which he distinguished himself
heroically, risking his own life for his fellow soldiers. He was seriously injured but recovered and was awarded the Bronze Star with "V" device for valor and the Purple Heart for his service; and

Whereas, Zebulon Doyle Alley returned from the war to complete his undergraduate and legal education at the University of North Carolina at Chapel Hill; and

Whereas, Zebulon Doyle Alley was Assistant Director of the Institute of Government of The University of North Carolina, practiced law with former Chief Justice Joe Branch, served as a State attorney to the Federal Land Bank, and practiced law in Waynesville, North Carolina; and

Whereas, Zebulon Doyle Alley was elected to the North Carolina Senate in 1971, representing a district that included his hometown of Waynesville; and

Whereas, Zebulon Doyle Alley went on to serve the citizens of the State in other capacities including as the Governor's Legislative Liaison, Commissioner on the North Carolina Board of Alcohol Beverage Control, Commissioner on the North Carolina Courts Commission, and Chair of the State Capitol Foundation Board of Directors, among others; and

Whereas, Zebulon Doyle Alley had an unmatched career in private practice as a lobbyist, having been ranked No. 1 on the list of most influential lobbyists by the Center for Public Policy Research for 16 consecutive years; and

Whereas, Zebulon Doyle Alley's passion was pro bono representation of the State's veterans for over 25 years; and

Whereas, Zebulon Doyle Alley passed away on Thursday, July 11, 2013, at the age of 84; and

Whereas, Zebulon Doyle Alley is survived by his sons, Doyle D. Alley II and Randall G. Alley; brothers, John H. Alley and Charles P. Alley; and granddaughter, Miranda Alley; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the memory of Zebulon Doyle Alley and expresses appreciation for his life and service to the people of his community and this State.

SECTION 2. The General Assembly extends its heartfelt sympathy to the family of Zebulon Doyle Alley for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Zebulon Doyle Alley.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 11th day of June, 2014.

Resolution 2014-5  S.J.R. 882

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF MARTIN LUTHER NESBITT, JR., FORMER MEMBER OF THE NORTH CAROLINA GENERAL ASSEMBLY.

Whereas, Martin Luther Nesbitt, Jr., was born in Asheville, North Carolina, on September 25, 1946, to Martin Luther Nesbitt, Sr., and Mary Cordell Nesbitt; and

Whereas, Martin Luther Nesbitt, Jr., graduated from Reynolds High School in 1964 and attended the University of North Carolina at Chapel Hill, earning a B.A. in 1970 and a law degree in 1973; and

Whereas, Martin Luther Nesbitt, Jr., practiced law in Asheville and served his profession as a member of the Buncombe County Bar Association, the North Carolina Bar Association, and the North Carolina Academy of Trial Lawyers; and
Whereas, Martin Luther Nesbitt, Jr., served with honor and distinction as a member of the North Carolina General Assembly, where he represented the citizens of Buncombe County for 31 years; and

Whereas, Martin Luther Nesbitt, Jr., was appointed to fill the unexpired term of his mother, Representative Mary C. Nesbitt, in 1979, then went on to serve 11 terms in the House of Representatives between 1981 to 1994 and 1997 to 2004 and five terms in the Senate from 2004 to 2014; and

Whereas, as a State representative, Martin Luther Nesbitt, Jr., served as cochair of the Appropriations Committee, under House Speaker Dan Blue, and the Joint Select State Health Insurance Committee and was a member of several other committees, including Courts, Justice, Constitutional Amendments & Referenda; Finance; Judiciary II; Science and Technology; and the Joint Legislative Commission on Governmental Operations; and

Whereas, as a State senator, Martin Luther Nesbitt, Jr., served as both Senate Majority and Minority Leader; was chair of the Judiciary I Committee and the Select Committee on Economic Recovery and vice chair of the Senate Appropriations Committee on Health and Human Services and Mental Health and Youth Services; and was a member of several other Senate committees, including Appropriations/Base Budget; Commerce, Education/Higher Education, Finance, Health Care, and Rules and Operations of the Senate; and

Whereas, Senator Nesbitt was described by Senator Dan Blue as "a Giant figure, having a sense of Mountain populism that ran through him and he sensed that his major charge was to look out for the average everyday person"; and as a leader he "came to work every day with the same values: stick up for the little guy; fight to give every North Carolinian a meaningful education, quality healthcare, and a chance for a good job; and never back down from a fight"; and

Whereas, Representative Susan Fisher remembers speaking with Senator Nesbitt: "he and I both spoke of the honor of holding the seat once held by the first woman elected to the North Carolina Legislature; Lillian Exum Clement, but for me it is also an honor to have been appointed to the seat held by Martin Nesbitt, a man from the mountains who worked every day to improve the lives of his people"; and

Whereas, during his tenure in the General Assembly, Senator Nesbitt became the body's expert in the area of health and human services, especially Medicaid; and

Whereas, Senator Nesbitt was instrumental in reforming the State's mental health care system and in providing health care for those in need and children through programs like the Children's Health Insurance Program (CHIP); and

Whereas, concerned for his beloved Western North Carolina, Senator Nesbitt sponsored the Clean Smokestacks Act, promoted ridge law legislation, worked to secure funding for the North Carolina Arboretum, and helped to start AdvantageWest, which has promoted economic development in Western North Carolina for over 20 years; and

Whereas, some of Senator Nesbitt's other accomplishments include helping to create the Western North Carolina Agricultural Center, upgrading facilities at public schools, and providing access to quality universities and community colleges; and

Whereas, Senator Nesbitt was an advocate for the Mountain Area Health Education Center (MAHEC) and a leader on health issues across the State as demonstrated by his work with the MAHEC nurse practitioner certificate program and through his support of the creation of the Center for Healthy Aging; and

Whereas, Senator Nesbitt was a supporter of the Eastern Band of the Cherokee Indians, who deemed him a friend and an ally to their Tribe and a dedicated servant of North Carolina; and

Whereas, Senator Nesbitt also served in many capacities on a number of boards and commissions, including as a member of the North Carolina Child Health Task Force and North Carolina Center for Nursing Advisory Council; as chair of the Holocaust Education Program;
and as director of the Buncombe County Unit of the American Cancer Society, the Mediation Center, and the Western North Carolina Chapter of the Alzheimer's Association; and

Whereas, Senator Nesbitt enjoyed his work at the North Carolina General Assembly, but he also enjoyed what North Carolina gave to him: NASCAR. He was an avid race fan. He saw an opportunity to bridge his love for NASCAR with his senatorial work by organizing the General Assembly's Pit Crew Challenge. It's only fitting that he will have a race in his honor, "The Sen. Martin Nesbitt Memorial Race," at Newport Motor Speedway on June 21, 2014. Senator Nesbitt has been a supporter of the Speedway and a part of the Southeast Super Truck Series where he supported his son Mart's racing efforts and then his granddaughter Taylor's racing career. Newport Motor Speedway has dubbed him "Our Racing Representative"; and

Whereas, Senator Nesbitt was a member of the St. Luke's Episcopal Church; and

Whereas, Senator Nesbitt was a devout family man and a fair but tough statesman, who served the State of North Carolina with extraordinary dedication and tenacity; and

Whereas, Senator Nesbitt died on March 6, 2014, at the age of 67, but the day before he died, returned to Asheville to a hero's welcome, riding in an ambulance escorted by sheriff's deputies as well-wishers lined the road waving "Get Well Soon" signs and American flags; and

Whereas, Senator Nesbitt leaves to cherish his memory his wife of 35 years, Deane S. Nesbitt; a son, Martin Nesbitt; a stepson, Chad Nesbitt; a sister, Mary Ann Dotson-Silvey; and two grandchildren; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the memory of Martin Luther Nesbitt, Jr., and expresses the appreciation of this State and its citizens for the service he rendered.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Martin Luther Nesbitt, Jr., for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Martin Luther Nesbitt, Jr.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 25th day of June, 2014.

Resolution 2014-6

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF LINDA COMBS AS STATE CONTROLLER.

Whereas, under the provisions of G.S. 143B-426.37, the appointment by the Governor of a person to be State Controller is subject to confirmation by the General Assembly; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee, Linda Combs, to be State Controller, to serve the remainder of the term expiring June 30, 2015; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The appointment of Linda Combs as State Controller to serve the remainder of the term expiring June 30, 2015, is confirmed.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 17th day of June, 2014.

886
Resolution 2014-7  

H.J.R. 1112  

A JOINT RESOLUTION TO CONFIRM THE APPOINTMENT OF CHARLTON L. ALLEN TO THE NORTH CAROLINA INDUSTRIAL COMMISSION.  

Whereas, G.S. 97-77(a1) provides that appointments by the Governor to the North Carolina Industrial Commission are subject to confirmation by the General Assembly; and  
Whereas, the Governor has appointed Charlton L. Allen to the North Carolina Industrial Commission; Now, therefore,  

Be it resolved by the House of Representatives, the Senate concurring:  

SECTION 1. The appointment of Charlton L. Allen to a term on the North Carolina Industrial Commission to begin on July 1, 2014, and expire on June 30, 2020, is confirmed.  

SECTION 2. This resolution is effective upon ratification.  
In the General Assembly read three times and ratified this the 17th day of June, 2014.  

Resolution 2014-8  

H.J.R. 1276  

A JOINT RESOLUTION PROVIDING FOR ADJOURNMENT SINE DIE OF THE 2013 REGULAR SESSION OF THE GENERAL ASSEMBLY.  

Be it resolved by the House of Representatives, the Senate concurring:  

SECTION 1. When the House of Representatives and the Senate, constituting the 2013 Regular Session of the General Assembly, adjourn on the date this resolution is ratified, they stand adjourned sine die.  

SECTION 2. This resolution is effective upon ratification.  
In the General Assembly read three times and ratified this the 20th day of August, 2014.
<table>
<thead>
<tr>
<th>Title</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION OF A STATE OF EMERGENCY BY THE</td>
<td>27</td>
</tr>
<tr>
<td>GOVERNOR OF THE STATE OF NORTH CAROLINA</td>
<td></td>
</tr>
<tr>
<td>DISASTER DECLARATION FOR THE CITY OF ALBEMARLE</td>
<td>28</td>
</tr>
<tr>
<td>DESIGNATION OF CERTAIN GUBERNATORIAL APPOINTEES</td>
<td>29</td>
</tr>
<tr>
<td>AS COVERED PUBLIC SERVANTS UNDER THE STATE</td>
<td></td>
</tr>
<tr>
<td>GOVERNMENT ETHICS ACT</td>
<td></td>
</tr>
<tr>
<td>FIX AND MODERNIZE INFORMATION TECHNOLOGY</td>
<td>30</td>
</tr>
<tr>
<td>GOVERNANCE IN CABINET AGENCIES BY COLLABORATING AS ONE IT</td>
<td></td>
</tr>
<tr>
<td>EXTENDING THE FOOD SAFETY AND DEFENSE TASK FORCE</td>
<td>31</td>
</tr>
<tr>
<td>REESTABLISHING THE NORTH CAROLINA COMMISSION</td>
<td>32</td>
</tr>
<tr>
<td>ON VOLUNTEERISM AND COMMUNITY SERVICE</td>
<td></td>
</tr>
<tr>
<td>NORTH CAROLINA EMERGENCY RESPONSE COMMISSION</td>
<td>33</td>
</tr>
<tr>
<td>COMMITMENT TO PROTECTING NORTH CAROLINA MILITARY INSTALLATIONS</td>
<td>34</td>
</tr>
<tr>
<td>NORTH CAROLINA GOVERNOR'S COUNCIL ON HOMELESSNESS</td>
<td>35</td>
</tr>
<tr>
<td>DECLARATION OF A STATE OF EMERGENCY BY THE</td>
<td>36</td>
</tr>
<tr>
<td>GOVERNOR OF THE STATE OF NORTH CAROLINA</td>
<td></td>
</tr>
<tr>
<td>REESTABLISHING THE NORTH CAROLINA EARLY CHILDHOOD ADVISORY COUNCIL</td>
<td>37</td>
</tr>
<tr>
<td>TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO PROVIDE</td>
<td>38</td>
</tr>
<tr>
<td>HUMANITARIAN RELIEF TO WEST VIRGINIA</td>
<td></td>
</tr>
<tr>
<td>TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE</td>
<td>39</td>
</tr>
<tr>
<td>FUEL SUPPLIES THROUGHOUT THE STATE</td>
<td></td>
</tr>
<tr>
<td>DECLARATION OF A STATE OF EMERGENCY BY THE</td>
<td>40</td>
</tr>
<tr>
<td>GOVERNOR OF THE STATE OF NORTH CAROLINA</td>
<td></td>
</tr>
<tr>
<td>TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION</td>
<td>41</td>
</tr>
<tr>
<td>OF UTILITY SERVICES, TRANSPORTING ESSENTIALS AND REMOVING DEBRIS</td>
<td></td>
</tr>
<tr>
<td>THROUGHOUT THE STATE</td>
<td></td>
</tr>
<tr>
<td>NOTICE OF TERMINATION OF THE STATE OF EMERGENCY</td>
<td>42</td>
</tr>
<tr>
<td>DECLARED BY EXECUTIVE ORDER 40 AND THE TEMPORARY SUSPENSION OF</td>
<td></td>
</tr>
<tr>
<td>TRANSPORTATION REGULATIONS IN EXECUTIVE ORDER 41</td>
<td></td>
</tr>
</tbody>
</table>
WHEREAS, due to a combination of various weather conditions abundant moisture has remained in place across North Carolina for several months starting in May 2013. The influence of these passing fronts, has enabled cool and wet conditions to impact this State resulting in above normal precipitation; and

WHEREAS, starting in May 2013, storms tracked primarily to the west and brought substantial rainfall to western North Carolina while leaving the east generally dry. The passage of Tropical Storm Andrea on June 7th brought light consistent rain and intermittent downpours to the entire state, after the system had passed, several storms continued to bring widespread showers and storms for the remainder of the month of June; and

WHEREAS, the combination of consistent frontal passages and atmospheric moisture resulted in a particularly wet pattern throughout July, many communities in North Carolina, particularly those in the western counties, continued to experience torrential rains and storms. Several western locations in the State reported more than 20 inches of rainfall, and many achieved the wettest July on record; and

WHEREAS, these locally heavy rains caused damaging floods and landslides due to the short duration of the event; and

WHEREAS, as a result of severe flooding in July the Governor declared a Type 1 State disaster declaration for Catawba and surrounding counties for storm damage that impacted those areas; and

WHEREAS, as a result of severe flooding in early July, the Governor declared a Type 1 State disaster declaration for the Town of Bakersville, in Mitchell County for storm damage that impacted that area; and
WHEREAS, due to the abnormally wet conditions which resulted in agricultural losses since May 2013, the Governor has requested from the United States Department of Agriculture a Secretarial Disaster Designation for several impacted counties; and

WHEREAS, due to the flooding and landslides, the damage to the public infrastructure has been so great that the response is beyond the capabilities of the State and as such now requires that a State of Emergency be declared in the impacted areas.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution of the State of North Carolina and N.C.G.S. §166A-19.20, IT IS ORDERED:

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(18) existed in the State of North Carolina as a result of the severe storms, landslides, and flooding during the month of July 2013.

Section 2.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) includes the following area: Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Cleveland, Jackson, Lincoln, Macon, Madison, Mitchell, Polk, Rutherford, Transylvania, Watauga, Wilkes, Yancey counties and also the Qualla Boundary of the Eastern Band of Cherokee.

Section 3.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 4.

I delegate to Frank L. Perry, the Secretary of the Department Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State’s Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 5.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S § 143B-602.

Section 6.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

891
Section 7.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 8.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 9.

This declaration will not trigger the prohibitions against excessive pricing in the emergency area, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 10.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twelfth day of September in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-eight.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State

892
EXECUTIVE ORDER NO. 28

DISASTER DECLARATION FOR THE CITY OF ALBEMARLE

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on June 13, 2013, the City of Albemarle, located in Stanly County, North Carolina was impacted by a microburst storm event that produced severe winds; and

WHEREAS, as a result of the microburst storm the City of Albemarle proclaimed a local state of emergency on June 14, 2013; and

WHEREAS, due the impact of the microburst storm event, a joint preliminary damage assessment was done by local, state and federal emergency management officials on June 17, 2013; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in the City of Albemarle; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the City of Albemarle declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in G.S. 166A-19.41(b)(2)a.; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the City of Albemarle in Stanly County, North Carolina.
Section 2. I authorize state disaster assistance in the form of public assistance grants to eligible governments located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris removal
b. Emergency protective measures.
c. Roads and bridges.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this thirty-first day of October in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Robert E. Marshall
Chief Dyer
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

November 6, 2013

EXECUTIVE ORDER NO. 29

DESIGNATION OF CERTAIN GUBERNATORIAL APPOINTEES AS COVERED PUBLIC SERVANTS UNDER THE STATE GOVERNMENT ETHICS ACT

WHEREAS, the State Government Ethics Act (hereinafter the "Act"), codified in Chapter 138A of the North Carolina General Statutes, designates certain State employees and appointees as "public servants" who are covered by the provisions of the Act; and

WHEREAS, pursuant to N.C.G.S. § 138A-10(a)(3) the State Ethics Commission identifies and publishes a list of boards and individuals subject to Chapter 132 as covered persons; and

WHEREAS, the State Ethics Commission has not yet identified the Division of Employment Security Board of Review established pursuant to N.C.G.S. § 96-4(b) as a covered board; and

WHEREAS, Section 138A-3(30g) of the Act authorizes the Governor to designate appointees in the principal State departments as "public servants" under the Act.

NOW THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS SO ORDERED:

Members of the Board of Review appointed pursuant to N.C.G.S. § 96-4(b) are hereby designated as public servants subject to the State Ethics Act. Initial appointees will need to complete and file a Statement of Economic Interest with the State Ethics Commission and abide by all applicable provisions for public servants under of the State Ethics Act.

This Order is effective immediately and shall remain in effect until rescinded.
IN WITNESS WHEREOF, I have hereunto signed by name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this sixth day of November in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
November 7, 2013

EXECUTIVE ORDER NO. 30

FIX AND MODERNIZE INFORMATION TECHNOLOGY GOVERNANCE IN CABINET AGENCIES BY COLLABORATING AS ONE IT

WHEREAS, state government purpose is to promote a stronger North Carolina that connects customers – citizens, business, education and government; and

WHEREAS, efficient and effective Information Technology (IT) will enhance customer service and streamline business operations; and

WHEREAS, the way the state has governed and managed IT historically is inefficient, based on too many silos, too much duplication, too many incompatible systems; and

WHEREAS, one mechanism for fixing and modernizing IT governance is to collaborate as ONE IT by further aligning the management and operations of the cabinet agency IT resources to improve efficiency.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Cabinet Agencies.

This Executive Order shall apply to all state “Cabinet Agencies” and shall include all executive offices, boards, commissions, departments, divisions, councils, bureaus, and offices, now existing and hereafter established, which are supervised by, administratively housed in or which report to the cabinet agencies.

Section 2. Cabinet Chief Information Officer.

By November 15, 2013, the Secretary/Director of each cabinet agency shall appoint a Cabinet Chief Information Officer (“CCIO”), or combine with another cabinet agency as agreed by the Secretary/Director, and State Chief Information Officer (“SCIO”). Each CCIO shall report to the Secretary/Director and/or the SCIO. Each CCIO will carry the title CIO (Agency)/Deputy State CIO and become members of the ONE IT Executive Leadership Team (ELT). All cabinet agency information technology personnel shall report to the CCIO or to his or her designee.

Section 3. ONE IT Executive Leadership Team.

By November 15, 2013, in the Office of Information Technology (OIT) the SCIO will establish ONE IT Executive Leadership Team (ELT). The ONE IT ELT will meet regularly to modernize IT operating model, enterprise architecture, innovation, shared services, project management,
security, and vendor management programs to enhance customer interactions and streamline business operations.


By February 1, 2014, each CCIO shall submit to the Secretary/Director and the SCIO for review and approval a Collaboration & Innovation plan ("plan") demonstrating how the cabinet agency will, no later than July 1, 2014, support the most efficient operating model for the delivery of IT.

The plan should consider any related activities to the NC GEAR efforts; define a percentage of cost savings towards future innovation or any necessary one-time or ongoing Information Technology investment needed to realize such business cost savings or efficiencies. All new projects, if deemed appropriate by the ONE IT ELT, shall be tested in the Innovation Center to make sure IT purchases work before purchased.

Each plan shall address: (a) IT operational and project priorities that are consistent with the cabinet agency’s strategic business goals, (b) IT budgets, (c) major IT procurements planned, (d) strategies for enhancing the efficiency, effectiveness and security of IT services, (e) IT staffing plans, and (f) Innovation activities and usage of Innovation Center.

Section 5. Cabinet Unite IT Strategy.

By March 31, 2014, the SCIO, in conjunction with each CCIO, shall develop a Unite IT Strategy defining the of Information Technology and related Platforms Services for all cabinet agencies, except those services, if any, that cannot be united due to restrictions imposed by security, contracts, state or federal law. This Strategy will be presented to Cabinet Secretaries/Directors and the Governor by the SCIO.

Section 6. Compliance Reviews.

Annually, beginning in March 2014, the SCIO and CCIO’s shall, for the purpose of protecting programs, data and information technology, conduct compliance reviews across the cabinet agencies to ensure full compliance with statutes, regulations, policies, standards and contractual obligations related to information security and information technology and report annually on the results of such reviews to Cabinet Secretaries/Directors and the Governor by the SCIO.

Section 7. Definitions.

As used in this Executive Order:

"Cabinet Agencies" include: Department of Transportation, Department of Health and Human Services, Department of Public Safety, Department of Environment and Natural Resource, Department of Revenue, Department of Commerce, Department of Administration, Department of Cultural Resources, Office of State Budget, Office of Human Resources, Office of Information Technology Services, and Governor’s Office.

"Information Technology (IT)" means hardware, software, and telecommunications equipment, including but not limited to personal computers, mainframes, wide and local area networks (wired and wireless), broadband, servers, mobile or portable computers, peripheral equipment, telephones, wireless communications, handheld devices, public safety radio services, facsimile machines, technology facilities including but not limited to data centers, dedicated training facilities, switching facilities, and other relevant hardware and software items as well as personnel tasked with the planning, implementation, and support of technology including hosting or vendor managed as a service solutions;

"Platform Services" shall mean data and telecommunications networks, data center services, web site hosting and portal services, and shared enterprise services such as email, directory services, and authentications systems; and

"Innovation Center" is a shared facility provided by repurposing space in the Department of Environmental and Natural Resources. The activities within the center are supported through IT
operating cost and resources from the SCIO and CCIO initiatives. The Innovation Center aligns
the voice of the customers – citizens, business, education, and government through collaboration;
and

"Telecommunications" means any origination, transmission, emission, or reception of signs,
signals, writings, images, and sounds or intelligence of any nature, by wire, radio, television,
optical, or other electromagnetic systems.

Section 8. Applicable Law.

Nothing in this Executive Order shall be construed to require action inconsistent with any
applicable state or federal law.

Section 9. Effective Immediate.

This Executive Order shall take effect immediately and shall continue in effect until amended,
superseded or revoked by subsequent Executive Order.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal
of the State of North Carolina at the Capitol in the City of Raleigh, this seventh day of
November, in the year of our Lord two thousand thirteen, and of the Independence of the United
States of America the two hundred and thirty-eighth.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

November 22, 2013

EXECUTIVE ORDER NO. 31

EXTENDING THE FOOD SAFETY AND DEFENSE TASK FORCE

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Executive Order Number 38, Reestablishing the Food Safety and Defense Task Force, signed by Governor Perdue on December 15, 2009, is hereby extended until December 31, 2015.

This order is effective immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of November in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORY
GOVERNOR

November 22, 2013

EXECUTIVE ORDER NO. 32

REESTABLISHING THE NORTH CAROLINA COMMISSION ON
VOLUNTEERISM AND COMMUNITY SERVICE

WHEREAS, the increasing realization of the importance of volunteerism and civic engagement; the growing recognition of community service as a means of community and state problem-solving; and the revival of national service as an avenue for addressing many of the country's unmet social, environmental, educational, public safety, and homeland security needs have revealed new options for enhancing the quality of life for North Carolinians; and

WHEREAS, promoting the capacity of North Carolina's people, communities, and enterprises to work collaboratively is vital to the long-term prosperity of this State; and

WHEREAS, building and encouraging community services as an integral component of the formula to our growth as a State and as a national requires cooperative efforts by the public sector, the private sector, the nonprofit sector, and partnerships among these sectors; and

WHEREAS, a State Commission is necessary to assist in the development and implementation of a comprehensive, statewide service plan for promoting and recognizing volunteer involvement and citizen participation in North Carolina.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment

The North Carolina Commission on Volunteerism and Community Service ("Commission") is hereby established to encourage and recognize community service and volunteer participation as a means of community and state problem-solving; to promote and support voluntary citizen engagement in government and non-governmental programs throughout the state; to develop a long-term, comprehensive vision and plan of action for community service initiatives in North Carolina; and to serve as the State's liaison to national and state organizations that support its mission.

Section 2. Membership

a. All members of the Commission shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Commission shall consist of no fewer than 15, and no more than 25, voting members.

b. Commission members shall serve terms of three years. Terms shall be staggered for one, two, or three years to that approximately one-third of the terms expire each year.
Vacancies among the members shall be filled by the Governor to serve for the remainder of the unexpired term. All members appointed to the Commission prior to the effective date of this executive order shall continue to serve at the pleasure of the Governor for the remainder of their appointed terms.

c. To the extent practicable, the members of the Commission shall be diverse with respect to ethnicity, age, disability, gender and race.

d. Not more than 50 percent of the members of the Commission, plus one member, may be from the same political party.

e. The number of voting members of the Commission who are officers or employees of the State may not exceed 25 percent (reduced to the nearest whole number) of the total membership of Commission members; although, additional state agency representatives may sit on the Commission as non-voting members.

f. The Commission shall include the following voting members:

1. An individual with expertise in the educational, training, and developmental needs of youth, particularly disadvantaged youth.

2. An individual with experience in promoting the involvement of older adults in service and volunteering.

3. A representative of a community-based, nonprofit agency or organization with the State.

4. The Superintendent of the Department of Public Instruction, or their designee.

5. A representative of the volunteer sector.

6. A representative of the military or veterans.

7. A representative of the faith community.

8. A representative of local governments in the State.

9. A representative of local labor organizations in the State.

10. A representative of business.

11. An individual between the ages of 16 and 25 who is a supervisor or recipient in a volunteer or service program.

12. A representative of a national service program described in Section 122(a) of the United States Public Law (P.L.) 103-82, such as a youth corps program described in Section 122(a)(2).

g. The Commission also may include the following voting members:

1. Members selected from among local educators.

2. Members selected from among experts in the delivery of human, educational, environmental, homeland security, or public safety services to communities and persons.

3. Representatives of Native American tribes.

4. Members selected from among out-of-school youth or other “at-risk” youth.

5. Representatives of entities that receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).
h. The Commission shall include the following non-voting members:

1. A representative of the Corporation for National and Community Service.
2. A designee from the Governor’s Office.
3. A designee from the Director of the Department of Public Instruction’s Learn and Service School-Based Program.

Section 3. Officers

The Officers of the Commission shall be the Chair and Vice-Chair. All officers shall be elected by the voting Commission members from among their ranks. Officers shall serve for a term of one year. Vacancies in any offices shall be filled with an election by the Commission for the remainder of the unexpired term.

a. Chair. It shall be the responsibility of the Chair to preside at all meetings of the Commission, to appoint all committee chairs, to assist all committee chairs in the planning of committee plans, to authorize and execute the wishes of the Commission, and to be an ex-officio member of all committees, unless other specific committee responsibilities are assigned to the Chair.

b. Vice-Chair. The Vice-Chair shall assist the Chair and, in the absence of the Chair, shall perform the duties of the Chair. The Vice-Chair shall accept special assignments from the Chair and shall perform other duties as delegated by the Commission.

Section 4. Committees

a. Standing Committees. Standing committees of the Commission shall include the Executive Committee, the Program Management Committee, and the Nominating Committee. The standing committees shall advise and assist the Commission in carrying out its duties and responsibilities. Committee chairs shall be appointed by the Commission Chair from among Commission members; however, the committee members need not be limited to Commission members. The Commission Chair, in consultation with the committee chairs, shall name committee members.

1. Executive Committee. The Executive Committee shall be comprised of the Chair and Vice-Chair of the Commission, along with the chair (or co-chairs) of all standing committees, ad hoc committees, and task forces. The Chair of the Commission shall serve as the Chair of the Executive Committee.

2. Program Management Committee. The Program Management Committee shall be comprised of a chair and a minimum of two voting members of the Commission. The Committee shall review all grant applications submitted to the Commission for funding by the Corporation for National and Community Service. Committee members shall participate in the peer review process, make national service grant funding recommendations to the full Commission and participate in pre-award site visits.

3. Nominating Committee. The Nominating Committee shall be comprised of a chair and a minimum of two voting members of the Commission. The Commission Chair shall appoint nominating committee members at the third quarterly meeting of the Commission. The Nominating Committee shall provide a nominating report at the fourth quarterly meeting of the Commission.

b. Ad Hoc Committees. The Commission may establish ad hoc committees or task forces, as necessary, to carry out the duties of the Commission.
Section 5. Meetings

a. The Commission shall meet at least quarterly. Failure to attend 75 percent of called meetings in any calendar year may result in a recommendation to the Governor to remove the member from the Commission. For the purpose of transacting the business of the Commission, a quorum shall consist of a simple majority of voting members.

b. A voting member of the Commission shall not participate in the administration of a grant program described below in Section 6.j. (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program entity) if (1) a grant application related to the program is pending before the Commission, and (2) the application was submitted by a program or entity of which such Commission member is, or in the one-year period before submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

Section 6. Duties

The Commission shall perform the following tasks and functions.

a. Ensure funding decisions meet all federal and state statutory requirements.

b. Promote strong interagency collaboration as an avenue for maximizing resources and provide that model on the state level.

c. Prepare a three-year plan for the State, in accordance with state and federal guidelines, that is developed through an open and public process (such as regional forums, hearings, web-based surveys, and other means that provide maximum participation and input). Update the plan annually.

d. Prepare the financial assistance applications of the State under Sections 117B and 130 of P.L. 103-82.

e. Assist in the preparation of the application of the North Carolina Department of Public Instruction for assistance under Section 113 of P.L. 103-82.

f. Prepare the State’s application under Section 130 of P.L. 103-82 for the approval of service positions, such as the national service educational award described in Subtitle D of P.L. 103-82.

g. Make technical assistance available to enable applicants for assistance under Section 121 of P.L. 103-82 to plan and implement service programs and to apply for assistance under the federal service laws.

h. Assist in the provision of health care and child care benefits under Section 140 of P.L. 103-82 to participate in national service programs that receive assistance under Section 121 of P.L. 103-82.

i. Develop a state system for the recruitment and placement of participants in programs that receive assistance under the national service laws and disseminate information concerning national service programs that receive such assistance or approved national service positions.

j. Administer the State’s grant program in support of national service programs (using assistance provided to the State under Section 121 of P.L. 103-82) including selection, oversight, and evaluation of grant recipients.

k. Make recommendations to the Corporation for National and Community Service with respect to priorities for programs receiving assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. § 4950 et seq.).
1. Develop projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance directly from the Corporation for National and Community Service or from the State using assistance provided under Section 121 of P.L. 103-82, for use by programs that request such projects, methods, materials, and activities.

m. The Commission shall perform other duties as directed by the Governor.

Section 7. Administration and Expenses

The Governor’s Office shall provide necessary administrative and staff support services to the Commission. The Commission is authorized to accept funds and in-kind services from other state and federal entities, as authorized by the North Carolina State Budget Act. No per diem allowance shall be paid to members of the Commission. Members of the Commission and staff may receive necessary travel and subsistence expenses in accordance with State law. These expenses shall be paid from federal funds where possible. If federal funds are not available, these expenses may be paid only if the Commission has sufficient funds.

Section 8. Duration

This Executive Order is effective immediately. It supersedes and replaces all other Executive Orders on this subject and specifically rescinds Executive Order No. 41 issued on December 17, 2009. This Executive Order shall remain in effect until December 31, 2016, pursuant to N.C. Gen. Stat. §147-16.2, or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of November in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina
PAT McCORKY
GOVERNOR
November 22, 2013
EXECUTIVE ORDER NO. 33
NORTH CAROLINA EMERGENCY RESPONSE COMMISSION

By the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment
There is hereby established the North Carolina Emergency Response Commission, hereinafter referred to as the “Commission.” The Commission shall consist of not less than 12 members and shall be composed of at least the following persons, or their designee as approved by the Commission Chairperson:

a. Secretary of the North Carolina Department of Public Safety, who shall serve as the Chairperson;
b. Director of Emergency Management, North Carolina Department of Public Safety, who shall serve as the Vice-Chairperson;
c. Commander of the State Highway Patrol, North Carolina Department of Public Safety;
d. Deputy Secretary of the North Carolina Department of Environment and Natural Resources;
e. Director of Safety and Risk Management, North Carolina Department of Transportation;
f. Chief of the Office of Emergency Medical Services, Division of Health Service Regulation, North Carolina Department of Health and Human Services;
g. Deputy Director of the Fire and Rescue Training Division, Office of State Fire Marshal, North Carolina Department of Insurance;
h. Director of the State Bureau of Investigation, North Carolina Department of Justice;
i. Director, Division of Public Health, North Carolina Department of Health and Human Services;
j. Assistant Deputy Commissioner of Labor for Occupational Safety and Health, North Carolina Department of Labor;
k. President of the North Carolina Community College System; and
1. Director of the Emergency Programs Division, North Carolina Department of Agriculture and Consumer Services.

In addition to the foregoing, seven (7) at-large members from local government and private industry may be appointed by the Governor and serve terms of two (2) years at the pleasure of the Governor.

All members appointed to the Commission prior to the effective date of this executive order shall continue to serve at the pleasure of the Governor for the remainder of their appointed terms.

Section 2. Duties

The Commission is designated as the State Emergency Response Commission as defined in the Emergency Planning and Community Right-to-Know Act of 1986 enacted by the United States Congress and hereinafter referred to as the “Act.” The Commission serves in three roles:

a. The Commission will perform all of the duties required under the Act and other advisory, administrative, regulatory, or legislative actions.

   1. Designate emergency planning districts to facilitate preparation and implementation of emergency plans as required under Section 301(b) of the Act.

   2. Appoint local emergency planning committees described under Section 301(c) of the Act and supervise and coordinate the activities of such committees for each planning district.

   3. Establish procedures for reviewing and processing requests from the public for information under Section 324 of the Act.

   4. Designate additional facilities that may be subject to the Act under Section 302 of the Act and notify the Administrator of the Environmental Protection Agency of any such additional facilities.

   5. Review the emergency plans submitted by the local emergency planning committees and recommend revisions of the plans that may be necessary to ensure their coordination with emergency response plans of adjacent districts and state plans.

b. The Commission will act in an advisory capacity to the Homeland Security Advisor, as designated by the Governor, to provide input regarding the activities of the North Carolina State Homeland Security Program and the Domestic Preparedness Regions. Specifically, the Commission will:

   1. Review the State Homeland Security Strategy to ensure it is aligned with local, state, and federal priorities as required by the United States Department of Homeland Security (DHS), and that its goals and objectives are being met in accordance with program intent.

   2. Review applications and subsequent allocations for state and regional homeland security projects funded by DHS grant programs.

   3. Review plans for preventing, preparing for, responding to, and recovering from acts of terrorism and all hazards – man-made or natural.

c. The Commission will act in an advisory capacity to provide coordinated stakeholder input to the Secretary of the Department of Public Safety/Emergency Management in the preparation, implementation, evaluation, and revision of the North Carolina emergency management program. To this purpose, the Commission will work to:
1. Increase state and local disaster/emergency response capabilities; and
2. Coordinate training, education, technical assistance, and outreach activities.

Section 3. Administration

a. The Department of Public Safety shall provide administrative support and staff to the Commission as may be required.

b. Members of the Commission shall serve without compensation but may receive reimbursement for travel and subsistence expenses in accordance with state guidelines and procedures and contingent on the availability of funds.

Section 4. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject. It shall remain in effect until December 31, 2016, pursuant to N.C. Gen. Stat. § 147-16.2 or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of November in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

November 22, 2013

EXECUTIVE ORDER NO. 34

COMMITMENT TO PROTECTING NORTH CAROLINA MILITARY INSTALLATIONS

WHEREAS, the General Assembly passed and I have signed 2013 N.C. Sess. Laws 227, creating the Military Affairs Commission within the Office of the Governor which shall advise the Governor, the General Assembly and State agencies on initiatives, programs, and legislation that will continue and increase the role that North Carolina’s military installations, the National Guard, and the Reserve play in America’s defense strategy and the economic health and vitality of the State; and

WHEREAS, North Carolina is the home of six major Department of Defense (DOD)/Department of Homeland Security (DHS) installations: Coast Guard Station, Elizabeth City; Fort Bragg; Marine Corps Air Station Cherry Point; Marine Corps Air Station New River; Marine Corps Base Camp Lejeune; and Seymour Johnson Air Force Base as well as other DOD/DHS activities, properties and organizations; and

WHEREAS, the U.S. military is the second largest sector of North Carolina’s economy, accounting for 10% of North Carolina’s gross state product, worth $48 billion, and more than 540,000 individuals are either directly employed by the military or working in jobs providing goods or services that support the military’s presence in North Carolina; and

WHEREAS, defense procurement contracts in North Carolina exceeded $2.4 billion in fiscal year 2012, and businesses with defense related contracts operate in 87 of North Carolina’s 100 counties; and

WHEREAS, North Carolina is committed to supporting and promoting the military within the state; and

WHEREAS, incompatible development of land close to a military installation can adversely affect the ability of such an installation to carry out its mission; and

WHEREAS, many military installations also depend on low altitude aviation training, which could be adversely affected by development; and

WHEREAS, the continued long-term military presence in North Carolina is directly dependent on DOD/DHS’s ability to operate not only its installations but also its training and other readiness functions critical to national defense; and

WHEREAS, it is, therefore, of paramount importance to the future of North Carolina to maintain the best possible relationship with all branches of the U.S. military and to promote practices that maintain North Carolina’s preeminent position as the best location for military bases and training installations; and

909
WHEREAS, to those ends, it is critical for all North Carolinians, all North Carolina businesses, all sectors of North Carolina's economy, and especially all branches and agencies of North Carolina's state and local governments to be knowledgeable about not only the military's presence and contributions to our state but also of the military's special and unique requirements that are critical to carrying out its national defense mission;

WHEREAS, North Carolina also seeks to promote the economic development, growth, and expansion of other industries within the state, such as the agriculture/agribusiness industry, the renewable energy industry, the tourism/outdoor recreation industry and the fisheries industry; and

WHEREAS, North Carolina has a vested economic interest in the preservation and enhancement of land uses that are compatible with military activities; and

WHEREAS, it is equally critical that activities of state agencies be planned and executed with full awareness of and sensitivity to their actual and potential impacts on the military; and

WHEREAS, the usefulness of such operational awareness is directly dependent on the timely exchange of information between all potentially affected parties at the earliest possible phase of any agency activity; and

WHEREAS, it is important for state agencies and local governments to consider the needs of our military installations, missions, and communities in their economic development activities.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1.

The Secretary of each Cabinet Agency shall designate a Military Affairs Awareness Coordinator, whose responsibilities shall include:

a. Staying informed of the workings and activities of the North Carolina Military Affairs Commission and maintaining regular and effective communications with its administrative head, the Governor's Military Advisor;

b. Staying informed of the workings and activities of the North Carolina Commanders' Council and maintaining regular and effective communications with its North Carolina communications portal, the Department of Environment and Natural Resources ("DENR") Military Liaison and the Governor's Military Advisor;

c. Becoming familiar with the North Carolina Working Lands Group and its implementation of the Governor's Land Compatibility Task Force Report;

d. Becoming familiar with the operations of his/her own agency as it could impact military readiness and training;

e. Regularly informing his/her Secretary of any military readiness or training concerns which could impact, or be impacted by, any of his/her Agency's activities or plans;

f. Regularly informing the Governor's Military Advisor of any military readiness or training concerns which could impact, or be impacted by, any of his/her Agency's activities or plans;

g. Regularly informing the North Carolina Commanders' Council, through the Governor's Military Advisor and the DENR Military Liaison, of any military readiness or training concerns which could impact, or be impacted by, any of his/her Agency's activities or plans; and
h. Regularly informing any other state or local agency of any military readiness or training concerns which could impact, or be impacted by, that agency's activities or plans.

Section 2.

All Cabinet Agencies shall:

a. Cooperate with military installations and missions to encourage compatible land use, help prevent incompatible encroachment, and facilitate the continued presence of major military installations in this state;

b. Notify the commanding military officer of a military installation and the governing body in affected counties and municipalities of any economic development or other projects that may impact military installations;

c. Obtain knowledge of military requirements within local communities and throughout the State;

d. Ensure that appropriate training on the requirements of military installations, missions, and communities is provided for staff members and others who work in the areas of land use planning, infrastructure siting, permitting, or economic development;

e. Ensure that land use planning activities take into account the compatibility of land near military installations;

f. Adopt processes to ensure that all agency planning, policy formulation, and actions are conducted with timely consideration having been given to relevant military readiness or training concerns, and with appropriate communications with all potentially affected military entities, including the entities listed in Section 1 (a) and 1(b);

g. Collaborate with applicants for grants, site selection, permits or other agency actions to avoid adverse impacts on military readiness or authority and incompatible land uses; and

h. Share information and coordinate efforts with the North Carolina congressional delegation and other federal agencies, as appropriate, to fulfill the objectives of this Executive Order.

Section 3.

The Department of Commerce, DENR, the Department of Transportation, and the Department of Public Safety are specifically directed to work with the North Carolina Commanders' Council and the North Carolina Military Affairs Commission to identify issues that could affect the compatibility of development with military installations and operations. Representatives from each aforementioned department shall coordinate with the Governor's Military Advisor regarding any issues identified.

Section 4.

The Secretary of the Department of Commerce and the Secretary of DENR are directed to work with the other cabinet agencies and other interested stakeholders to reexamine existing efforts, and to formulate new initiatives, designed to further the objectives set out in this Executive Order.

Section 5.

The heads of each Council of State Agency and all other state agencies, including boards and commissions, are encouraged to take the actions outlined above in Sections 1 and 2.
Section 6.

Local governments whose communities are affected by military installations are strongly encouraged to adopt criteria and address compatibility of lands adjacent to or closely proximate to existing military installations in their land use plans. Local governments are also strongly encouraged to comply with the provisions of Section 2 of this Executive Order.

Section 7.

Pursuant to N.C.G.S. § 127C-3, the Governor’s Military Advisor shall serve as the administrative head of the North Carolina Military Affairs Commission and be responsible for the operations and normal business activities of the Commission, with oversight by the Commission. Within existing resources, the Office of the Governor shall provide additional technical and administrative assistance, including staff, to the Commission as needed.

Section 8.

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject and specifically rescinds Executive Order No. 124 issued on August 18, 2012. This Executive Order shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of November in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-eighth.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORY
GOVERNOR

November 22, 2013

EXECUTIVE ORDER NO. 35

NORTH CAROLINA GOVERNOR'S COUNCIL ON HOMELESSNESS

WHEREAS, homelessness has adverse consequences for communities, taxpayers, and the individuals and families who lack adequate housing; and

WHEREAS, while several State agencies offer programs and services for homeless persons, the problem of homelessness is addressed most effectively when these agencies coordinate development and delivery of services; and

WHEREAS, North Carolina must be committed to the goal of combatting homelessness.

NOW THEREFORE, by the power by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment

The North Carolina Governor's Council on Homelessness (hereinafter the "Council") is hereby established.

Section 2. Membership

The Council shall consist of eighteen (18) members who shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Governor shall appoint a Chair of the Council. The Governor shall appoint members from the following public and private agencies and categories of qualifications:

a. One member from the North Carolina Department of Administration, Division of Veterans Affairs.
b. One member from the North Carolina Housing Finance Agency.
c. One member from the North Carolina Community College System.
d. One member from the North Carolina Department of Public Safety.
e. One member from the North Carolina Department of Commerce.
f. Two members from the North Carolina Department of Health and Human Services.
g. Two local government officials.
h. One member from the faith-based community.
i. Four members from non-profit agencies concerned with housing issues and other services for homeless people.
j. One homeless or formerly homeless person.
k. One member representing Public Housing Authorities
l. One member of the North Carolina State Senate nominated by the President Pro Tempore.
m. One member of the North Carolina State House of Representatives nominated by the Speaker.

Section 3. Term of Membership and Vacancies

All members shall be appointed for a term of two (2) years and shall serve at the pleasure of the Governor. A vacancy occurring during a term of appointment shall be filled by the Governor for the balance of the unexpired term.

Section 4. Meetings

The Council shall meet twice a year and at other times at the call of the Chair or the Governor.

Section 5. Duties

a. The Council shall advise the Governor and the Secretary of the Department of Health and Human Services on issues related to the problems of persons who are homeless or at risk of becoming homeless; identify and help secure available resources throughout the State and nation; and provide recommendations for joint and cooperative efforts and policy initiatives in carrying out programs to meet the needs of the homeless.

b. The Council shall set short-term and long-term goals and determine yearly priorities.

c. The Council shall submit an annual statement to the Governor and the Secretary of the Department of Health and Human Services, by November 1, on its recommendations.

d. The Council shall communicate the information on its accomplishments, initiatives, and the status of homelessness to communities and appropriate others on an as-needed basis.

Section 6. Administration

The Department of Health and Human Services shall provide administrative and staff support services required by the Council. Member costs will be borne by the participating individuals and/or their sponsoring agencies.

Section 7. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject and specifically rescinds Executive Order No. 57, dated April 13, 2010. This Executive Order shall remain in effect until December 31, 2015, pursuant to N.C. Gen. Stat. § 147-16.2(b), or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-second day of November, in the year of our Lord two thousand thirteen, and of the Independence of the United States of America the two hundred and thirty-seventh.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT MCCORORY
GOVERNOR

December 5, 2013

EXECUTIVE ORDER NO. 36

DECLARATION OF A STATE OF EMERGENCY

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

WHEREAS, the Herbert C. Bonner Bridge ("Bonner Bridge") over the Oregon Inlet on NC Highway 12 serves as the main highway connection for the communities on Hatteras Island and the mainland of North Carolina. Island residents depend on the bridge for off-island community services, such as hospitals, emergency response and other services; and

WHEREAS, due to public safety concerns the North Carolina Department of Transportation closed the Bonner Bridge on December 3, 2013 as a result of routine sonar scans of the bridge substructure. Scans identified scouring concerns at Bent 166 where sand levels around nine of ten piles have exceeded scour-critical levels; and

WHEREAS, North Carolina Department of Transportation Secretary Anthony J. Tata issued a Secretarial emergency designation pursuant to his authority under N.C.G.S. § 136-28.1, in order to waive any bidding requirements for contracts to hasten any construction, maintenance, or repair of the Bridge; and

WHEREAS, the State has requested assistance from the Federal Highway Administration, the U.S. Army Corps of Engineers, and the Divisions of Coastal Management, and Water Resources of the North Carolina Department of Environment and Natural Resources to help facilitate the immediate repair and reinforcement of the areas of concern on and around the Bonner Bridge; and

WHEREAS, it is important to repair and eventually replace the Bonner Bridge as it is vital to the security, well-being, and health of the citizens of the State of North Carolina.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution of the State of North Carolina and N.C.G.S. §166A-19.20, IT IS ORDERED:

915
Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(18) exists in Dare County in the State of North Carolina due to closing of the Bonner Bridge.

Section 2.

The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) includes the following: the areas in and around the Bonner Bridge along NC Highway 12 in Dare County and emergency ferry terminals at Stumpy Point and Rodanthe.

Section 3.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 4.

I delegate to Frank L. Perry, the Secretary of the Department Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State’s Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 5.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 6.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 7.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.
Section 8.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 9.

This declaration will not trigger the prohibitions against excessive pricing in the emergency area, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 10.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 5th day of December in the year of our Lord two thousand and thirteen, and of the Independence of the United States of America the two hundred and thirty-eighth.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORKY
GOVERNOR

January 9, 2014

EXECUTIVE ORDER NO. 37
REESTABLISHING THE NORTH CAROLINA
EARLY CHILDHOOD ADVISORY COUNCIL

WHEREAS, North Carolina remains committed to developing a new early childhood system-building initiative, drawing on the State’s public and private sector strengths and expertise and bringing together talented specialists, educators and citizens to provide innovative leadership to ensure a quality system to benefit young children and their families; and

WHEREAS, quality programs and services, particularly for young at-risk children, can help reduce demands on our criminal justice system and the need for social service intervention; and can improve college attendance, future employment and wage prospects; and

WHEREAS, it is important to improve North Carolina’s efficiency and effectiveness in serving young children and their families; and

WHEREAS, North Carolina can improve programs and services by taking a comprehensive, integrated approach to supporting young children and families, including early child care and education, health care, and family strengthening and support services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment and Purpose

The North Carolina Early Childhood Advisory Council (hereinafter the “NCECAC”) is hereby reestablished, consistent with 42 U.S.C. § 9837(b). The NCECAC shall create and sustain a shared vision for young children and a comprehensive, integrated system of family strengthening services, including early care and education services that support children, families, and communities. The NCECAC shall also develop, encourage and support initiatives to strengthen the state’s early childhood system to achieve the best possible outcomes for the state’s young children.
Section 2. Membership

a. The NCECAC shall consist of no more than twenty-five (25) voting members. All members shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Governor shall appoint a Chair of the NCECAC.

b. NCECAC members shall serve terms of three years. Initial appointment terms shall be staggered for one, two, or three years so that approximately one-third of the terms expire each year. Vacancies among the members shall be filled by the Governor to serve for the remainder of the unexpired term. Members appointed to fill unexpired terms shall serve for the remainder of that term.

c. The NCECAC shall include members required by 42 U.S.C. § 9837b (b)(1)(C) and others deemed appropriate by the Governor.

   a. The Director of the North Carolina Head Start Collaboration shall serve as an ex officio member.

   b. The President of the North Carolina Partnership for Children shall serve as an ex officio member.

Section 3. Committees

The Chair of the NCECAC may establish such committees or other work groups as are necessary to carry out the NCECAC’s duties.

Section 4. Duties

The NCECAC shall have the following duties and functions:

a. Manage, coordinate, advise, and oversee, as appropriate, North Carolina’s Early Childhood System Building Grant (Award No. 90SC020201) issued by the U.S. Department of Health and Human Services and the Race to the Top Early Learning Challenge Grant (Award No. S412A120027) issued by the U.S. Department of Education and the U.S. Department of Health and Human Services and administratively housed in the North Carolina Department of Health and Human Services Division of Child Development and Early Education.

b. Maximize the effectiveness of State public sector resources by learning from public and private sector successes in working toward the State’s goals for early childhood systems and better results for young children.

c. Strengthen state and local coordination, collaboration and innovation among various public and private sector early childhood programs in the State, including family strengthening, health, early care and education.

d. Develop and periodically review an innovative statewide strategic plan that outlines major goals and actions for reaching the desired system-wide results for young children and addresses changing state and local needs.
e. Identify key infrastructure needs or enhancements and recommend policies to promote and sustain an integrated system of family support, early care and education services that support children, families, and communities.

f. Recommend to the Governor funding priorities for a high-quality, efficient, and effective system of state supported services for young children and their families.

g. Conduct periodic statewide needs assessments on the quality and availability of innovative programs and services for children from birth to school entry.

h. Recommend enhancements in state early learning standards and undertake efforts to maintain high-quality early learning standards, as needed.

i. Promote coordination and collaboration among existing programs.

j. Recommend strategies to create a talented workforce and high-quality professional development system for educators and specialists serving young children and their families.

k. Assess the capacity and effectiveness of two- and four-year public and private institutions of higher education in the State that support the development of early childhood educators and specialists.

l. Recommend and promote strategies to develop and implement a statewide, unified, longitudinal data collection system for early childhood education programs and services.

m. Develop and implement plans to promote the importance of early childhood development and to increase commitment among parents, professionals, businesses, policy makers, and the public at large to ensuring that young children in North Carolina, especially at-risk children, are learning and thriving.

n. Monitor progress toward goals and present an annual written report of progress to date.

o. Seek, identify, and advocate for resources, including submitting grant proposals, for funding to implement the State’s early childhood initiatives. To the extent funds are available, the NCECAC is specifically authorized to make grants to other entities, to contract with other entities, and to utilize funds for the operation of the NCECAC.

p. Carry out additional responsibilities as assigned by the Governor to innovate and improve our early childhood system and achieve the best results for young children.

Section 5. Meetings and Public Hearings

a. The NCECAC shall meet twice each year and upon the call of the Governor or Chair. The Chair shall set the agenda for the NCECAC’s meetings.
b. A simple majority of the NCECAC members shall constitute a quorum for the purpose of transacting the business of the NCECAC.

c. The NCECAC shall hold public hearings and provide an opportunity for public comment regarding the strategic plan and the implementation of the NCECAC’s duties.

Section 6. Administration

The Office of the Governor shall provide necessary administrative and staff support services to the NCECAC. The Executive Director of the NCECAC, an employee of the Office of the Governor, shall lead the administrative and staff support services for the NCECAC. The Division of Child Development and Early Education shall provide additional administrative and staff support services as deemed necessary by the Executive Director of the NCECAC. The NCECAC is authorized to accept funds and in-kind services from other state, federal and private entities, as authorized by the North Carolina State Budget Act. No per diem allowance shall be paid to members of the NCECAC. Members of the NCECAC and staff may receive necessary travel and subsistence expenses in accordance with State law and the policies and regulations of the Office of State Budget and Management. These expenses shall be paid from federal funds where possible. If federal funds are not available, these expenses may be paid only if the Office of the Governor has sufficient funds or if another source of funds is available.

Section 7. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until July 1, 2017, pursuant to N.C. Gen. Stat. § 147-16.2(b), or until earlier rescinded. This order supersedes and replaces all other executive orders and directives on this subject.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this ninth day of January, in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-eighth.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
EXECUTIVE ORDER NO. 38

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO PROVIDE HUMANITARIAN RELIEF TO WEST VIRGINIA

WHEREAS, due to water contamination as a result of a major chemical spill in the State of West Virginia, vehicles bearing water, equipment and supplies needed to assist with the humanitarian effort need to be moved on the highways of North Carolina; and

WHEREAS, I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(18) exists in the State of North Carolina for the purpose of transporting water, equipment and supplies to the State of West Virginia in order to provide humanitarian aid to residents in that State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and 166A-19.20(b) is the State of North Carolina.

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing water, equipment and supplies to assist in the humanitarian effort in West Virginia must adhere to the registration requirements of N.C.G.S. §§ 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-118. I have further found that citizens in that State have suffered losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S §§ 166A-19.3(3) and 166A-19.21(b) and;

WHEREAS, the prompt delivery of water and other essentials to West Virginia is essential to the safety and well-being of citizens in that State; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Part 395 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, and medical supplies, and for restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:
Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116 and 20-118, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for the vehicles transporting water, equipment and supplies to the State of West Virginia.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle or a vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend “Oversized Load” in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45a(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina’s International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.
Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for transporting water, equipment and supplies for the humanitarian relief efforts in West Virginia.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

This declaration will not trigger the prohibitions against excessive pricing in the emergency area, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this tenth day of January in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-seven.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT MCCORRY
GOVERNOR
January 15, 2014

EXECUTIVE ORDER NO. 39

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS
TO ENSURE ADEQUATE FUEL SUPPLIES THROUGHOUT THE STATE

WHEREAS, the uninterrupted supply of fuel oil, diesel oil, gasoline, kerosene, propane, and
liquid petroleum gas to residential and commercial establishments is an essential need of the
public during the wintertime, and any interruption in the delivery of those fuels threatens the
public welfare; and

WHEREAS, the periods of extreme cold weather this season has increased the demand for those
heating fuels and threatens the uninterrupted delivery of those fuels to residential and
commercial customers, thereby justifying an exemption from 49 CFR Part 395 (Federal Motor
Carrier Safety Regulations); and

WHEREAS, 49 CFR § 390.23 allows the governor of a state to suspend the rules and
regulations under 49 CFR Part 395 for up to 30 days if the Governor determines that an
emergency condition exists; and

WHEREAS, under N.C.G.S. §§ 166A-19.3b(6) and 166A-19.70, the Governor may declare that
the health, safety, or economic well-being of persons or property in this State require that the
maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 be waived for persons
transporting essential fuels.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution
and the laws of the State of North Carolina, IT IS ORDERED:

Section 1.

The Department of Public Safety, in conjunction with the North Carolina Department of
Transportation, shall waive the maximum hours of service for drivers prescribed by the
Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

Notwithstanding the waiver set forth above, size and weight restrictions and penalties are not
waived.

Section 3.

The waiver of regulations under 49 CFR Part 395 (Federal Motor Carrier Safety Regulations)
does not apply to the commercial drivers’ licenses and insurance requirements.
Section 4.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1, 2, and 3 of this Executive Order in a manner which will implement this rule without endangering motorists in North Carolina.

Section 5.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with the cold weather.

Section 6.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this fifteenth day of January in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-seven.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

January 28, 2014

EXECUTIVE ORDER NO. 40

DECLARATION OF A STATE OF EMERGENCY
BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(18) exists in the State of North Carolina due to the approaching winter storm that will impact a significant portion of this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the entire State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of the Department Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State’s Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.
Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of January in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT MCCORMY
GOVERNOR

January 28, 2014

EXECUTIVE ORDER NO. 41

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES, TRANSPORTING ESSENTIALS AND REMOVING DEBRIS THROUGHOUT THE STATE

WHEREAS, due to the approaching winter storm, vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(18) exists due to the approaching winter storm and its likely impact in this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-118. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b) and;

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, and medical supplies to residential and commercial establishments is essential during and after the winter storm and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Part 395 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for
drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, and medical supplies, and for restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1.
The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.
The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116 and 20-118, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for the vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal along North Carolina roadways to our impacted counties.

Section 3.
Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend “Oversized Load” in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.
Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina’s International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.
Section 5.
The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.
The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.
The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.
Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, carrying essentials and for debris removal in the State of North Carolina.

Section 9.
This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(e).

Section 10.
Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.
This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of January in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
February 7, 2014

EXECUTIVE ORDER NO. 42

NOTICE OF TERMINATION OF THE STATE OF EMERGENCY DECLARED BY EXECUTIVE ORDER 40 AND THE TEMPORARY SUSPENSION OF TRANSPORTATION REGULATIONS IN EXECUTIVE ORDER 41

WHEREAS, Executive Order No. 40 was issued on January 29, 2014, declaring a state of emergency in the State of North Carolina due to a major winter storm; and

WHEREAS, Executive Order No. 41 was issued on January 29, 2014, which waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials. The order with the concurrence of the Council of State also temporarily suspended size and weight restrictions for vehicles used for utility restoration and carrying essentials on the State’s interstate and intrastate highways due to anticipated damage from the winter storm; and

WHEREAS, the conditions that required the declaration of the States of Emergency have ended.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Pursuant to N.C.G.S § 166A-19.20(c) the States of Emergency that were declared by Executive Orders 40 and 41 are hereby terminated as of 11:59 p.m., February 7, 2014.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 7th day of February in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
February 11, 2014

EXECUTIVE ORDER NO. 43

DECLARATION OF A STATE OF EMERGENCY
BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach of winter storm Pax that will impact a significant portion of this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the entire State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State’s Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.
Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 11th day of February in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
EXECUTIVE ORDER NO. 44

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of winter storm Pax, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists due to the approaching winter storm and its likely impact in this State. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after the winter storm and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-118. I have further found that citizens in this State may suffer losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(1) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic
loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Part 395 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116 and 20-118, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on
all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a
certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration
requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the
vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. §
105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate
for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as
required.

c. Non-participants in North Carolina’s International Registration Plan will be permitted into
North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North
Carolina Department of Transportation, except those routes designated as light traffic roads
under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to
N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor
Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver
shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1
through 6 of this Executive Order in a manner which will implement these provisions without
endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation
sufficient to establish their loads are being used for bearing equipment and supplies for utility
restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and
poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or
impose any limitation on the consumption, transportation, sale or purchase of alcoholic
beverages as provided in N.C.G.S. § 166A-19.30(e).
Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 11th day of February in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORKY
GOVERNOR

February 26, 2014

EXECUTIVE ORDER NO. 45

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 43 AND 44

WHEREAS, Executive Order No. 43, issued on February 11, 2014, declared a state of emergency in the State of North Carolina due to a major winter storm; and

WHEREAS, Executive Order No. 44 issued on February 11, 2014, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to anticipated damage and impacts from the winter storm. In addition, the order also directed the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Pursuant to N.C.G.S § 166A-19.20(c) the State of Emergency that was declared by Executive Order 43 and Executive Order 44 are hereby terminated as of 11:59 p.m., February 28, 2014.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-sixth day of February in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCorky
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
EXECUTIVE ORDER NO. 46

REAUTHORIZING THE STATE HEALTH COORDINATING COUNCIL

WHEREAS, the State Health Coordinating Council is a public advisory body established by Executive Order No. 139 on March 3, 2008; and

WHEREAS, the State Health Coordinating Council plays an important role in working with the Department of Health and Human Services to prepare the State Medical Facilities Plan approved annually by the Governor; and

WHEREAS, the success of the State Health Coordinating Council depends on the membership of persons knowledgeable about healthcare services, facilities, and technology including physicians, representatives of business and industry, medical educators and members of professional associations; and

WHEREAS, the State Health Coordinating Council has only advisory authority and therefore is not a covered board under the State Ethics Act; and

WHEREAS, it is important that the State Health Coordinating Council exercise its advisory authority in a transparent manner so that the Governor and citizens have full knowledge of the professional and economic interests of members of the State Health Coordinating Council represent; and

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Establishment

The North Carolina State Health Coordinating Council (hereinafter “NCSHCC”) is hereby reestablished.

Section 2. Membership

The NCSHCC shall have the following duties and functions:

a) Serve as a forum for hearing regional concerns and recommendations related to health planning;

b) Compile a list of state health needs and advise the Department of Health and Human Services;

c) Advise the Department of Human Resources on issues related to state health needs, giving attention to local, regional, and statewide needs;
d) Review and comment on contents of documents related to health planning and make recommendations concerning them to the Secretary of Human and Human Services and the Governor;

e) Advise the Department of Health and Human Services on cost-effective mechanisms for achieving health needs;

f) Prepare the Annual State Medical Facilities Plan and present the plan to the Governor.

Section 3. Membership

The NCSHCC shall consist of 25 members who shall be appointed by the Governor as follows:

a) One member from an academic medical center;

b) Two members from business and industry (at least one individual representing small business and one representing large business);

c) One member from the health insurance industry;

d) Two members from county government (one representing a rural county and one representing an urban county);

e) One member representing nursing homes;

f) One members representing hospitals;

g) One member representing home care facilities;

h) One member representing hospice;

i) One local health director;

j) One licensed physician;

k) One member from the North Carolina House of Representatives;

l) One member from the North Carolina Senate;

m) Eleven at-large members to represent other health professionals, business, industry and to ensure regional representation.

Section 4. Terms of Membership

The terms of membership of the NCSHCC shall be staggered so that the terms of approximately one-third of the members shall expire in a single calendar year. All members shall be appointed for a term of three years. Terms shall expire on December 31, and new terms shall begin on January 1. Members of the NCSHCC shall serve at the pleasure of the Governor.

Members currently serving on February 28, 2014 shall continue to serve at the pleasure of the Governor until their successors are appointed or otherwise noticed by the Office of the Governor.

Section 5. Vacancies

A vacancy occurring during a term of appointment is filled in the same manner as the original appointment and for the balance of the unexpired term.

Section 6. Travel Expenses

Members of the NCSHCC shall receive necessary travel and subsistence expenses in accordance with the provision of G.S. § 138-5.
Section 7. Chairman

The Chairman and Vice Chairman of the NCSHCC shall be appointed by the Governor. The Chairman and Vice Chairman shall serve at the pleasure of the Governor. The NCSHCC may elect other such officers as it deems necessary.

Section 8. Meetings

The NCSHCC shall meet quarterly and at other times at the call of the Chairman or upon written request of at least ten (10) of its members. All business meetings of the NCSHCC, its committees and subcommittees, or special task forces shall be open to the public.

Section 9. Staff Assistance

The Department of Health and Human Services shall provide clerical support and other services required by the NCSHCC.

Section 10. Ethical Standards

1. The members of the NCSHCC shall always act in the best interests of the public and shall bring their particular knowledge and experience to the NCSHCC to serve the public interest as identified in the Certificate of Needs Law, Chapter 131E, Article 9 of the General Statutes.

2. The following process shall be observed for all meetings of the NCSHCC and NCSHCC subcommittees at which the NCSHCC or NCSHCC subcommittee takes any action:
   a. At the beginning of each meeting, the Chair shall remind all members of their duty to act always in the best interest of the public without regard for their own professional, institutional or financial interests and that members should recuse themselves from voting on any matter on which they cannot meet this standard.
   b. Prior to conducting any business, each member shall disclose any professional or institutional interest he or she may have in any matter coming before the NCSHCC or NCSHCC subcommittee for action at that meeting. The Chair will determine if the member needs to recuse himself or herself from voting on the matter in order to ensure the integrity of the actions of the NCSHCC or NCSHCC subcommittee.
   c. Prior to conducting any business, each member shall also disclose any financial benefit he or she may derive from any matter coming before the NCSHCC or NCSHCC subcommittee for action at that meeting. A member derives a financial benefit from a matter under consideration if the person or his/her spouse (i) has an ownership interest in an entity that is a party to the matter under consideration; (ii) will derive any income or commission as a direct result of action on the matter under consideration; or (iii) will acquire property as a direct result of action on the matter under consideration. When any member indicates that he or she will derive a financial benefit from a matter coming before the NCSHCC or any subcommittee, the member shall recuse himself or herself from voting on the matter.
   d. A member who has recused himself or herself from voting is not prohibited from deliberating on the matter unless the Chair determines, after review, that participation by the member in deliberations would impair the integrity of the actions of the NCSHCC or NCSHCC subcommittee.
   e. The minutes of the NCSHCC and its subcommittees will reflect all disclosures and recusals made pursuant to this section, and such minutes will be provided to the Governor for review with the SMFP.
   f. A challenge to a member’s participation in a vote on issues under this Executive Order may be raised only by a member of the NCSHCC or an employee of the
Division of Health Services Regulation of DHHS. In such case where a challenge is made, the Chair, in consultation with the DHHS legal counsel, shall determine whether the challenge is valid and the action that should be taken.

g. For the purposes of this Executive Order, the term “Chair” means the Chair of the NCSHCC or the Chair of any NCSHCC subcommittee. In the absence of the Chair or if the professional, institutional, or financial interests of the Chair must be reviewed pursuant to this section, then the Vice-Chair of the NCSHCC or NCSHCC subcommittee shall make the determinations required by this section.

3. Members of the NCSHCC are expected to and should confer with DHHS on any matters that come before them in the development of the SMFP. No member of the NCSHCC, however, may confer with any DHHS employee regarding any proposed provision of the SMFP or any proposed or pending certificate of need application in which the member has a direct, conflicting professional, institutional or financial interest, except in public meetings conducted by DHHS or the NCSHCC.

4. This Executive Order is for the Governor’s purposes in reviewing and approving or amending the proposed SMFP submitted by the NCSHCC and DHHS. This Order does not and shall not be construed to create any rights, nor create claims, under the Certificate of Need Law, State Government Ethics Act, or otherwise.

This Executive Order is retroactive to March 1, 2014 and shall remain in effect until December 31, 2016, pursuant to N.C. Gen. Stat. § 147-16.2(b), or until earlier rescinded. This order supersedes and replaces all other executive orders on this subject and specifically rescinds Executive Order No. 139 issued on March 3, 2008, Executive Order No. 10 issued on March 3, 2009, Executive Order No. 52 issued on March 2, 2010, and Executive Order No. 67 issued on October 4, 2010.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 4th day of March in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORKY
GOVERNOR

March 7, 2014

EXECUTIVE ORDER NO. 47

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES

WHEREAS, due to the impact of the March 6-7, 2014 winter storm, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry, and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.20, I declare a limited state of emergency exists in North Carolina as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) due to the power outages and other impacts across the State as a result of this recent winter storm. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina; and

WHEREAS, the uninterrupted supply of electricity, fuel oil, diesel oil, gasoline, kerosene, propane, liquid petroleum gas, food, water, livestock and poultry feed, and medical supplies to residential and commercial establishments is essential before, during and after the winter storm and any interruption in the delivery of those commodities threatens the public welfare; and

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-118. I have further found that citizens in this State may suffered losses and will likely suffer imminent further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry; and
WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Part 395 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116 and 20-118, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment used for any debris removal. The Department of Public Safety shall temporarily suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.
b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina’s International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 15 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.3(e).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for fifteen (15) days or the duration of the emergency, whichever is less.
IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 7th day of March in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORY
GOVERNOR

April 9, 2014

EXECUTIVE ORDER NO. 48

AMENDING EXECUTIVE ORDER NO. 70: RULES MODIFICATION AND IMPROVEMENT PROGRAM

By the power vested in me as Governor by the laws and Constitution of the State of North Carolina, IT IS ORDERED:

Executive Order 70, Rules Modification and Improvement Program, issued by Governor Perdue on October 21, 2010, is hereby amended as follows:

Section 3, Review of Existing Rules, is hereby repealed.

Section 4, Review of New Rules, is amended by adding the following:

Any board, commission or agency exempt from the provisions of Chapter 150B of the General Statutes that require the preparation of fiscal notes for any rule proposed shall also be exempt from the provisions of this section.

Except as amended herein, Executive Order 70 remains in full force and effect. This Executive Order is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 9th day of April in the year of our Lord two thousand and fourteen and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORKY
GOVERNOR
April 17, 2014
EXECUTIVE ORDER 49

GOVERNOR'S WORKING GROUP ON VETERANS,
SERVICE MEMBER AND THEIR FAMILIES

WHEREAS, supporting those North Carolina citizens who have served or are serving their
country and state in the United States Armed Forces, Reserves and National Guard and their
families is among the highest priorities of government; and

WHEREAS, North Carolina is home to nearly 800,000 veterans and the third largest active
military force in the nation with nearly 120,000 active duty personnel and another 12,000
members of the North Carolina National Guard; and

WHEREAS, these veterans, service members, their families, and their communities have
shouldered a heavy burden exemplified by the repeated combat deployments for their nation in
the War on Terror; and

WHEREAS, meeting the needs of service members and their families is not the sole
responsibility of one agency or entity, but a collective responsibility of the entire state and nation
that requires a high level of collaboration and cooperation; and

WHEREAS, it is my expectation that interagency cooperation be taken beyond the existing
efforts to a new level of performance and accountability and that barriers are eliminated that may
limit or lessen the effectiveness of Federal, State and Local entities that serve our veterans.

NOW THEREFORE, by the power vested in me as Governor by the Constitution and laws of
the State of North Carolina, IT IS ORDERED:

Section 1. Established

The Governor's Working Group on Veterans, Service Members and their Families (hereinafter
the "Working Group") is hereby established.

The Working Group is charged with developing interagency solutions to make North Carolina a
more veteran friendly state. The Working Group will achieve the goal of "making North
Carolina the state of choice for veterans" by facilitating a heightened level of collaboration and
coordination within the system of care to effectively and responsively meet the needs of
veterans, service members, and their families.

In performing these duties, the Working Group shall conduct regular meetings to raise awareness
of the veteran-related efforts of all participating agencies and organizations in order to facilitate
information sharing, joint planning, implementation, and evaluation of activities among federal,
state, and local organizations and agencies.
The Working Group will build upon the gains of previous interagency efforts such as the “Governor’s Focus on Service Members, Veterans and their Families” by expanding the scope beyond the realm of behavioral and physical wellness into all the territories in which the veteran interacts with the state and his or her community such as employment, job training, education, licensure transferability, personal finance, home ownership, legal services, recreation, etc.

Section 2. Membership

All members of the Working Group shall serve at the pleasure of the Governor. The Working Group shall be comprised of up to 35 members appointed by the Governor from state agencies and private interests that are in frequent contact with veterans and that operate programs to support veterans, service members and their families.

All members shall be appointed for a term of two (2) years and shall serve at the pleasure of the Governor. A vacancy occurring during a term of appointment shall be filled by the Governor for the balance of the unexpired term.

Section 3. Leadership Team

The Governor shall appoint a Leadership Team to direct the activities of the Working Group. The Leadership Team shall be composed of a chair and four (4) vice-chairs appointed by the Governor and serving at the pleasure of the Governor. The Leadership Team shall be composed of the following persons:

a. The Governor’s Military Affairs Advisor, shall serve as chair;
b. The Secretary of the Department of Health and Human Services, or her designee, shall serve as a vice-chair;
c. The Secretary of the Department of Administration, or his designee, shall serve as a vice-chair;
d. The Secretary of Commerce, or her designee, shall serve as a vice-chair;
e. A representative from outside of State government who has exhibited a history and passion for veteran’s issues, shall serve as a vice-chair.

Section 4. Meetings

Meetings shall be held quarterly or upon the call of the Governor or the chair. Meetings of the Working Group shall address the following issues:

Transition, Integration, and Social Support: (1) education, (2) employment, (3) housing, (4) family, (5) recreation, (6) financial management, and (7) legal/criminal justice;

Wellness Issues: (1) physical and behavioral health (including Post Traumatic Stress, Traumatic Brain Injury, substance abuse, combat and operational stress injury) and (2) spiritual wellness (including faith, grief and moral injury); and

Military Service and Benefits: (1) Active Duty, (2) members of Reserve Units, (3) National Guard, (4) Unit Associations, (5) Family Readiness Groups, and (6) Veteran Service Officers and Service Organizations.

Section 5. Duties

a. The Working Group shall advise the Governor on issues related to veterans, service members and their families.

b. The Working Group shall identify areas for better inter- and intra-agency cooperation and implement those ideas in accordance with their capabilities.
c. The Working Group may convene cross-functional groups of representatives from various branches and eras of the Active, Reserve and Guard components and their families as well as the Veteran Service Organizations that operate at the federal state and local level to elicit information which aids the Working Group in its mission.

d. The Working Group shall submit an annual statement to the Governor, the Secretary of the Department of Health and Human Services, and the Secretary of the Department of Administration, and the Department of Commerce by November 1, on its recommendations.

e. The Working Group will hold an annual Veterans Day Summit (to be held annually November) in which key stakeholders will present their progress to the Governor, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Administration and the Secretary of Commerce.

Section 7. Administration

The Department of Administration and the Department of Health and Human Services’ Division of Mental Health, Developmental Disabilities and Substance Abuse Services shall provide administrative and staff support services required by the Working Group. The Governor’s Office and remaining cabinet agencies may provide staff support as needed. Member costs will be borne by the participating individuals and/or their sponsoring agencies.

Section 8. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until December 31, 2017, pursuant to N.C. Gen. Stat. § 147-16.2(b).

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this seventeenth day of April in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Claire F. Marshall
Secretary of State

951
State of North Carolina

PAT McCORRY
GOVERNOR

April 28, 2014

EXECUTIVE ORDER NO. 50

DECLARATION OF A STATE OF EMERGENCY
BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the impact of tornadoes and severe weather on April 25, 2014. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Beaufort, Chowan, Pasquotank and Perquimans counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of the Department of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in G. S.§ 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.
Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 28th day of April in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
EXECUTIVE ORDER NO. 51

DISASTER DECLARATION FOR FEBRUARY 2014 WINTER STORM FOR TEN MUNICIPALITIES IN SOUTHEASTERN NORTH CAROLINA

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, starting on or about February 11, 2014, the Towns of Belville and Carolina Shore in Brunswick County; the Towns of Bolton, Brunswick, Chadbourn, Lake Waccamaw, Tabor City and the City of Whiteville in Columbus County; the City of Wilmington in New Hanover County; and the Town of Burgaw in Pender County, were impacted by severe winter weather which caused heavy amounts of ice that downed power lines and generated significant amounts of vegetative debris; and

WHEREAS, each of municipalities or the counties they are located in proclaimed local states of emergency on or around February 11, 2014; and

WHEREAS, due the impact of the severe winter weather, a joint preliminary damage assessment was done by local, state and federal emergency management officials starting on or about February 11, 2014 and is on-going; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in the Towns of Belville and Carolina Shore in Brunswick County; the Towns of Bolton, Brunswick, Chadbourn, Lake Waccamaw, Tabor City and the City of Whiteville in Columbus County; the City of Wilmington in New Hanover County; and the Town of Burgaw in Pender County; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the Towns of Belville and Carolina Shore in Brunswick County, the Towns of Bolton, Brunswick, Chadbourn, Lake Waccamaw, Tabor City and the City of Whiteville in Columbus County, the City of Wilmington in New Hanover County; and the Town of Burgaw in Pender County declared local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in U.S. 166A-19.41(b)(2); and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.
NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the Towns of Belville and Carolina Shore in Brunswick County; the Towns of Bolton, Brunswick, Chadbourn, Lake Waccamaw, Tabor City and the City of Whiteville in Columbus County; the City of Wilmington in New Hanover County; and the Town of Burgaw in Pender County.

Section 2. I authorize state disaster assistance in the form of public assistance grants to eligible governments located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris clearance.
b. Emergency protective measures.
c. Roads and bridges.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 29th day of April in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR
May 13, 2014

EXECUTIVE ORDER NO. 52

ESTABLISHMENT OF NORTH CAROLINA GOVERNOR’S SUBSTANCE ABUSE AND UNDERAGE DRINKING PREVENTION AND TREATMENT TASK FORCE

WHEREAS, alcohol and other substance abuse at an early age are critical risk factors for lifelong physical and mental health problems and the development of healthy behaviors at an early age promotes lifelong wellness; and

WHEREAS, substance abuse is a major public health problem that costs the citizens of North Carolina billions in medical care, work time lost, law enforcement and criminal justice response and pain and suffering; and

WHEREAS, underage drinkers consume nearly 10% of all alcohol sold in North Carolina and binge and underage drinking are the third leading preventable cause of death in the United States among youth; and

WHEREAS, the State of North Carolina has a responsibility to raise awareness and reduce the prevalence of substance abuse and to increase treatment and recovery services for individuals battling substance abuse; and

WHEREAS, the State of North Carolina is working to mobilize efforts with community partners and individuals statewide to implement strategies designed to reduce instances of substance abuse including underage drinking, binge drinking, illegal drug use, abuse of prescription drugs and to increase treatment and recovery services; and

WHEREAS, the ABC Commission is committed to developing and implementing programs to address alcohol and substance abuse among underage persons; and

WHEREAS, the University of North Carolina System is committed to developing collegiate wellness programs to address substance abuse issues among collegians;

NOW THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina. IT IS ORDERED:

Section 1. Establishment.

The North Carolina Governor’s Substance Abuse and Underage Drinking Prevention and Treatment Task Force is hereby established (hereinafter the “Task Force”).
Section 2. Task Force.

The Task Force shall consist of twenty (20) members, each appointed for a term of two years. All members shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Governor’s appointees shall include:

i. The Chair of the ABC Commission who shall also serve as co-chair;
ii. The Secretary of The Department of Public Safety who shall also serve as co-chair;
iii. A representative from UNC General Administration;
iv. A representative from the North Carolina Independent Colleges and Universities;
v. A representative from the NC Community Colleges System Office;
vi. A member of the NC State Board of Education;
vii. A representative from one of the UNC system campuses;
viii. A representative from a private, nonprofit college or university in North Carolina;
ix. A representative from NC DHHS;
x. A representative from the Office of the Governor;
xi. A representative from ALE;
xii. A representative from a local law enforcement agency;
xiii. A representative from an alcohol or substance abuse treatment organization;
xiv. A representative from an alcohol treatment organization with an emphasis on youth treatment;
xv. A representative from the NC Department of Transportation, Division of Motor Vehicles;
xvi. A representative from the wholesale alcohol industry;
xvii. A representative from the Administrative Office of the Courts;
xviii. An individual in recovery;
xix. Two current students, at least one of whom is under age 21.

Members shall serve without compensation.

Section 3. Meetings.

(a) The Task Force shall meet quarterly and as often as called by the Chair to carry out the Task Force’s purpose. The Chair shall set the times and locations of all meetings.

(b) For the purpose of conducting business, a quorum of the Task Force shall consist of seven members.

Section 4. Purpose.

(a) The Task Force shall receive, no later than August 1, 2015:
1. A comprehensive report from the ABC Commission regarding its efforts to combat underage drinking and substance abuse, including a detailed report of the use of State appropriations and ABC Commission funds to facilitate its effort;
2. A comprehensive report from the six pilot campuses on the use of appropriated funds and the effectiveness of their prevention efforts; and
3. A comprehensive report from the Center for Safer Schools regarding its efforts to combat underage drinking and substance abuse.

(b) The Task Force shall prepare and submit to the Governor and the General Assembly by October 1, 2015 a comprehensive plan for effectively addressing (1) the underage sale and use of alcohol and drugs, (2) risky behaviors and substance abuse among collegians, and (3) the provision of treatment and recovery services for individuals struggling with substance abuse. The Task Force shall review and consider the reports outlined in Section (a) above in the development of the report to submit to the Governor and General Assembly no later than October 1, 2015.

(c) The Task Force shall, in preparation of the comprehensive plan, adapt existing national efforts for application to North Carolina and/or create new awareness program elements designed to combat substance abuse in North Carolina. The Initiative’s recommendation shall be actionable, measurable, and able to be replicated in local communities and/or public and private colleges.

(d) The Task Force may convene workgroups to aid the Task Force in its mission.
Section 5. Staffing.

The ABC Commission shall provide administrative and staff support to the Task Force. The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse shall provide additional support as necessary and as determined by the Co-Chairs.

Section 6. Cooperation of State Agencies.

All cabinet agencies and boards, commissions, councils and offices, now existing and hereafter established, which are administratively housed in the cabinet agencies or the Office of the Governor, shall cooperate with the Task Force in the development of the plan and recommendations to the Governor for actions that are deemed necessary under Section 4 of this Order. The Board of Governors of the University of North Carolina System, the State Board of Community Colleges, local boards of education, and the Council of State agencies are encouraged and invited to participate in this Executive Order.

Section 7. Effect and Duration.

This Executive Order is effective immediately and shall remain in effect until December 31, 2015, pursuant to N.C. Gen. Stat. § 147-16.2, or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this thirteenth day of May in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory  
Governor

ATTEST:

Elaine F. Marshall  
Secretary of State

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]
State of North Carolina

PAT McCORRY
GOVERNOR

May 14, 2014

EXECUTIVE ORDER NO. 53

DISASTER DECLARATION FOR APRIL 25, 2014 TORNADOES

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, on April 25, 2014 the counties of Beaufort, Chowan, Pasquotank, and Perquimans suffered damages from tornadoes, high winds, and severe storms; and

WHEREAS, as a result of the severe weather and tornadoes the counties of Beaufort, Chowan, Pasquotank, and Perquimans proclaimed local states of emergency on or about April 25, 2014; and

WHEREAS, as a result of the severe weather and tornadoes, I proclaimed a state of emergency for the counties of Beaufort, Chowan, Pasquotank and Perquimans on April 28, 2014; and

WHEREAS, due to the impact of the severe weather and tornadoes, a joint preliminary damage assessment was conducted by local, state and federal emergency management officials on April 29 and April 30, 2014; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. § 166A-19.21(b)(1), exists in the following counties of North Carolina: Beaufort, Chowan, Pasquotank, Perquimans; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the counties of Beaufort, Chowan, Pasquotank, and Perquimans declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment has met or exceeded the criteria established for the Small Business Disaster Loan Program pursuant to 13 C.F.R. § 125; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.
NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the following North Carolina counties: Beaufort, Chowan, Pasquotank, and Perquimans.

Section 2. I authorize state emergency assistance funds in the form of grants to individuals and families located within the declared areas that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(1).

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this fourteenth day of May in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eighth.

Pat McCrory
Governor

Rodney S. McLeod
Chief Deputy
Secretary of State
STATE OF NORTH CAROLINA

PAT MCCORMY
GOVERNOR

May 19, 2014

EXECUTIVE ORDER NO. 54

AVIATION DEVELOPMENT TASK FORCE

WHEREAS, the aviation industry, both commercial and general, is directly responsible for over 100,000 jobs in North Carolina and the continued promotion and development of the industry is critical to both maintaining and growing the related employment base; and

WHEREAS, the annual impact of the aviation industry in North Carolina exceeds $25 billion dollars annually; and

WHEREAS, the vast majority of the airports in North Carolina are locally owned and governed and the direct tax revenue generated by those airports exceeds $770 million annually. These tax dollars go to the respective counties in which the airports are located; and

WHEREAS, the North Carolina Department of Transportation, Division of Aviation ("DOA") is charged with the oversight of grant money and development of publicly owned airports in the State that are eligible for funding; management of both State and Federal aviation related grants; and the operation of the State owned fleet; and

WHEREAS, the General Assembly enacted the Strategic Transportation Investments bill (HB817) on June 26, 2013 in order to more effectively allocate Department of Transportation capital expenditures, based on State, regional and divisional needs. This legislation combined the process for prioritization for airport projects along with other non-highway modes of transportation; and

WHEREAS, the oversight, promotion of, funding for and development of airports in our State is critical to the continued employment growth and fostering of both our local and Statewide economies.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED.

Section 1. Establishment

The North Carolina Aviation Development Task Force is hereby established (hereinafter "Task Force").

Section 2. Membership

The Task Force shall consist of thirteen (13) members. Members shall be persons experienced in the aviation industry or those Industries reliant upon aviation and represent geographically diverse areas of the State. Membership of the Task Force shall include a current member of the North Carolina Board of Transportation and the Secretary of Transportation or his/her designee. All positions shall be appointed by the Governor and shall serve at the pleasure of the Governor. The Governor shall appoint the Chair and Vice Chair of the Task Force who shall likewise serve at the pleasure of the Governor.

Section 3. Meetings

The Task Force shall meet as necessary to properly exercise its functions, but not less frequently than quarterly, or upon the call of the Governor or the Chair.
Section 4. Duties

The Task Force shall, by May 1, 2015, submit a comprehensive report and recommendations to the Secretary of Transportation for the enhancement of the State’s Aviation programs. The report shall include, but not be limited to, the following:

1. Review and study of the current programs, published policies and standard operating procedures within the Division of Aviation.
2. Review and study of how revisions to the Division of Aviation’s existing programs and policies can enhance its role as an advocate for aviation and publicly owned airports throughout the State.
3. Review of new or alternative funding sources for the Division of Aviation.
4. Recommendations for improving efficiencies within the Division so as to ensure the highest level of customer service.
5. Recommendations on how the Division of Aviation can provide additional assistance to cities, towns, counties and other governmental subdivisions for the enhancement and operation of airports, landing fields and other aviation facilities.
6. Strategies for maximizing the economic impact of publicly owned airports in their respective communities and across the State.
7. Strategies to recruit more aerospace manufacturing in North Carolina.
8. Strategies for the promotion of military aviation and collaboration with existing military in North Carolina.
9. Recommendations on how to recruit retired military personnel to remain in North Carolina to become a part of the aerospace manufacturing industry.
10. Any other duties as assigned by the Governor or the Secretary of Transportation.

Section 5. Administration

The Division of Aviation shall provide administrative and staff support services, including meeting space, as may be required. Members of the Task Force shall serve without compensation, but may receive reimbursement for travel in accordance with State law and the policies and regulations of the Office of State Budget and Management.

Section 6. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until July 1, 2015, pursuant to N.C. Gen. Stat. § 147-16.3(b)

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this nineteen day of May, in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
WHEREAS, the State of North Carolina is committed to providing equal employment opportunities to all employees and applicants for employment without regard to race, religion, color, national origin, sex, age, disability, genetic information; and

WHEREAS, the State recognizes that effective and efficient government requires the talents, skills, and abilities of all available human resources; and

WHEREAS, the State acknowledges the need for a diverse workforce; and

WHEREAS, this administration endorses a positive approach to ensure equal employment opportunity; and

WHEREAS, this administration believes that the Human Resources practices of state government should be nondiscriminatory and promote confidence in the fairness and integrity of government; and

WHEREAS, fair and impartial treatment of all employees in all terms and conditions of employment is in the best interest of the State; and

WHEREAS, this administration believes in fairness in the State work environment and that employees should be valued for their individual strengths and encouraged to achieve their fullest potential.

NOW, THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of North Carolina, IT IS ORDERED:

Section 1. EEO Policies and Programs.

The policies and programs that have been adopted by the State Human Resources Commission and approved by the Governor represent the commitment of the State and shall be adhered to by every state agency, department, and university.

Section 2. Administration.

Each Agency Head, Department Head, and University Chancellor is responsible for the successful implementation of these policies, programs, and this Order, and shall:

(1) Designate an EEO Director(s) who is responsible for the operation and implementation of their EEO plan and provide the resources to implement the EEO Plan and goals. The Director may report to the Agency Head, Department Head, Chancellor or
HR Director as long as there is access to the Agency Head, Department Head, or University Chancellor on EEO matters;

(2) Ensure that the agencies, departments, or university’s commitment to EEO is clearly communicated to all employees;

(3) Ensure that Human Resources policies and employment practices are implemented consistently and fairly;

(4) Ensure that each supervisory and management employee has, as a part of his or her performance plan, the responsibility to comply with EEO laws and policies and assist in achieving EEO goals;

(5) Provide reasonable accommodations for otherwise qualified individuals with disabilities who can perform the essential functions of the job in question if such accommodations are made;

(6) Provide development and training opportunities for employees on a fair and consistent basis to enhance their skills which help the state operate more efficiently and effectively.

Section 3. Office of State Human Resources.

The Office of State Human Resources Director shall:

(1) Develop state-wide EEO policies and procedures for State Human Resource Commission approval;

(2) Provide technical assistance, programs, tools, monitoring, and evaluation to assist agencies, departments, and universities in achieving their EEO plan, including consultation on staffing the EEO function;

(3) Review, approve, and monitor all EEO plans and updates;

(4) Design and implement monitoring and reporting systems to measure the effectiveness of agency, department, and university EEO plans;

(5) Provide EEO training for managers, supervisors, and employees; review and approve EEO training programs agencies, departments and universities submit as equivalent to the EEO offered by the State Office of Human Resources; and

(6) Develop and promote EEO programs and best practices to encourage consistent and fair treatment of all state employees;

(7) Ensure procedures for determining reasonable accommodations that result in a uniform and fair process for applicants and employees with disabilities are in place;

(8) Develop a state government wide EEO plan to ensure commitment to and accountability for EEO;

(9) Meet with agency heads, department heads, and university chancellors, Human Resources Directors and EEO Director annually to discuss the progress made toward reaching program goals;

(10) Report annually to the Human Resources Commission and the Governor on EEO Plans and progress by agencies, departments, universities and state government.

Section 4. Effect and Duration.

All other Executive Orders or portions of Executive Orders inconsistent with this Order are hereby rescinded. This Order specifically rescinds Executive Order No.14 signed on May 7,
2009 in the year of our Lord two thousand and nine. This Executive Order shall be effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this thirtieth day of June in the year of our Lord two thousand and fourteen and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina  
PAT McCORRY  
GOVERNOR  
July 1, 2014  
EXECUTIVE ORDER NO. 56

DISASTER DECLARATION FOR THE TOWN OF WOODFIN

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, the Town of Woodfin in Buncombe County, North Carolina was impacted by severe weather including high winds and flooding on April 29, 2014 which caused heavy amounts of damage consisting of uprooted trees and damages to town-owned roads; and

WHEREAS, the Mayor of the Town of Woodfin declared a local state of emergency on April 29, 2014; and

WHEREAS, due the impact of the severe weather, a joint preliminary damage assessment was done by local and state emergency management officials starting on or about May 15, 2014 and is on-going; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. § 166A-19.21(b)(1), exists in the State of North Carolina, specifically in the Town of Woodfin in Buncombe County; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the Town of Woodfin declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in N.C.G.S. § 166A-19.41(b)(2); and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(b), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the Town of Woodfin in Buncombe County, North Carolina.
Section 2. I authorize state disaster assistance in the form of public assistance grants to eligible governments located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris clearance.
b. Emergency protective measures.
c. Roads and bridges.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties in which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 1st day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

[Signature]
Pat McCrory
Governor

ATTEST:

[Signature]
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

July 2, 2014

EXECUTIVE ORDER NO. 57

DECLARATION OF A STATE OF EMERGENCY
BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to the approach of Tropical Storm Arthur. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, and Washington counties.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State’s Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.
Section 5.

I further direct Secretary Perry or his designee to seek assistance from any and all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
EXECUTIVE ORDER NO. 58

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE 
RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS 

WHEREAS, due to the approach of Tropical Storm Arthur, vehicles bearing equipment and 
supplies for utility restoration, debris removal, and carrying essentials such as food and 
medicine, need to be moved on the highways of North Carolina; and 

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) 
and 166A-19.3(19) exists in portions of North Carolina due likely impact of Tropical Storm 
Arthur; and 

WHEREAS, the prompt resumption of utility services and uninterrupted supply of electricity, 
gasoline and other essentials in commerce to citizens of North Carolina is essential to their safety 
and well-being; and 

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the 
concurrency of the Council of State, may regulate and control the flow of vehicular traffic and 
the operation of transportation services; and 

WHEREAS, with the concurrency of the Council of State, I have found that vehicles bearing 
equipment and supplies for utility restoration, carrying essentials and for debris removal must 
adhere to the registration requirements of N.C.G.S. § 20-85.1 and 20-382, fuel tax requirements 
of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-
118. I have further found that citizens in this State may suffer imminent widespread damage 
within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and 

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and 
regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an 
emergency condition exists; and 

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or 
economic well-being of persons or property requires that the maximum hours of service for 
drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential 
fuels, food, water, medical supplies, and vehicles used in the restoration of utility services. 

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution 
and the laws of the State of North Carolina, IT IS ORDERED:
Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116 and 20-118, and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials and for equipment for any debris removal.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend “Oversized Load” in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina’s International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.
Section 6.  
The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.  
The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.  
Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish that their loads are being used for bearing equipment and supplies for utility restoration, debris removal, and carrying essentials in commerce in the State of North Carolina.

Section 9.  
This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.  
Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 11.  
This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory  
Governor

ATTEST:  

Elaine F. Marshall  
Secretary of State
State of North Carolina
PAT McCORRY
GOVERNOR
July 2, 2014
EXECUTIVE ORDER 59
AMENDMENT TO EXECUTIVE ORDER 58
TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS RELATED TO AGRICULTURAL VEHICLES

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock, poultry or crops, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock, poultry and crops in the emergency area designated in Executive Order No. 57; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-581 should be waived for persons transporting essential fuels, food, water, medical supplies, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services; and

WHEREAS, there is an imminent threat of severe economic loss of livestock, poultry and/or widespread or severe damage to crops without amending Executive Order No. 58.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1.
Executive Order No. 58 issued July 2, 2014 is amended by adding the following Section 1A:

Section 1A.
The maximum hours of service waiver includes vehicles used to transport or bring feed to livestock, poultry and move crops to a save shelter in the emergency area.

Section 2.
Executive Order No. 58 issued July 2, 2014 is amended by adding the following Section 2A:

Section 2A.
The Department of Public Safety shall suspend weighing, pursuant to N.C.G.S § 20-118.1, those vehicles used to transport livestock, poultry and crops in the emergency area during the duration of the emergency.
Section 3.
This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:
Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORORY
GOVERNOR

July 8, 2014

EXECUTIVE ORDER 60

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 57, 58 AND 59

WHEREAS, Executive Order No. 57, was issued on July 2, 2014, declaring a state of emergency due to the approach of Tropical Storm/Hurricane Arthur in the following counties in the State of North Carolina: Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Duplin, Gates, Hertford, Hyde, Jones, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Tyrrell, and Washington; and

WHEREAS, Executive Order No. 58 was issued on July 2, 2014, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to anticipated damage and impacts from Tropical Storm/Hurricane Arthur. In addition, Executive Order 59 amended Executive Order 58 and directed the Department of Public Safety to suspend weighing those vehicles used to transport livestock, poultry and crops.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order 57 and that waivers in Executive Orders 58 and 59 are hereby terminated immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this eighth day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORARY
GOVERNOR

July 28, 2014

EXECUTIVE ORDER NO. 61

NOTICE OF TERMINATION OF EXECUTIVE ORDER NO. 50

WHEREAS, Executive Order No. 50 was issued on April 25, 2014, declaring a State of Emergency in the State of North Carolina due to tornadoes and severe weather in Beaufort, Chowan, Pasquotank and Perquimans counties; and

WHEREAS, the conditions that required the declaration of the State of Emergency have ended.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Pursuant to N.C.G.S § 166A-19.20(c) the State of Emergency that was declared by Executive Order 50 is terminated immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-eighth day of July in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORRY
GOVERNOR

August 1, 2014

EXECUTIVE ORDER NO. 62

ADDRESSING COAL ASH IN NORTH CAROLINA

WHEREAS, the issue of coal ash storage has not been adequately addressed in North Carolina for more than six decades;

WHEREAS, on February 2, 2014, an estimated 39,000 tons of coal ash was released into the Dan River following the failure of a stormwater pipe under a utility coal ash impoundment pond in Eden, North Carolina;

WHEREAS, addressing the issue of coal ash is necessary for the protection of the health and safety of the public;

WHEREAS, the General Assembly has considered, but has not yet passed, legislation that would address the issue of coal ash in North Carolina;

WHEREAS, as Governor, I have an obligation to protect public health and safety within the existing statutory framework.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, IT IS ORDERED:

Section 1. Policy

In order to protect ground water and drinking water from adverse impacts from coal ash impoundments at publicly-owned electric utilities throughout North Carolina, the North Carolina Department of Environment and Natural Resources is hereby instructed to continue to implement all regulations and laws that:

1. Expediously assess coal combustion products impoundments at public electric utilities;
2. Immediately initiate a survey of drinking water wells to determine any contamination from coal combustion products impoundments;
3. Take appropriate action to halt any violations of the law where necessary;
4. Mandate remediation plans for all facilities where violations are found;
5. Continue to prosecute active lawsuits in furtherance of this Order;
Section 2. **Reports**

The Department shall present interim reports to the Governor every 120 days.

This declaration is effective immediately and shall remain in effect until rescinded.

**IN WITNESS WHEREOF**, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 1st day of August in the year of our Lord two thousand and fourteen, and of the Independence of the United States of America the two hundred and thirty-nine.

![Signature]

Pat McCrory
Governor

**ATTEST:**

![Signature]

Elaine F. Marshall
Secretary of State
State of North Carolina

PAT McCORKY
GOVERNOR

August 18, 2014
EXECUTIVE ORDER NO. 63

AMENDING THE AVIATION DEVELOPMENT TASK FORCE

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Executive Order No. 54, Aviation Development Task Force, signed May 19, 2014, is hereby amended as follows:

Section 2. Membership
The Task Force shall consist of up to twenty-one (21) members.

Section 4. Duties
The Task Forces shall submit a comprehensive report and recommendations to the Secretary of Transportation for the enhancement of the State’s Aviation programs by no later than September 1, 2015.

Except as amended herein, Executive Order No. 54 remains in full force and effect. Executive Order Number 54 is hereby extended until December 31, 2015, pursuant to N.C. Gen. Stat. § 147-16.2.

This order is effective immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 18th day of August in the year of our Lord two thousand fourteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCorky
Governor

ATTEST:

Elaine F. Marshall
Secretary of State
I, ELAINE F. MARSHALL, Secretary of State of North Carolina, hereby certify pursuant to G.S. 120-34 that the foregoing volume was printed under the direction of the Legislative Services Commission from ratified acts and resolutions and executive orders of the Governor on file in the office of the Secretary of State.

This publication includes Session Laws 2014-1 through 2014-122, Resolutions 2014-1 through 2014-8, and Executive Orders 27 through 63 of Governor Pat McCrory.
THE JOINT CONFERENCE COMMITTEE REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS

Senate Bill 744
North Carolina General Assembly

July 30, 2014
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Availability Statement</td>
<td>1</td>
</tr>
<tr>
<td>Summary: General Fund Appropriations</td>
<td>2</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Public Education</td>
<td>F-1</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>F-8</td>
</tr>
<tr>
<td>UNC System</td>
<td>F-11</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>G-1</td>
</tr>
<tr>
<td>Natural and Economic Resources</td>
<td></td>
</tr>
<tr>
<td>Agriculture and Consumer Services</td>
<td>H-1</td>
</tr>
<tr>
<td>Labor</td>
<td>H-4</td>
</tr>
<tr>
<td>Environment and Natural Resources</td>
<td>H-5</td>
</tr>
<tr>
<td>Wildlife Resources Commission</td>
<td>H-11</td>
</tr>
<tr>
<td>Commerce</td>
<td>H-13</td>
</tr>
<tr>
<td>Commerce — State Aid</td>
<td>H-18</td>
</tr>
<tr>
<td>NER — Special Funds</td>
<td>H-20</td>
</tr>
<tr>
<td>Justice and Public Safety</td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>I-1</td>
</tr>
<tr>
<td>Justice</td>
<td>I-7</td>
</tr>
<tr>
<td>Judicial – Indigent Defense</td>
<td>I-10</td>
</tr>
<tr>
<td>Judicial</td>
<td>I-11</td>
</tr>
<tr>
<td>JPS Special Fund</td>
<td>I-13</td>
</tr>
<tr>
<td>General Government</td>
<td></td>
</tr>
<tr>
<td>Cultural Resources</td>
<td>J-1</td>
</tr>
<tr>
<td>Cultural Resources – Roanoke Island Commission</td>
<td>J-3</td>
</tr>
<tr>
<td>Insurance</td>
<td>J-4</td>
</tr>
<tr>
<td>State Board of Elections</td>
<td>J-6</td>
</tr>
<tr>
<td>General Assembly</td>
<td>J-7</td>
</tr>
<tr>
<td>Governor</td>
<td>J-8</td>
</tr>
<tr>
<td>State Budget and Management</td>
<td>J-9</td>
</tr>
<tr>
<td>State Budget and Management – Special Appropriations</td>
<td>J-10</td>
</tr>
<tr>
<td>Auditor</td>
<td>J-11</td>
</tr>
<tr>
<td>Revenue</td>
<td>J-12</td>
</tr>
<tr>
<td>Secretary of State</td>
<td>J-20</td>
</tr>
<tr>
<td>Lieutenant Governor</td>
<td>J-21</td>
</tr>
<tr>
<td>State Controller</td>
<td>J-22</td>
</tr>
<tr>
<td>Administration</td>
<td>J-26</td>
</tr>
<tr>
<td>Housing Finance Agency</td>
<td>J-39</td>
</tr>
<tr>
<td>Office of Administrative Hearings</td>
<td>J-40</td>
</tr>
<tr>
<td>Treasurer</td>
<td>J-41</td>
</tr>
<tr>
<td>Fire, Rescue &amp; National Guard Pensions &amp; LDD Benefits</td>
<td>J-45</td>
</tr>
<tr>
<td>Transportation</td>
<td>K-1</td>
</tr>
<tr>
<td>Reserves and Debt Service</td>
<td>L-1</td>
</tr>
<tr>
<td>Capital</td>
<td>M-1</td>
</tr>
<tr>
<td>Information Technology</td>
<td>N-1</td>
</tr>
</tbody>
</table>
### General Fund Availability Statement

**FY 2014-15**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Unappropriated Balance Remaining from FY 2013-14</td>
<td>$323,993,704</td>
</tr>
<tr>
<td>2 Anticipated Undercollections from FY 2013-14</td>
<td>($452,050,000)</td>
</tr>
<tr>
<td>3 Anticipated Reversion from FY 2013-14</td>
<td>$368,775,923</td>
</tr>
<tr>
<td>4 Less Earmarkings of Year End Fund Balance</td>
<td></td>
</tr>
<tr>
<td>5 Savings Reserve</td>
<td>0</td>
</tr>
<tr>
<td>6 Repairs and Renovations</td>
<td>0</td>
</tr>
<tr>
<td>7 Beginning Unreserved Fund Balance</td>
<td>$287,369,627</td>
</tr>
<tr>
<td>8 Total General Fund Availability</td>
<td>$21,230,169,627</td>
</tr>
<tr>
<td>9 Adjustments to Availability: 2014 Session</td>
<td></td>
</tr>
<tr>
<td>10 Transfer to Medicaid Contingency Reserve</td>
<td>($186,972,673)</td>
</tr>
<tr>
<td>11 Transfer from Cash Balances from Department of Agriculture and Consumer Services Special Funds</td>
<td>1,446,880</td>
</tr>
<tr>
<td>12 Transfer from IFD Utility Account</td>
<td>5,000,000</td>
</tr>
<tr>
<td>13 Transfer from Department of Environment and Natural Resources (DENR) Special Funds</td>
<td>793,095</td>
</tr>
<tr>
<td>14 Diversion of Funds from DENR Inspection and Maintenance Control Special Fund</td>
<td>3,300,000</td>
</tr>
<tr>
<td>15 Diversion of Funds from DENR Water and Air Account Special Fund</td>
<td>1,000,000</td>
</tr>
<tr>
<td>16 Transfer from Federal Insurance Contribution Act (FICA) Fund Cash Balance</td>
<td>5,135,000</td>
</tr>
<tr>
<td>17 Transfer from Government Data Analytics Center (GDAC) Cash Balance</td>
<td>1,650,000</td>
</tr>
<tr>
<td>18 Transfer from Blount Street Properties Fund Cash Balance</td>
<td>5,460,787</td>
</tr>
<tr>
<td>19 Transfer from E-Commerce Fund Cash Balances</td>
<td>2,130,000</td>
</tr>
<tr>
<td>20 Adjustment of Transfer from Insurance Regulatory Fund</td>
<td>($291,302)</td>
</tr>
<tr>
<td>21 Adjustment of Transfer from Treasurer’s Office</td>
<td>5,850,931</td>
</tr>
<tr>
<td>22 Increase from AEC Permit Fees</td>
<td>9,600,000</td>
</tr>
<tr>
<td>23 Four-year Phaseout of Provision of Medicaid Hold Harmless Law Guaranteeing Counties $550,000 Benefit</td>
<td>5,990,000</td>
</tr>
<tr>
<td>24 Redirection of Funds from Gross Premium Tax on Property Coverage Contracts to General Fund (S.L. 2014-69)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>25 Sales Tax on Manufactured and Modular Homes</td>
<td>($4,700,000)</td>
</tr>
<tr>
<td>26 Piped Natural Gas Rates Tax Phase-in (S.L. 2014-39)</td>
<td>($2,430,000)</td>
</tr>
<tr>
<td>27 Subtotal Adjustments to Availability: 2014 Session</td>
<td>($148,059,482)</td>
</tr>
<tr>
<td>28 Revised General Fund Availability</td>
<td>$21,082,110,146</td>
</tr>
<tr>
<td>29 Less: General Fund Appropriations</td>
<td>($21,082,110,146)</td>
</tr>
<tr>
<td>30 Unappropriated Balance Remaining</td>
<td>0</td>
</tr>
</tbody>
</table>
SUMMARY:

GENERAL FUND APPROPRIATIONS
<table>
<thead>
<tr>
<th>Fiscal Year 2014-15</th>
<th>Enacted Budget</th>
<th>Recurring Adjustments</th>
<th>Nonrecurring Adjustments</th>
<th>Net Changes</th>
<th>FTE Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Session</td>
<td>2014-15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Colleges</td>
<td>1,016,457,497</td>
<td>24,423,904</td>
<td>0</td>
<td>24,423,904</td>
<td>0.00</td>
</tr>
<tr>
<td>Public Education</td>
<td>6,192,901,829</td>
<td>5,444,212</td>
<td>55,390,774</td>
<td>68,874,986</td>
<td>0.00</td>
</tr>
<tr>
<td>University System</td>
<td>2,268,901,700</td>
<td>34,000,000</td>
<td>(4,579,138)</td>
<td>29,420,862</td>
<td>(2.06)</td>
</tr>
<tr>
<td>Total Education</td>
<td>11,662,260,026</td>
<td>63,268,382</td>
<td>49,451,634</td>
<td>112,780,018</td>
<td>(2.80)</td>
</tr>
<tr>
<td>Health and Human Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Management and Support</td>
<td>78,301,826</td>
<td>5,396,528</td>
<td>2,000,000</td>
<td>(3,396,528)</td>
<td>1.00</td>
</tr>
<tr>
<td>Aging and Adult Services</td>
<td>54,342,641</td>
<td>(689,549)</td>
<td>100,000</td>
<td>(689,549)</td>
<td>0.00</td>
</tr>
<tr>
<td>Blind and Deaf/A. Hard-of-Hearing Services</td>
<td>8,178,816</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Child Development and Early Education</td>
<td>254,314,904</td>
<td>(1,893,496)</td>
<td>(20,784,759)</td>
<td>(30,678,255)</td>
<td>(1.00)</td>
</tr>
<tr>
<td>Health Service Regulation</td>
<td>18,411,479</td>
<td>(288,000)</td>
<td>0</td>
<td>(288,000)</td>
<td>0.00</td>
</tr>
<tr>
<td>Medical Assistance</td>
<td>3,053,119,081</td>
<td>(6,528,746)</td>
<td>135,965,779</td>
<td>82,428,032</td>
<td>0.00</td>
</tr>
<tr>
<td>Mental Health, Dev. Disabilities, &amp; Sub. Abuse Services</td>
<td>704,955,985</td>
<td>(3,923,653)</td>
<td>(15,996,559)</td>
<td>(24,922,242)</td>
<td>(7.00)</td>
</tr>
<tr>
<td>NC Health Choice</td>
<td>57,747,803</td>
<td>(5,613,961)</td>
<td>0</td>
<td>(5,613,961)</td>
<td>0.00</td>
</tr>
<tr>
<td>Public Health</td>
<td>141,941,957</td>
<td>176,620</td>
<td>(5,782,163)</td>
<td>(5,605,443)</td>
<td>(7.00)</td>
</tr>
<tr>
<td>Social Services</td>
<td>176,556,402</td>
<td>11,061,165</td>
<td>1,135,750</td>
<td>(7,925,415)</td>
<td>(7.00)</td>
</tr>
<tr>
<td>Vocational Rehabilitation</td>
<td>38,773,163</td>
<td>(6,717,288)</td>
<td>0</td>
<td>(6,717,288)</td>
<td>(11.99)</td>
</tr>
<tr>
<td>Total Health and Human Services</td>
<td>5,137,674,575</td>
<td>(78,539,544)</td>
<td>99,026,017</td>
<td>(10,486,473)</td>
<td>(16.95)</td>
</tr>
<tr>
<td>Justice and Public Safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,580,516,006</td>
<td>56,574,908</td>
<td>(6,460,583)</td>
<td>51,114,325</td>
<td>95.90</td>
</tr>
<tr>
<td>Judicial</td>
<td>456,420,052</td>
<td>7,466,620</td>
<td>0</td>
<td>7,466,620</td>
<td>0.00</td>
</tr>
<tr>
<td>Judicial - Indigent Defense</td>
<td>111,577,264</td>
<td>336,647</td>
<td>0</td>
<td>336,647</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Justice and Public Safety</td>
<td>2,340,106,466</td>
<td>30,712,593</td>
<td>(6,490,563)</td>
<td>26,222,030</td>
<td>(29.00)</td>
</tr>
<tr>
<td>Natural and Economic Resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture and Consumer Services</td>
<td>415,406,902</td>
<td>(503,213)</td>
<td>2,161,417</td>
<td>1,858,204</td>
<td>0.00</td>
</tr>
<tr>
<td>Commerce</td>
<td>56,735,282</td>
<td>(2,242,255)</td>
<td>31,297,094</td>
<td>29,054,840</td>
<td>(1.00)</td>
</tr>
<tr>
<td>Commerce - State Aid</td>
<td>15,624,767</td>
<td>79,473</td>
<td>1,750,000</td>
<td>1,829,473</td>
<td>0.00</td>
</tr>
<tr>
<td>Environment and Natural Resources</td>
<td>157,797,260</td>
<td>3,789,602</td>
<td>(2,394,152)</td>
<td>1,395,450</td>
<td>(13.20)</td>
</tr>
<tr>
<td>Labor</td>
<td>16,866,331</td>
<td>(1,452,899)</td>
<td>0</td>
<td>(1,452,899)</td>
<td>0.00</td>
</tr>
<tr>
<td>Wildlife Resources Commission</td>
<td>14,476,538</td>
<td>(4,312,319)</td>
<td>(2,000,000)</td>
<td>(3,312,319)</td>
<td>(23.00)</td>
</tr>
<tr>
<td>Total Natural and Economic Resources</td>
<td>376,708,114</td>
<td>(355,289)</td>
<td>30,974,258</td>
<td>30,618,269</td>
<td>(14.22)</td>
</tr>
<tr>
<td>Legislative Adjustments</td>
<td>Revised Appropriation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>Recurring</td>
<td>Nonrecurring</td>
<td>Net</td>
<td>FTE</td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>Adjustments</td>
<td>Changes</td>
<td>Changes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### General Government:

**Administration:**
- Enacted Budget: 87,347,233
- Recurring Adjustments: 1,784,618
- Nonrecurring Adjustments: 0
- Net: (1,784,618)
- Net: 0
- FTE: 86,262,217

**Auditor:**
- Enacted Budget: 11,017,480
- Recurring Adjustments: 1,754,796
- Nonrecurring Adjustments: 0
- Net: (1,754,796)
- Net: 0
- FTE: 11,272,237

**Cultural Resources:**
- Enacted Budget: 63,006,100
- Recurring Adjustments: 888,685
- Nonrecurring Adjustments: 0
- Net: (888,685)
- Net: 0
- FTE: 62,517,412

**Cultural Resources - Rosario Isle:**
- Enacted Budget: 450,000
- Recurring Adjustments: 0
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 0

**General Assembly:**
- Enacted Budget: 51,854,787
- Recurring Adjustments: 862,522
- Nonrecurring Adjustments: (400,000)
- Net: 462,522
- Net: 0
- FTE: 52,097,694

**Governor:**
- Enacted Budget: 7,172,132
- Recurring Adjustments: 153,621
- Nonrecurring Adjustments: 0
- Net: (153,621)
- Net: 0
- FTE: 7,325,777

**Housing Finance Agency:**
- Enacted Budget: 6,611,852
- Recurring Adjustments: (169,678)
- Nonrecurring Adjustments: 0
- Net: 5,432,174
- Net: 0
- FTE: 16,241,954

**Insurance:**
- Enacted Budget: 38,303,624
- Recurring Adjustments: (291,302)
- Nonrecurring Adjustments: 0
- Net: (291,302)
- Net: (7,602)
- FTE: 37,712,322

**Lieutenant Governor:**
- Enacted Budget: 975,068
- Recurring Adjustments: (3,782)
- Nonrecurring Adjustments: 0
- Net: 971,287
- Net: 0
- FTE: 971,287

**Office of Administrative Hearings:**
- Enacted Budget: 5,937,130
- Recurring Adjustments: 37,618
- Nonrecurring Adjustments: 0
- Net: (37,618)
- Net: 0
- FTE: 5,937,130

**Revenue:**
- Enacted Budget: 85,946,498
- Recurring Adjustments: (1,517,149)
- Nonrecurring Adjustments: 0
- Net: (1,517,149)
- Net: 0
- FTE: 74,429,349

**Secretary of State:**
- Enacted Budget: 11,375,183
- Recurring Adjustments: 25,523
- Nonrecurring Adjustments: 0
- Net: (25,523)
- Net: 0
- FTE: 11,350,966

**State Board of Elections:**
- Enacted Budget: 5,953,244
- Recurring Adjustments: 150,615
- Nonrecurring Adjustments: 0
- Net: (150,615)
- Net: 0
- FTE: 5,802,629

**State Budget and Management:**
- Enacted Budget: 7,934,271
- Recurring Adjustments: (52,626)
- Nonrecurring Adjustments: 0
- Net: 7,311,645
- Net: (1,000)
- FTE: 7,310,645

**State Budget and Management - Special:**
- Enacted Budget: 1,500,000
- Recurring Adjustments: (20,000)
- Nonrecurring Adjustments: 0
- Net: 1,480,000
- Net: 0
- FTE: 1,480,000

**State Controller:**
- Enacted Budget: 26,710,691
- Recurring Adjustments: (202,132)
- Nonrecurring Adjustments: 0
- Net: (202,132)
- Net: (4,702)
- FTE: 26,508,559

**Treasurer - Operations:**
- Enacted Budget: 7,008,360
- Recurring Adjustments: 2,607,961
- Nonrecurring Adjustments: 0
- Net: (2,607,961)
- Net: 0
- FTE: 6,400,399

**Treasurer - Retirement / Benefits:**
- Enacted Budget: 25,179,042
- Recurring Adjustments: (1,894,768)
- Nonrecurring Adjustments: 0
- Net: (1,894,768)
- Net: 0
- FTE: 23,284,274

**Total General Government:**
- Enacted Budget: 418,782,115
- Recurring Adjustments: 1,352,149
- Nonrecurring Adjustments: 10,037,804
- Net: 8,684,637
- Net: (29,554)
- FTE: 427,487,752

### Statewide Reserves and Debt Service:

**Debt Service:**
- Interest / Redemption:
  - Enacted Budget: 725,721,279
  - Recurring Adjustments: (3,947,442)
  - Nonrecurring Adjustments: 0
  - Net: (3,947,442)
  - Net: 0
  - FTE: 721,773,832

- Federal Expenditures:
  - Enacted Budget: 0
  - Recurring Adjustments: 0
  - Nonrecurring Adjustments: 0
  - Net: 0
  - Net: 0
  - FTE: 0

- Statewide Debt Service:
  - Enacted Budget: 725,337,850
  - Recurring Adjustments: (3,947,442)
  - Nonrecurring Adjustments: 0
  - Net: (3,947,442)
  - Net: 0
  - FTE: 721,390,407

### Statewide Reserves:

**Statewide Reserves:**
- Enacted Budget: 7,900,000
- Recurring Adjustments: 0
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 7,900,000

**State Health Plan Contributions:**
- Enacted Budget: 86,900,000
- Recurring Adjustments: (22,000,000)
- Nonrecurring Adjustments: 0
- Net: (22,000,000)
- Net: 0
- FTE: 64,900,000

**State Retirement System Contributions:**
- Enacted Budget: 36,390,000
- Recurring Adjustments: 0
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 36,390,000

**Reimbursement for Future Benefit Needs:**
- Enacted Budget: 56,400,000
- Recurring Adjustments: (56,400,000)
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 0

**Judicial Retirement System Contributions:**
- Enacted Budget: 1,500,000
- Recurring Adjustments: 0
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 1,500,000

**Firmen’s and 507 Squad Workers’ Retirement Fund:**
- Enacted Budget: 850,000
- Recurring Adjustments: 0
- Nonrecurring Adjustments: 0
- Net: 0
- Net: 0
- FTE: 850,000

**Information Technology Fund:**
- Enacted Budget: 10,470,657
- Recurring Adjustments: 878,486
- Nonrecurring Adjustments: 5,925,000
- Net: 7,142,508
- Net: 0
- FTE: 17,658,145

**Information Technology Reserve Fund:**
- Enacted Budget: 31,565,858
- Recurring Adjustments: 320,000
- Nonrecurring Adjustments: (11,612,288)
- Net: 31,263,570
- Net: 0
- FTE: 31,263,570
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Enacted Budget</th>
<th>Recurring Adjustments</th>
<th>Nonrecurring Adjustments</th>
<th>Net Changes</th>
<th>FTE Changes</th>
<th>Revised Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIC Government Efficiency and Reform Project</td>
<td>2,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,000,000</td>
</tr>
<tr>
<td>One North Carolina Fund</td>
<td>9,000,000</td>
<td>0</td>
<td>(7,144,263)</td>
<td>(7,144,263)</td>
<td>0</td>
<td>1,855,737</td>
</tr>
<tr>
<td>Unemployment Insurance EUI Reserve</td>
<td>13,900,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13,900,000</td>
</tr>
<tr>
<td>Reserve for Voter ID</td>
<td>1,500,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Contingency and Emergency Fund</td>
<td>5,000,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Reserve for Pending Litigation/Legislation</td>
<td>4,000,000</td>
<td>0</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>0</td>
<td>5,500,000</td>
</tr>
<tr>
<td>NC/SCA Litigation Reserve</td>
<td>0</td>
<td>0</td>
<td>300,000</td>
<td>300,000</td>
<td>0</td>
<td>300,000</td>
</tr>
<tr>
<td>Disability Income Plan</td>
<td>0</td>
<td>(3,200,000)</td>
<td>0</td>
<td>(3,200,000)</td>
<td>0</td>
<td>(3,200,000)</td>
</tr>
<tr>
<td>Job Development Investment Grants (JDIG)</td>
<td>63,345,957</td>
<td>0</td>
<td>(15,571,884)</td>
<td>(15,571,884)</td>
<td>0</td>
<td>47,774,073</td>
</tr>
<tr>
<td>Surplus Statewide Reserves</td>
<td>329,278,499</td>
<td>(8,650,445)</td>
<td>(26,023,433)</td>
<td>(26,023,433)</td>
<td>0</td>
<td>222,604,022</td>
</tr>
<tr>
<td>Total Reserves and Debt Service</td>
<td>1,254,516,158</td>
<td>(84,396,887)</td>
<td>(26,023,432)</td>
<td>(110,420,319)</td>
<td>0</td>
<td>944,195,839</td>
</tr>
<tr>
<td>Total General Fund for Operations</td>
<td>20,960,379,208</td>
<td>(69,603,828)</td>
<td>147,776,763</td>
<td>78,171,937</td>
<td>(355,52)</td>
<td>21,066,550,145</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Guard Projects</td>
<td>3,250,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,250,000</td>
</tr>
<tr>
<td>Research Training Facility</td>
<td>5,173,000</td>
<td>0</td>
<td>(5,173,000)</td>
<td>(5,173,000)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Water Resources Development Projects</td>
<td>0</td>
<td>0</td>
<td>5,910,000</td>
<td>5,910,000</td>
<td>0</td>
<td>5,910,000</td>
</tr>
<tr>
<td>Museum of History Expansion</td>
<td>0</td>
<td>0</td>
<td>1,660,000</td>
<td>1,660,000</td>
<td>0</td>
<td>1,660,000</td>
</tr>
<tr>
<td>ASU Health Sciences Building - Planning</td>
<td>0</td>
<td>0</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>0</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Total Capital Improvements</td>
<td>8,423,000</td>
<td>0</td>
<td>13,377,000</td>
<td>13,377,000</td>
<td>0</td>
<td>21,800,000</td>
</tr>
<tr>
<td>Total General Fund Budget</td>
<td>20,968,803,208</td>
<td>(69,603,828)</td>
<td>152,103,763</td>
<td>83,308,937</td>
<td>(355,52)</td>
<td>21,080,115,145</td>
</tr>
</tbody>
</table>
EDUCATION
Section F
### Public Education

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>$6,046,101,422</td>
</tr>
<tr>
<td><strong>FY 14-15</strong></td>
<td></td>
</tr>
</tbody>
</table>

| A. Reserve for Salaries & Benefits                                                |              |
| 1 Compensatoin Increase Reserve - Educators                                      | $273,514,319  |
| Provides funds for a new teacher salary schedule as well as an experience-based   | $6,764,338    |
| step for all step-eligible educators. The new schedule increases the pay of all   |              |
| educators to at least $33,000 annually. This new schedule for all educators       |              |
| provides, on average, a 7% salary increase assuming that local supplements        |              |
| remain the same, there is no turnover, and there are no changes to educator        |              |
| educational attainment or certifications. Funds are provided for a $1,000 salary   |              |
| bonus for educators at the top of the salary schedule who would not otherwise      |              |
| receive a salary increase. A corresponding provision in the Compensation of       |              |
| Public School Employees part of the Appropriations Act provides additional         |              |
| information on this item.                                                        |              |
| 2 Accrued Longevity Reserve - Educators                                           | $24,299,233   |
| Provides funding for accrued longevity pay as directed by section 9.1 of the      |              |
| Appropriations Act.                                                               |              |
| 3 Compensation Increase Reserve - School-based Administrators                     | $5,818,692    |
| Provides funds for salary schedule changes and an experience-based step for all   | $133,410      |
| step-eligible school-based administrators. In addition, funds are provided for a   |              |
| nonrecurring salaries and benefits bonus of $1,000 ($300 salary increase) for all|              |
| school-based administrators who do not receive a salary increase on this schedule. |              |
| A corresponding provision in the Compensation of Public School Employees part of  |              |
| the Appropriations Act provides additional information on this item.              |              |
| 4 Compensation Increase Reserve - Non-certified and Central Office Personnel      | $32,035,439   |
| Provides a $616 recurring salary and benefit increase ($500 salary increase) for  |              |
| permanent full-time non-certified and central office personnel.                    |              |

Public Education
Conference Report on the Continuation, Capital, and Expansion Budget

5 Compensation Increase Reserve - Department of Public Instruction (DPI)
Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teacher Salary Schedule for State agency teachers.

6 State Retirement System Contributions - School District Personnel
Increase the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1115. Total General Fund appropriation across all sections in the committee report is $46.5 million.

7 State Retirement System Contributions - DPI
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1115. Total General Fund appropriation across all sections in the committee report is $46.5 million.

8. Technical Adjustments

8 Average Daily Membership (ADM) (Multiple)
Revises projected ADM for FY 2014-15 to reflect 6,266 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2014-15 is 1,920,305, an increase of 10,320 students over FY 2013-14.

9 Average Certified Personnel Salaries (Multiple)
Revises budgeted funding for certified personnel salaries based on actual salary data from December 2013. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

10 ADM Adjustment: Opportunity Scholarships (1800)
Provides funding to eliminate the ADM Adjustment for Opportunity Scholarships.

Public Education
Conference Report on the Continuation, Capital, and Expansion Budget

11 Education Lottery Receipts: Classroom Teachers (1800)
Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between Lottery-supported programs.

12 Education Lottery Receipts: Teacher Assistants (1800)
Budgets Lottery receipts into the Teacher Assistants allotment and takes an equivalent reduction to the allotment's General Fund support.

13 Exceptional Children Headcount (1800)
Adjusts funding budgeted for the Children With Disabilities preschool and school-age allotments to reflect actual student headcount. The enacted FY 2014-15 budget included anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2014 headcount and does not reduce funding per student.

14 Civil Penalties (1800)
Increases budgeted receipts from Civil Penalties and takes corresponding General Fund reductions. The nonrecurring reduction reflects actual overrealized receipts in FY 2013-14, while the recurring reduction reflects an increased estimate of anticipated FY 2014-15 receipts.

C. Public School Funding Adjustments

15 Excellent Public Schools Act (Multiple)
Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A:7 of S.L. 2012-142. DPI will have $38.0 million available to implement these requirements.

16 Classroom Teachers (1800)
Decreases class size funding allocations by 1 student in both Kindergarten and Grade 1. The new Kindergarten allotment ratio will be 1 guaranteed teaching position for every 10 students in membership, an increase of 359 positions. The new Grade 1 allotment ratio will be 1 guaranteed teaching position for every 17 students in membership, an increase of 402 positions. This expansion, combined with other class size modifications made in S.L. 2013-390, will lower the FY 2014-15 teacher allotment ratios in Grades K-3 by 1 student per teacher as compared to the FY 2013-14 ratios. $3.80 billion is budgeted in total for this allotment.

Public Education
17 Excellent Public Schools Act - Five Extra Days (Multiple)
Eliminates funding that had been provided to support a requirement that local education agencies (LEAs) provide additional instructional days (S.L. 2011-145, Section 7.20). A subsequent amendment to G.S. 115C-84.2 (a)/(1) eliminated this mandate. Funding had previously supported $40,168 for additional costs related to substitute teachers and $251,469 for additional costs related to student transportation.

18 Education-Based Salary Supplements Restoration (1800)
Provides additional funding necessary to restore education-based salary supplements for master’s, advanced or doctoral degree for certain personnel, as directed in a corresponding special provision.

19 School Bus Replacement (1920)
Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. The nonrecurring reduction reflects the savings associated with foregone bus purchases in FY 2015-16 and the recurring reduction reflects reduced future financing payments as a result of those foregone purchases. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. $45.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.

20 Teacher Assistants (1900)
Adjusts the Teacher Assistant allotment and continues to allocate funding on the basis of student headcount in grades K-3. Approximately $368.3 million will remain in this allotment from a combination of General Fund and Lottery sources.

21 Central Office Administration (1910)
Reduces the allotment to LEAs for the salaries and benefits of central office staff by approximately 3%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. $251.1 million will remain to support these local staff in FY 2014-15.

22 Transportation (1830)
Reduces by approximately 1% the total budget for the allotment, which supports the salaries of transportation personnel and the maintenance of yellow school buses. Total funding for this allotment will be $467.7 million in FY 2014-15.

Public Education
Conference Report on the Continuation, Capital, and Expansion Budget

23 Small County Supplemental Funding (1800)
Revises the funding formula to provide differentiated funding based on the size of eligible districts as directed in a corresponding special provision. $46.3 million will be available for this allotment in FY 2014-15.

24 Panic Alarms (1820)
Reduces available funding for this program to reflect FY 2013-14 actual expenditure. $600,000 will be available for awards in FY 2014-15, slightly more than the amount awarded in FY 2013-14.

25 Cooperative and Innovative High Schools (1821)
Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requirements for the six new CIHSs approved by the State Board of Education in 2014. Funding will support one STEM Early College and two Middle Colleges in Mecklenburg County, A Young Men’s and Young Women’s Leadership Academy in Wake County, and the Buncombe Discovery Academy in Buncombe County.

26 Textbooks (1800)
Increases General Fund support for textbooks; bringing total funding for this allotment to $24.3 million.

27 Merit Pay for Teachers (1800)
Modifies funding status of this teacher supplemental compensation program to nonrecurring support.

28 Differential Teacher Compensation
Supports the initial phase of differentiated pay for highly effective classroom teachers, as described in a corresponding special provision, for selected LEAs to develop differentiated pay approaches for classroom teachers based on a teacher’s demonstrated effectiveness, teaching in hard-to-staff areas, and additional responsibilities in advanced roles. The funding shall be allocated to the North Carolina Educational Endowment Fund, created within a related special provision.

29 At-Risk Student Services (1800)
Reduces funding for this allotment to the FY 2013-14 level of $293.7 million.

Public Education
Conference Report on the Continuation, Capital, and Expansion Budget

30 Funds for Children in Private Psychiatric Residential Treatment Facilities
Provides funds to support the costs related to the education of children in private psychiatric residential treatment facilities. Implementation guidelines for this funding are provided in a corresponding special provision.

D. Department of Public Instruction

31 DPI Flexible Reduction (Multiple)
Reduces State General Fund support for DPI by 10%. The State Board of Education may allocate this reduction at its discretion.

32 North Carolina Center for the Advancement of Teaching (1410)
Shifts all State General Fund support for the ongoing operations of this teacher professional development provider to recurring funding.

33 Military Interstate Children's Compact Commission (1860)
Provides additional funding to cover the actual cost of membership in the Military Interstate Children’s Compact Commission. The Commission seeks to ensure consistent policies amongst member states to resolve educational transition issues encountered by military children due to frequent relocation. The total budget for this item will be $80,000.

E. Grants

34 Teaching Fellows (1900)
Eliminates the General Fund appropriation supporting the Teaching Fellows program. Obligations to previous Fellows classes will continue to be supported from funds available in the Teaching Fellows Trust Fund. The Teaching Fellows Trust Fund has a cash balance of $4.7 million as of April 30, 2014.

35 Communities in Schools (1991)
Provides support to expand the intervention programs and services provided by Communities In Schools of North Carolina, Inc. (CISNC), as part of its public and private partnership with local school administrative units to address the needs of public school students at risk of grade-level retention and dropout from school. Total FY 2014-15 State support for CISNC will be $2,446,750.
<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>$5,844,212 R</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$65,030,774 MR</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$8,104,676,608</td>
</tr>
</tbody>
</table>

Public Education
### Community Colleges

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>$1,016,487,677,677</td>
</tr>
<tr>
<td><strong>Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>36 Compensation Increase Reserve - Community Colleges</td>
<td>$22,741,352 R</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
<tr>
<td>37 State Retirement System Contributions - Community Colleges</td>
<td>$4,358,447 R</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $46.5 million.</td>
<td></td>
</tr>
<tr>
<td>38 Compensation Increase Reserve - System Office</td>
<td>$202,461 R</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
<tr>
<td>39 State Retirement System Contributions - System Office</td>
<td>$56,069 R</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $40.5 million.</td>
<td></td>
</tr>
</tbody>
</table>

### B. Technical and Formula Changes

| Enrollment Growth Adjustment (Multiple)                  | ($17,129,033 R)|
| Adjusts funds for FY 2014-15 based on the decline in community college enrollment. |

The Community College system saw its enrollment decline by 2.3% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of $17.2 million.

Community Colleges
Conference Report on the Continuation, Capital, and Expansion Budget

41 Closing the Skills Gap (Multiple)
Directs the System Office to create a fourth tier in its entitlement funding formula. The tier will be funded at a higher rate than the current highest tier. The new tier shall include health care and technical educational programs that train North Carolinians for jobs that have documented skills gaps and that pay higher wages.

42 Transfer to Commerce to Offset Apprenticeship Fees (1622)
Transfers $300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau’s Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset the revenue lost when apprenticeship fees assessed under G.S. 04-12 are waived.

There is a corresponding special provision for this item.

C. Financial Aid Changes

43 Yellow Ribbon G.I. Education Enhancement Program (1900)
Funds financial aid for eligible military veterans and dependents attending North Carolina community colleges by providing state dollars to leverage federal matching funds via the Yellow Ribbon Program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post-9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

D. Other Changes

44 Curriculum Tuition (1620)
Increases curriculum tuition by $0.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

Tuition will increase from $71.50 to $72 per credit hour for residents and from $265.50 to $266 for nonresidents. Tuition for resident students will increase by a maximum of $32 per year, from $928 to $929.

Community Colleges
**Conference Report on the Continuation, Capital, and Expansion Budget**

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 14-15</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Manufacturing Solutions Center (1624)</td>
<td>$150,000</td>
<td>R</td>
</tr>
<tr>
<td>Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Annual funding for this program will be $945,022.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46 Textile Technology Center (1924)</td>
<td>$150,000</td>
<td>R</td>
</tr>
<tr>
<td>Provides additional funding for the Textile Technology Center at Gaston College. Annual funding for this program will be $653,904.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Legislative Changes**

$24,423,004 R

**Total Position Changes**

Revised Budget

$1,040,911,271
<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
<tr>
<td>$2,559,901,709</td>
<td></td>
</tr>
</tbody>
</table>

| A. Reserve for Salaries & Benefits              |              |
| **47 Compensation Increase Reserve - SHRA Employees & NCSSM Teachers** | $18,151,272  |
| Provides a $1,000 annual recurring salary increase (~$1,296 salary and benefit increase) for permanent full-time UNC employees who are subject to the State Human Resources Act (SHRA) and funds the salary increase required by the Teacher Salary Schedule for North Carolina School of Science and Math teachers. | R            |

| **48 Compensation Increase Reserve - EHRA Employees** | $5,000,000  |
| Provides funds for salary increases for UNC employees who are exempt from the State Human Resources Act (EHRA). UNC is not required to provide an across-the-board increase with these funds. The Board of Governors shall determine how to allocate these funds to improve employee retention. | R            |

| **49 State Retirement System Contributions**     | $5,391,085   |
| Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1165. Total General Fund appropriation across all sections in the committee report is $46.5 million. | R            |

| **50 Enrollment Funding Adjustment (16011)**      | $(1,773,018) |
| Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes $20.7 million of State appropriation for enrollment growth in the UNC System but only $24.4 million is required, based on revised enrollment estimates. | R            |
Conference Report on the Continuation, Capital, and Expansion Budget

51 Enrollment Growth Model Change (16011)
Denote UNC General Administration to revise the Enrollment Growth Funding Model for general institutional support. The current model contains an adjustment factor to limit budget cuts to institutional support lines when enrollment declines. UNC is directed to remove this factor from its model and to reduce campus budgets accordingly.

52 Building Reserves (Multiple)
Reduces funding in reserves for new facilities due to delays in completion dates.

53 Teacher Preparation Programs through Distance Education (16011)
Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-104, Sec. 31.7), since that time, these programs have also been added to the enrollment growth funding formula. This adjustment ends that duplicative funding.

C. Financial Aid Changes

54 Yellow Ribbon G.I. Education Enhancement Program (16011)
Funds financial aid for eligible military veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon Program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post-9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

55 NC Need-Based Scholarship (16015; 124T)
Shifts from nonrecurring to recurring $4.0 million for the NC Need-Based Scholarship for students attending private institutions of higher education. Total funding for the program in FY 2014-15 will be $58,301,568.

UNC System
Conference Report on the Continuation, Capital, and Expansion Budget

56 National Guard Tuition Assistance Program (16012, 124R)
Increases funding for the National Guard Tuition Assistance Program, which provides financial aid to active members of the North Carolina Army or Air National Guard. The new State appropriation for the program will be $1,012,015, an increase of 2.7%.

57 College Foundation of North Carolina (16011)
Mitigates the structural budget gap at the College Foundation of North Carolina (CFNC), which formerly was supported largely by receipts from the federal guaranteed student loan program at the College Foundation, Inc. and the State Education Assistance Authority. The 2010 federalization of the student loan program ended any new loan origination through the guaranteed loan program, so those receipts are no longer sufficient to sustain CFNC.

58 UNC Need-Based Financial Aid Forward-Funding Reserve
Increases the funding for the UNC Need-Based financial aid program by $18,130,726. This amount shall be funded from the Eschweat Fund. There is a corresponding special provision for this item.

59 Opportunity Scholarships (16015)
Provides funds to expand Opportunity Scholarship Grants for the Spring 2015 semester. The program provides scholarship grants of up to $2,100 per semester for eligible students to attend nonpublic schools. The additional funds will support 400 semester-long scholarships. Total funding for this program is $10.6 million.

D. Other Changes
60 Management Flexibility Reduction (16011)
Increases the management flexibility reduction for the UNC operating budget by 3.3%, including this change, the management flexibility reduction for FY 2014-15 totals $76,059,768. The UNC Board of Governors shall not allocate this reduction or an across-the-board basis to constituent institutions.

61 Game-Changing Research (16011)
Funds focused investments in faculty, research, and scholarship in six priority areas: advanced manufacturing, data sciences, defense, military, and security, energy, marine and coastal sciences, and pharmacoengineering. The investment in data sciences shall include data sciences program at UNC Charlotte.

UNC System
Conference Report on the Continuation, Capital, and Expansion Budget

62 NCSU Next Generation Power Electronics Innovation Institute (16030)

Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at North Carolina State University (NCSU). This Institute will be part of the U.S. Department of Energy’s National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total $10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

<table>
<thead>
<tr>
<th>FY</th>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-15</td>
<td>$2,000,000</td>
<td>R</td>
</tr>
</tbody>
</table>

63 North Carolina New Teacher Support Program (16011)

Funds the North Carolina New Teacher Support Program, a program that targets beginning teachers in schools across the state that qualified for Race to the Top services. The program is administered through a central office and four regional anchor sites at UNC Greensboro, UNC Charlotte, East Carolina University, and the UNC Center for School Leadership Development.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,200,000</td>
<td>R</td>
</tr>
</tbody>
</table>

64 NCSU Food Processing

Provides $250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department’s food processing initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

65 NCSU Plant Science Initiative

Provides $350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department’s plant science initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

UNC System
Conference Report on the Continuation, Capital, and Expansion Budget

### 66 Internships and Career-Based Opportunities for HBCU Students (16011)

Creates a pilot internship program to link 60 students attending Historically Black Colleges and Universities (HBCUs) with North Carolina-based companies. Elizabeth City State University plus three HBCUs selected through a competitive application process will participate in the pilot. Of the three institutions selected, one must be an HBCU constituent institution of the UNC system and two must be private HBCU colleges or universities located in North Carolina. The University of North Carolina may use up to 5% of these funds to administer the program.

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$317,500</td>
</tr>
</tbody>
</table>

| Total Legislative Changes | $34,060,399 |
| Total Position Changes    | ($4,879,138) |
| Revised Budget            | $2,629,382,937 |

UNC System
HEALTH &
HUMAN SERVICES
Section G
### Health and Human Services

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Compensation Increase Reserve</strong></td>
<td>$7,581,977</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teacher Salary Schedule for State agency teachers.</td>
<td></td>
</tr>
<tr>
<td><strong>2. State Retirement System Contributions</strong></td>
<td>$1,396,718</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution; provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.G. 1106. Total General Fund appropriation across all sections in the committee report is $46.5 million.</td>
<td></td>
</tr>
<tr>
<td><strong>3. Contracts and Administrative Reductions</strong></td>
<td>($16,000,000)</td>
</tr>
<tr>
<td>Reduces funds for contracts and administrative expenses across the Department of Health and Human Services. The Department is given flexibility to achieve the reduction through the elimination or reduction of contract expenses, vacant or filled positions, and other state level administrative expenses. The Department may also budget recurring unrealized receipts. In achieving the reduction, the Department shall not reduce or eliminate programs or services that provide direct services.</td>
<td></td>
</tr>
<tr>
<td><strong>4. Maintenance - Cost Allocation (1126)</strong></td>
<td>($120,000)</td>
</tr>
<tr>
<td>Allocates allowable federal funds for maintenance expenses in the Division of Child Development and Early Education.</td>
<td></td>
</tr>
</tbody>
</table>

---

1007
Conference Report on the Continuation, Capital, and Expansion Budget

5 NC TRACKS (2413,1122)
Provides funding for continued system development by using prior year earned revenue in the nonrecurring amount of $9,220,375 in FY 2014-15. The total FY 2014-15 budget for development costs is $10.7 million and the budget for ongoing operations and maintenance is an additional $10.7 million.

6 NC FAST (2411)
Provides funding to support the continued development and implementation of the Eligibility Information System for the Child Care, Low Income Energy Assistance and Crisis Intervention Programs, and Federally-Facilitated Exchange Interoperability. The funding will be provided from prior-year earned revenue in the nonrecurring amount of $4,138,002 in FY 2014-15. These projects are funded with 90% federal funds until December 31, 2015. The FY 2014-15 total budget for this project is $566.6 million.

7 Competitive Block Grant Transfers (1910)
Transfers funds from the competitive block grant to the appropriate Divisions. Funds for 535.000 are transferred to the Division of Social Services in the amount of $375,000. Funds for traumatic brain injury are transferred to the Division of Mental Health, Developmental Disability Services and Substance Abuse Services in the amount of $325,023. Combined with the additional funding from the Competitive Grant Additional Funds item, the competitive block grant General Fund appropriation is reduced by 4.5% to $5,103,911 recurring.

8 Competitive Block Grant Additional Funds (1910)
Provides recurring funds to increase the competitive block grant. Designates $175,000 in FY 2014-15 for the St. Germain House for autism services. In FY 2015-16 this organization may apply for funding through the competitive block grant.

9 Actuary Positions (1120)
Creates two actuary positions in the Office of the Secretary for the Medicaid Program. The total cost of the positions is $340,000. Federal Medicaid receipts will be used to cover 50% of the cost of each position, therefore the State will fund effectively 1 full FTE.

10 Health Information Exchange (1910)
Provides State matching funds to support the Health Information Exchange.

Health and Human Services
Conference Report on the Continuation, Capital, and Expansion Budget

11 Supplemental Short-Term Assistance for Group Homes
Provides funding for one year for group home residents who were determined to be ineligible for Medicaid personal care services on or after January 1, 2013. The maximum monthly payment is set at $464.50 and is based on providing 3.5 hours of service per eligible recipient. Group homes may only use these funds to provide supervision and medication management to residents who meet the required eligibility criteria. Funds for this purpose are capped at maximum amount of $2,000,000 and will end upon depletion of the funds or June 30, 2015, whichever is earlier.

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>($5,396,528) R</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$2,000,000 NR</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$72,904,800</td>
</tr>
</tbody>
</table>

Health and Human Services

Page 0 of 3
<table>
<thead>
<tr>
<th>Health and Human Services</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
<tr>
<td>$54,942,341</td>
<td></td>
</tr>
</tbody>
</table>

**Legislative Changes**

(2.6) Division of Aging and Adult Services

12. Senior Center

- Provides nonrecurring General Fund appropriation for Senior Center capital projects.
  - $100,000
  - NR

13. Home and Community Care Block Grant Reduction (1370,1481)

- Reduces General Fund appropriation for the Home and Community Care Block Grant (HCCBG) by 3%, leaving a balance of $31,608,869.
  - ($969,549)
  - R

<table>
<thead>
<tr>
<th><strong>Total Legislative Changes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>($969,549)</td>
</tr>
<tr>
<td>$100,000</td>
</tr>
<tr>
<td>NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Position Changes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Budget</td>
</tr>
<tr>
<td>$63,472,792</td>
</tr>
<tr>
<td>Legislative Changes</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td><strong>14 TANF Funds for PreK (1339)</strong></td>
</tr>
<tr>
<td>Replaces General Fund appropriation for the PreK program with Temporary Assistance for Needy Families block grant funds and Temporary Assistance for Needy Families Emergency Contingency Funds on a nonrecurring basis.</td>
</tr>
<tr>
<td><strong>FY 14-15</strong></td>
</tr>
<tr>
<td>$251,314,009</td>
</tr>
<tr>
<td><strong>15 Administrative Savings due to Efficiencies and Cost Allocation</strong></td>
</tr>
<tr>
<td>Reduces General Fund appropriation budgeting unrealized receipts, and replacing General Fund appropriation with Child Care and Development Fund for Child Care Regulation. Additionally, the Division's administrative costs have been reduced due to the move to the Dorothy Dix campus, including the elimination of one position.</td>
</tr>
<tr>
<td><strong>FY 14-15</strong></td>
</tr>
<tr>
<td>($1,893,498)</td>
</tr>
<tr>
<td><strong>16 Child Care Subsidy Block Grant Swap Out</strong></td>
</tr>
<tr>
<td>Replaces General Fund appropriation for the Child Care Subsidy program with Child Care Development Fund and Temporary Assistance for Needy Families Emergency Contingency block grant funds on a nonrecurring basis. Both block grants have increased availability for FY 2014-15. Combined with other Child Care Subsidy Items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of State funds with federal funding. Total funding for Child Care Subsidy is unchanged.</td>
</tr>
<tr>
<td><strong>FY 14-15</strong></td>
</tr>
<tr>
<td>($13,982,425)</td>
</tr>
</tbody>
</table>

---

**Health and Human Services**
Conference Report on the Continuation, Capital, and Expansion Budget

17 Child Care Subsidy Eligibility Changes (1380)
Changes eligibility for Child Care Subsidy from 75% of State Median income to 200% of Federal Poverty Level (FPL) for children age 0-4 and children with special needs. Children who are age 6-12 are eligible at 133% of FPL. This change is effective October 1, 2014. Children currently receiving assistance will have their income eligibility determined according to the new income standards at their next redetermination after October 1, 2014. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

18 Child Care Subsidy Co-Payments Set at 10% of Income (1380)
Sets co-payments at 10% of income for all householders that are required to pay a co-payment effective October 1, 2014. This does not change who pays a co-payment; children receiving child care subsidy through Child Welfare, Child Protective Services and Foster Care will continue to be exempt from the co-payment requirement. This reduction does not change the slot availability or child care subsidy as the amount paid by the Child Care Subsidy program will be reduced due to the increased co-payment. The co-payment is paid to the child care provider. There were 40,000 children whose families paid a co-payment based on 8% or 9% of their family income out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

19 Child Care Subsidy Co-Payment No Longer Prorated for Part-time Care (1380)
Eliminates the proration of co-payments for part-time care effective October 1, 2014. This reduction does not result in any loss of child care slots. The increased co-payment will reduce the amount paid to child care providers by the Child Care Subsidy program. Providers collect the co-payment from the parents. There were 26,000 children whose families paid a reduced co-payment due to part-time care out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

Health and Human Services
**Conference Report on the Continuation, Capital, and Expansion Budget**

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Child Care Waiting List</td>
<td>$4,611,750</td>
<td>R</td>
</tr>
</tbody>
</table>

Provides funding to reduce the Child Care Subsidy waiting list by an estimated 1,000 children. When fully implemented, the waiting list will be reduced by an estimated 4,000. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

<table>
<thead>
<tr>
<th></th>
<th>$6,814,029</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 Child Care Market Rates (1330)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provides funding to increase the child care market rates for the Child Care Subsidy Program effective January 1, 2015, based on the 2013 North Carolina Child Care Market Rate Study. The child care market rates are increased by 25% of the difference between the current child care market rates and the 2013 child care market rates. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to $27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

<table>
<thead>
<tr>
<th></th>
<th>$5,040,000</th>
<th>NR</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 PreK (1330)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Provides funding to address the additional average per slot cost increase due to teacher salaries and provides funding for additional slots.

<table>
<thead>
<tr>
<th></th>
<th>($1,893,489)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>($28,784,759)</th>
<th>NR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revised Budget</th>
<th>$223,636,354</th>
</tr>
</thead>
</table>

Health and Human Services
Conference Report on the Continuation, Capital, and Expansion Budget

Health and Human Services

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>23</strong> State-County Special Assistance Caseloads (1570)</td>
<td>(54,215,542)</td>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Reduces funding for State-County Special Assistance (SA) due to decreasing caseloads. The reduced funding has no impact on assistance for eligible recipients.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>24</strong> State-County Special Assistance Income Eligibility (1570)</td>
<td>(537,997)</td>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Changes the income eligibility for the State-County Special Assistance (SA) Program from a method that bases income eligibility on the payment rate for the facility type where the recipient resides, to a method based on the federal poverty level for all recipients regardless of where they reside. The SA-eligibility level is set at 100% of the Federal Poverty Level. Current recipients of SA are grandfathered in and will continue to receive SA. This change is contingent on the Center for Medicare &amp; Medicaid Services (CMS) approving the state plan amendment allowing the grandfathered recipients to continue to receive Medicaid. If CMS does not approve the continuation of Medicaid for these individuals, then this eligibility change will not be implemented.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>25</strong> State Funding for County Medicaid Administration Eliminated (1376)</td>
<td>(81,682,408)</td>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Eliminates funding provided to local departments of social services to offset counties’ cost for Medicaid enrollment. The federal match rate is increasing from 50% to 75% for eligibility determination for Medicaid; therefore counties will receive additional federal funds for this activity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>26</strong> Adult Care Home Case Management (1463)</td>
<td>(855,056)</td>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Eliminates funding for the Adult Care Home Case Management Service (ACHCM) which ended in June 2013. This service provided funding for county departments of social services workers to perform the assessment and case management for individuals in adult care homes and licensed family homes who were heavy need residents. The Personal Care Services (PCS) Program now uses an independent assessment to determine eligibility for PCS and therefore the Case Management Service is no longer needed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Health and Human Services
27 Child Protective Services Caseloads (1430)
Provides funding to replace $4.5 million in federal block grant funds that counties lost in FY 2013-14 that was utilized to pay for Child Protective Services (CPS) workers. An additional $2.8 million in funding is provided effective October 1, 2014 to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with other Child Protective Services expansion, the General Fund appropriation for Child Protective Services is increased by 100% to $28 million.

FY 14-15
$7,369,970
R

28 Enhance Oversight of County Child Welfare Services (1430)
Provides funding for nine positions to enhance oversight of child welfare services in local county departments of social services. These positions will monitor, train, and provide technical assistance to the local county departments of social services to ensure children and families are provided services to address safety, permanency and the well-being of children who are served by child welfare services. The funds will increase Division of Social Services staffing for Child Protective Services to 26 positions, an increase of 47%. Combined with other Child Protective Services items, this General Fund appropriation for Child Protective Services is increased by 100% to $28 million.

$750,000
R

29 Child Welfare In-Home Expansion
Increases General Fund appropriation for Child Welfare In-Home Services. In-Home Services are provided to maintain the safety of the child while helping the parent/caretaker learn more effective parenting practices. In-Home Services provide, arrange for, and coordinate interventions and services, as needed that focus on child safety and protection, family preservation and the prevention of further abuse or neglect. Combined with other Child Protective Services items, the General Fund appropriation for Child Protective Services is increased by 100% to $28 million.

$4,000,000
R

30 Child Protective Services Statewide Evaluation (1430)
Provides funding for an independent, statewide evaluation of Child Protective Services at local departments of social service and the Department of Health and Human Services. The evaluation will assess performance, caseload sizes, administrative structure, funding and worker turnover and include recommendations on improving Child Protective Services.

$700,000
R
### Conference Report on the Continuation, Capital, and Expansion Budget

**31 Child Protective Services Pilot Program (1430)**
Provides funding to develop and implement a pilot program designed to enhance coordination of services and information among agencies to improve the protection and outcomes for vulnerable children served through Child Welfare Services. The Division shall coordinate with the Government Data Analytics Center (GDAC) in developing the pilot program. The agencies in the pilot include local county departments of social services, local law enforcement, the court system, Guardian Ad Litem programs and other agencies as determined appropriate by the Department of Health and Human Services.

| FY 14-15 | $300,000 | NR |

**32 Foster Care Assistance Payments (1532)**
Provides funding for Foster Care Assistance Payments due to increasing caseloads. Caseloads increased by 9% from March 2013 to March 2014 and are projected to continue to grow. General Fund appropriation is increased by 18% to a total of $322.2 million.

| | $5,000,000 | R |

**33 State Maternity Home Fund (1110)**
Transfers General Fund Appropriation from the Competitive Block grant in the Division of Central Management to the State Maternity Home Fund in the Division of Social Services. Maternity Homes are removed from the competitive block grant. Individuals experiencing an unplanned pregnancy apply to receive funding from the State Maternity Home Fund. Once the individual is determined eligible, the payment goes to the appropriate Maternity Home. There is no change in funding for the State Maternity Home Fund.

| | $375,000 | R |

**34 Work First Drug Testing**

| | $2,185,938 | R |
| | $125,750 | NR |

| Total Legislative Changes | $11,081,105 | R |
| Total Position Changes | $1,125,750 | NR |
| Revised Budget | $188,765,287 |

**Health and Human Services**
Conference Report on the Continuation, Capital, and Expansion Budget

Health and Human Services

<table>
<thead>
<tr>
<th>Legislative Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Division of Public Health</strong></td>
</tr>
<tr>
<td>35 <strong>ADAP - AIDS Drug Assistance Program (1480)</strong></td>
</tr>
<tr>
<td>Budget increased pharmaceutical rebates and federal receipts. S68.8 million remains in the ADAP budget to provide services in FY 2014-15 to all eligible persons, with no waiting lists anticipated.</td>
</tr>
<tr>
<td>(5,782,153)</td>
</tr>
<tr>
<td>36 <strong>Incubation Project (1161)</strong></td>
</tr>
<tr>
<td>Eliminates General Fund support for the North Carolina Public-Health Incubator Collaborative. Funds are used to support a contract with the UNC Institute of Public Health. The contract will be discontinued, but regional health department collaboratives will continue to develop and disseminate best practices.</td>
</tr>
<tr>
<td>(100,000)</td>
</tr>
<tr>
<td>37 <strong>Vector Control Program (1153)</strong></td>
</tr>
<tr>
<td>Terminates the Vector Control Program which provided small grants to a limited number of counties for mosquito control.</td>
</tr>
<tr>
<td>(185,000)</td>
</tr>
<tr>
<td>38 <strong>Child and Family Support Team (1332)</strong></td>
</tr>
<tr>
<td>Eliminates funding for the Child and Family Support Team. Funds were originally provided as start-up funding to support schools participating in the Child and Family Support Team program. The school-based program is now fully implemented and start-up resources are no longer needed. Two positions are eliminated effective July 1, 2014.</td>
</tr>
<tr>
<td>(251,788)</td>
</tr>
</tbody>
</table>

#E037705 - Program Development Coordinator - $66,173
#E037707 - Administrative Asst I - $44,648

Health and Human Services
Conference Report on the Continuation, Capital, and Expansion Budget

30 Operational Efficiencies (1110, 1171, 1281, 1441)
Reduces operating funds for the purchase of Medical Care Unit, State Center for Health Statistics, and the Early Intervention, Physical Activity and Nutrition, and Chronic Disease and Prevention Units. Five positions are eliminated effective July 1, 2014.

#60041103 - Office Assistant IV - $35,891
#60086993 - Processing Asset V - $36,931
#60041105 - Administrative Officer #3 - $51,304
#60041111 - Nutrition Program Supervisor - $55,608
#60040691 - Business Officer - $50,300

40 Public Health Program Adjustments (1271, 1332)
Eliminates residual funds for Purchase of Medical Care, Early Hearing Detection and Intervention, and Tobacco Prevention and Control programs. The budgets are being modified to actual or anticipated spending levels, with no reduction to public service.

Fund Code 1271: Purchase of Medical Care - ($142,325)
Fund Code 1332: Early Hearing Detection and Intervention - ($131,000)
Fund Code 1271: Tobacco Prevention and Control - ($64,000)

41 Vital Records (1173)
Provides funds for temporary staffing to keep up with the demand for certificate issuance, the relocation of records from the primary vault to a secondary vault due to safety issues, microfilming/daily records management, the adoptions database and certificate issuance, and long term vital events document preservation.

$360,000

42 Office of Chief Medical Examiner (1172)
Provides funding to address operational issues in the statewide medical examiner system. The expansion will increase the FY 2014-15 budget by 23% from $4.4 million to $5.4 million.

$1,000,000

Health and Human Services
Conference Report on the Continuation, Capital, and Expansion Budget

43 Well Water Testing Fee (1174)
Budgets increased receipts from fees charged by the State Public Health Laboratory to analyze private well water samples. The fee charged to test samples from newly constructed wells increases from $55 to $74, (35%). In addition, the Laboratory is authorized to analyze water samples from existing private wells for a fee of $74. The fee change will increase receipts to cover the costs of supplies used to analyze water samples.

| Requirements | $221,549 |
| Receipts     | $221,549 |
| Net Appropriation | $0 |

44 Food Protection Program
Realigns the Food Protection Program budget by realigning $400,000 from aid to counties for local food and lodging programs to be used for the costs to operate the State elements of this program. Due to an increase in the amount of the counties' share of food and lodging fee receipts enacted in Section 12E.1 of S.L. 2013-368, the counties no longer need to receive this General Fund Appropriation. The Food Protection Program will use these funds to cover state costs related to food and lodging regulation.

| Total Legislative Changes | $176,620 |
| (5,792,163) | NR |
| Total Position Changes | -7,00 |
| Revised Budget | $138,336,044 |

Health and Human Services
### Health and Human Services

#### Total Budget Enacted 2015 Session

| FY 14-15 | $704,988,888 |

#### Legislative Changes

**6.0 Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**

**46 New Broughton Hospital Reserve (1910)**

Eliminates reserve funds provided to purchase equipment, furniture, and information technology infrastructure for the new Broughton Hospitals. S.L. 2013-360 appropriated the remaining funds for the anticipated December 2014 opening of the new facility. Due to construction issues, the opening of the replacement facility is delayed until May 2016.

- ($16,598,589)

**45 Claims Processing (1110)**

Reduces funding by 47% to budget anticipated savings in contracted claims processing costs. In FY 2013-14, the Division began using the NC Tracks system to process community service claims and no longer uses private contractors for this purpose. $2.7 million remains in the FY 2014-15 budget for contractual information technology services.

- ($2,400,000)

**47 Local Management Entity/Managed Care Organizations (1111)**

Reduces the General Fund appropriation for Local Management Entity/Managed Care Organization (LME/MCO) administrative cost allocations by 5.6%. Administrative cost savings will be achieved by merging the nine LME/MCOs operating in FY 2013-14 to seven or fewer by June 30, 2015. Approximately $30 million remains in the FY 2014-15 budget for LME/MCO administration.

- ($1,800,000)
Conference Report on the Continuation, Capital, and Expansion Budget

### 48 Central Office Administration (1110)
Reduces the General Fund appropriation for the Division's central offices by 4.5%. Seven vacant positions are eliminated, effective July 1, 2014. Approximately 50.5 million remains in the Division's FY 2014-15 central administration budget.

- #11006250, Quality Assurance Officer - $70,940
- #10043442, Mental Health Program Mgr I - $59,952
- #10043463, WA Primary Care Systems Assoc - $49,171
- #10043400, Medical Assistant - $48,970
- #10043030, WA Administrative Asst - $49,850
- #10043320, Administrative Off II - $54,468
- #10043328, Budget Manager - $60,000

### 49 LME/MCO General Administration (1111)
Eliminates funds held in reserve for LME/MCO risk management. As required by S.L. 2013-65, the Division has increased responsibilities related to monitoring LME/MCO administrative, operational, actuarial, and financial performance, eliminating the need to maintain a reserve fund.

### 50 Brain Injury Association of North Carolina (1461)
Continues General Fund appropriation for the Brain Injury Association of North Carolina contract. The association provides information, referral, and training services for persons with traumatic brain injury, their families, and health care professionals.

### 51 Community-Based Crisis Services
Provides funds to be used to increase community-based crisis stabilization services. These services provide alternatives to the use of local hospital emergency departments or inpatient services in State-operated facilities. Crisis services include psychiatric outpatient clinic, 24-hour crisis walk-in clinic, psychiatric urgent care units, facility-based crisis treatment, 24-hour observation, and non-hospital detoxification.

<table>
<thead>
<tr>
<th>Section</th>
<th>FY 14-15</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>($3,323,663)</td>
<td>R</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>($16,698,689)</td>
<td>NR</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$880,063,746</td>
<td></td>
</tr>
</tbody>
</table>

Health and Human Services
# Conference Report on the Continuation, Capital, and Expansion Budget

## Health and Human Services

<table>
<thead>
<tr>
<th></th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
</tbody>
</table>

## Legislative Changes

| **52 Operational Efficiencies (1110, 1452, 1460)** | (575,336) | R |
|---------------------------------------------------|-----------|
| Reduces General Fund appropriation to reflect savings achieved by reducing layers of management and administration. Effective July 1, 2014. 20.75 positions (11.25 full-time equivalents (FTEs) supported by the General Fund) are eliminated from Service Support, Employment Services, and Independent Living Services. | -11.95 |

| **Total Legislative Changes** | (575,336) | R |
|-------------------------------|-----------|
| **Total Position Changes**    | -11.95    |
| **Revised Budget**            | $38,197,833 |
### Legislative Changes

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>Cost Allocation for Construction Team Inspections (1153)</td>
<td>($263,000)</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Allocates the cost for construction team inspections of adult care homes,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>family homes, and group homes to claim administrative match through Medicaid.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The construction teams inspect facilities to ensure compliance with federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>licensure standards. The inspections consist of external and internal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>evaluations, including living quarters, fire safety, electrical and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>plumbing equipment, ensuring homes and facilities are maintained in a safe</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>living condition.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Health Care Personnel Registry Receipts (1110)</td>
<td>($25,000)</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Budgets over-realized receipts for the Health Care Personnel Registry, a</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>tool for monitoring unlicensed health care personnel. The registry lists</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>nurses and medications aides who have met Federal and State educational</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and competency requirements. Further, it lists unlicensed health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>personnel who are being investigated for or have been found to have</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>caused harm to a resident of a facility. The cost of maintaining the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>registry is shared with Medicare. For FY 2012-13, actual expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>totaled $4.1 million. While budgeting the over-realized receipt ($25,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>will result in a corresponding decrease in appropriation, the FY 2014-15</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>budget (requirement) of $4.4 million is unchanged.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total Legislative Changes

<table>
<thead>
<tr>
<th>Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>($288,000)</td>
<td>R</td>
</tr>
</tbody>
</table>

### Total Position Changes

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Budget</td>
<td>$16,123,479</td>
</tr>
</tbody>
</table>

---

Health and Human Services
Conference Report on the Continuation, Capital, and Expansion Budget

Health and Human Services

<table>
<thead>
<tr>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14-15</td>
</tr>
<tr>
<td>$3,808,118,091</td>
</tr>
</tbody>
</table>

**Legislative Changes**

(9.9) Division of Medical Assistance

**55 Mental Health Drug Management (1310,1331)**

Directs the Department of Health and Human Services, Division of Medical Assistance, to manage mental health drugs to produce $12 million savings. Net of rebates, to General Fund appropriations to the Medicaid program. In order to achieve the annual savings the Department will first make adjustments to the preferred drug list, to maximize supplemental rebates. Next the Department is authorized to impose controls including prior authorization, utilization review criteria, and any other restrictions. Notwithstanding the foregoing, because of the effective date of this section, savings in fiscal year 2014-2015 shall be $6 million

-(56,000,000) R

**56 Provider Rate and Hospital DRG Weight Mix Reduction (1310)**

Reduces provider rates by 1.0% effective January 1, 2015. This reduction applies to all fee-for-service providers with the exception of hospital inpatient services, drugs and dispensing fees, nursing homes, non-PCS home care services, private duty nursing, all cost based providers, services where rates or rate methodologies are set by the federal government, negotiated through a contract, hospice, CAP services, FQHC and Rural Health Centers or as specified in special provision.

Reduces Hospital DRG weights by 2.1% effective January 1, 2015. The 2.1% reduction will be uniformly applied to each DRG weight.

-(87,190,441) R

**57 Medsolutions Contract Renegotiation and Imaging Request for Proposal (1310)**

Reduces spending for the imaging contract with Medsolutions to reflect the recently renegotiated contract terms. The Department is also directed to issue a Request for Proposal (RFP) for high-tech imaging services. This represents a 14.9% reduction in spending on the high-tech imaging contract, leaving an estimated $50 million in the budget for FY 2014-15.

-(55,000,000) R
Conference Report on the Continuation, Capital, and Expansion Budget

50 Hospital Outpatient Cost (1310)
Reduces the settlement for the UNC Hospitals (UNC-CH) and Vidant, formally known as Pitt Memorial Hospital (ECU) for outpatient services to 70% of Medicaid costs effective July 1, 2014. Historically, the State has funded the State share of payment to UNC-CH and ECU at 100% of costs, unlike other hospitals which were paid 70% of cost through the claims and settlement processes. The reduction in the settlement percentage will be factored into supplemental payments under the Disproportionate Share Hospital (DSH) and hospital GAP payment plans, as appropriate. This represents a 2.1% reduction in overall hospital outpatient Medicaid spending, leaving an estimated $621 million in the budget for outpatient services for all hospitals in FY 2014-15.

59 Nursing Home Case Mix Index Adjustment (1310)
Freeze the case-mix index adjustments for direct cost of nursing home care effective January 1, 2015. Historically, nursing home direct care rates are adjusted quarterly for the change in the average case mix or intensity of care for each facility’s residents from the previous quarter. The case-mix index adjustments do not apply to the indirect care or fair rental value components of the nursing home per diem rates. Total Medicaid payments for nursing homes is projected to be $1.20 billion in FY 2013-14. This represents a 0.5% reduction in overall budgeted spending for nursing homes leaving an estimated $1.2 billion in the Medicaid budget for FY 2014-15.

60 Average Acquisition Cost for Drug Pricing (1510)
Converts the pricing for drug products from a multiple of Wholesale Acquisition Cost (WAC) for brand medications and State Maximum Allowable Cost (SMAC) for generic medications to an average acquisition cost for all Medicaid drugs. This item also adjusts dispensing fees to more closely align with the cost of dispensing. Adjustments to drug pricing and dispensing fees will result in a net savings of $675,000 in FY 2014-15. Total spending for drug product and dispensing fees are projected to be $1.4 billion in FY 2013-14. Drug ingredient prices will be updated at least monthly.

The amount is offset by drug rebates that are estimated at $675 million in FY 2013-14. This represents a 0.3% reduction in spending for drug costs, net of rebates, leaving an estimated net budget of $1.37 billion in FY 2014-15.
Conference Report on the Continuation, Capital, and Expansion Budget

61 State Retention of the Hospital GAP Plan Assessment (1310)
Increases the state retention on assessments through the hospital GAP plan from 25.5% to 26.6% effective July 1, 2014. The increased retention percentage will apply to the total amount assessed under the GAP plan. The residual amount of assessment will be used to make supplemental equity and upper payment limit payments as defined under the plan. The GAP plan for the year ending September 30, 2014 provides for payments from hospitals totaling $365 million and supplemental payments for outpatient equity and inpatient upper payment limit of $787 million. This change will increase the amount of payments from the hospitals, but will not change the supplement payments the hospitals receive.

FY 14-15
($15,102,794)
R

62 Single Base Rate for All Hospitals (1310)
Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate at June 30, 2014 for all hospitals effective January 1, 2015. This reduces payments for hospital services by $36.5 million and increases the GAP plan retention by $9.7 million on an annual basis. In FY 2015-14 total spending for inpatient hospital services is projected to be $938 million. This represents a 1.8% reduction in spending for inpatient hospital services, leaving an estimated $932 million in the FY 2014-15 budget.

($10,800,000)
R

63 Botox Rates (1310)
Changes the rate methodology for Botox under the physician drug program effective 7/1/14 for Medicaid and Health Choice to be the same as the pharmacy drug pricing methodologies using wholesale acquisition costs (WAC) or the state Medicaid average costs (SMAC) for point of sale pharmacies, as appropriate.

$21,000
R

64 Paragard Rate (1310)
Changes pricing methodology for Paragard IUD’s to be consistent with pricing formulas for other IUD’s.

$62,000
NR

65 Dispensing Fee Study (1102)
Directs the Department to conduct a study of pharmacy dispensing fees.

$100,000
NR

Health and Human Services

Page 0–30

1026
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>66</th>
<th>Medicaid Funds FY 13-14</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$136,503,778</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td><strong>Medicaid Claims, Utilization and Growth:</strong> ($157,100,000)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Budget Reduction Items not Achieved:</strong> $93,600,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Presumptive Eligibility:</strong> $8,600,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>MAVR Recertification Delay:</strong> $2,800,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Additional Children Shifted from Health Choice:</strong> $9,700,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>PCS Services:</strong> $12,400,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Settlements:</strong> $8,200,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Health Choice Surplus:</strong> ($8,400,000)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Medicaid Claims and Enrollment Backlog:</strong> $130,500,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Net Shortfall:</strong> $72,300,000</td>
<td></td>
</tr>
</tbody>
</table>

A projected FY 2013-14 cash surplus of $84.8 million, anticipated due to backlogs of unresolved claims and unprocessed eligibility applications, will revert on June 30, 2014. Therefore, a non-recurring appropriation of $136.5 million is needed for the liabilities associated with the unresolved claims and enrollment backlogs that will be paid in FY 2014-15.

| 67  | Nursing Home Rates (1310) | $670,000 | R |
|-----|----------------------------|----------|
|     | Restores the 3% reduction implemented as part of the shared savings plan item in FY 2013-14 effective June 1, 2015. The ongoing annual state cost will be $8,000,000. |

| 68  | Personal Care Services (PCS) Study Optional Program (1102) | $500,000 | NR |
|-----|-------------------------------------------------------------|----------|
|     | Provides funding for the Department to transfer $500,000 to the Legislative Services Commission to contract for a study to define a new limited PCS optional service program. This amount represents the State share of the total funding of $800,000. The remaining source of funding will come from the Medicaid administrative funding from the Centers for Medicare and Medicaid Services (CMS). The report from this study is due December 1, 2015. Additionally, the Department will study and report on Adult Care Home inspections, procedures and processes. |

Health and Human Services
<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>($66,536,746)</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$0</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$3,668,548,123</td>
</tr>
</tbody>
</table>
### Health and Human Services

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14-15</td>
<td>$57,747,833</td>
</tr>
</tbody>
</table>

#### Legislative Changes

**1029 NC Health Choice**

**69 Health Choice Rebase (1310)**

Funds the Health Choice rebase for FY 2014-15 that includes a 5.3% growth in enrollment and utilization, the impact of an additional 20,000 children shifting from Health Choice to Medicaid, and the impact of not meeting all the budget reduction items included in the 2013 Appropriations Act.

The following chart details the various components of the rebase calculation:

- Growth, Claims and Utilization: ($9,900,000)
- Budget Reductions Not Achieved: $2,000,000
- Additional Children Shifted From Health Choice: ($7,500,000)

**HEALTH CHOICE REBASE FY 2014-15**

($14,500,000)

**70 Single Base Rate for all Hospitals (1310)**

Estimates a single base diagnosis related group (C3RG) rate for inpatient hospital services based on the statewide median base rate for all hospitals effective January 1, 2015. This represents a 1.6% reduction in claims spending for inpatient hospital services.

($63,961)

**71 Health Choice Administrative Budget Adjustment (1102)**

Adjusts the Health Choice administrative budget to more accurately reflect actual expenditures and anticipated costs in FY 2014-15.

($1,250,000)

**Total Legislative Changes**

($15,613,961)

**Total Position Changes**

**Revised Budget**

$41,933,872

Health and Human Services
<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>(11.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing</td>
<td></td>
</tr>
<tr>
<td>72: No Action Taken</td>
<td>$8,178,618</td>
</tr>
<tr>
<td>Takes no budget action specific to the Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Legislative Changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td></td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$8,178,618</td>
</tr>
</tbody>
</table>
NATURAL & ECONOMIC RESOURCES
Section H
Agriculture and Consumer Services

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reserve for Salaries &amp; Benefits</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Compensation Increase Reserve</strong></td>
<td>$1,635,070</td>
<td></td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **2. State Retirement System Contributions** | $280,057 |
| Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the reification of H.B. 1190. Total General Fund appropriation across all sections in the committee report is $45.5 million. | |

<table>
<thead>
<tr>
<th>Department-wide</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. Management Flexibility Reduction</strong></td>
<td>($1,356,590)</td>
<td></td>
</tr>
<tr>
<td>Allocates a 1.2% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forest Service</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. Forestry Management Plans (1510)</strong></td>
<td>($761,750)</td>
<td></td>
</tr>
<tr>
<td>Budgets anticipated receipts from fees charged for forestry management plans produced by the NC Forest Service. The Board of Agriculture shall establish a fee schedule for plans produced by the Department.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conference Report on the Continuation, Capital, and Expansion Budget

### Research Stations

<table>
<thead>
<tr>
<th>5 Bioenergy Development - TVA Funds (1190)</th>
<th>($438,653)</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgets TVA settlement funds returned by the Biofuels Center to the Department of Commerce upon dissolution of the nonprofit. Funds will be provided to the Bioenergy Development program administered by the Department and will offset existing General Fund support for FY 2014-15. Total program funding will remain at $1.5 million for FY 2014-15. TVA funds may only be spent in the counties identified in Section 13.3 of S.L. 2013-350.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6 Commodity Receipts (1190)</th>
<th>($320,000)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgets additional sales receipts from research station products to more closely match actual experience. In FY 2012-13, the research stations overrealized commodity sales receipts by $681,389.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Reserves and Transfers

<table>
<thead>
<tr>
<th>7 FFA Grant Funding (1900)</th>
<th>($100,000)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates expansion funding to the FFA Foundation. The program will continue to receive $40,000 in recurring grant funding.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8 Farmband Preservation Trust Fund - Military Buffers (1900)</th>
<th>$1,000,000</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides $1 million in nonrecurring funding to match federal funds for the purchase of development rights from agricultural operations located near military bases in the State. Funding to the Trust Fund in FY 2014-15 will total over $1.0 million from the General Fund and an additional $1 million from TVA settlement funds.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 NCSU Food Processing Initiative (1900)</th>
<th>$250,000</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides $250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 NCSU Plant Science Initiative (1900)</th>
<th>$350,000</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides $350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Agriculture and Consumer Services

<table>
<thead>
<tr>
<th>Page H - 2</th>
</tr>
</thead>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### Soil and Water Conservation

11 Agriculture Water Resource Assistance Program (1611)
- Provides additional non-recurring funding to support agriculture water resource development projects. Total program funding is $1.5 million.

### Veterinary Services

12 National Poultry Improvement Plan Fees (1130)
- Budgets $35,000 in anticipated receipts generated from increasing fees associated with the National Poultry Improvement Plan certification to support the program.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>($803,213) R</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$2,161,417 NR</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$117,065,106</td>
</tr>
</tbody>
</table>

---

### Agriculture and Consumer Services

Page H-5
### Conference Report on the Continuation, Capital, and Expansion Budget

#### Labor

<table>
<thead>
<tr>
<th><strong>Legislative Changes</strong></th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
<tr>
<td><strong>Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
</tr>
<tr>
<td><strong>13. Compensation Increase Reserve</strong></td>
<td></td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
<tr>
<td><strong>14. State Retirement System Contributions</strong></td>
<td></td>
</tr>
<tr>
<td>Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the notifcation of H.B. 1190. Total General Fund appropriation across all sections in the committee report is $45.5 million.</td>
<td></td>
</tr>
<tr>
<td><strong>Department-wide</strong></td>
<td></td>
</tr>
<tr>
<td><strong>15. Management Flexibility Reduction</strong></td>
<td></td>
</tr>
<tr>
<td>Allocates a 9% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Legislative Changes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

1035
## Environment & Natural Resources

### GENERAL FUND

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$157,767,236</td>
</tr>
</tbody>
</table>

### Legislative Changes

16 **Compensation Increase Reserve**

- Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.

   $1,886,356

17 **State Retirement System Contributions**

- Increases the State's contribution to the Teachers' and State Employeers' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the reification of H.B. 1190. Total General Fund appropriation across all sectors in the committee report is $45.5 million.

   $340,403

### Aquariums

18 **Admission Receipts (1395)**

- Budgets additional admission fee receipts to offset General Fund support of the State's three aquariums. Admission fees were increased by $2.93 for all age groups effective March 1, 2014, and are estimated to generate an additional $1.4 million in new revenue.

   ($180,000)

### Coastal Management

19 **Public Information Efforts (1625)**

- Reduces funding for a Public Information Officer position (6003/1533) by 50% in the Division of Coastal Management by cost-sharing the position with the Department's Office of Public Affairs. This position will be split between the Division and the Office of Public Affairs where it will support department-wide issues.

   ($42,001)
# Conference Report on the Continuation, Capital, and Expansion Budget

## Energy, Mineral and Land Resources

### 20 Position Reduction (1740)
- Abolishes a vacant Environmental Senior Specialist position (S10902054) in the Wilmington Regional Office's Stormwater Permitting Section. Six Stormwater Engineers and one Engineer who works on National Pollutant Discharge Elimination System permit program will remain in the Wilmington Office

### 21 University Energy Centers (1749)
- Budgets Shriver Well Settlement funds transferred from budget code 64327-893E to partially offset General Fund support of the university energy centers located at North Carolina State University, North Carolina Agricultural and Technical State University (N C. A&T), and Appalachian State University. A total of $1,059,933 is appropriated for these centers.

### 22 Operating Funds for Oil and Gas Program (1748)
- Provides operating funds to support the Energy Section's requirement to develop and implement a modern regulatory program for oil and gas exploration and development, and to support the Mining and Energy Commission in developing associated administrative rules.

## Environmental Assistance and Customer Service

### 23 Utility Savings Initiative (1615)
- Budgets Shriver Well Settlement funds transferred from budget code 64327-893E to partially offset General Fund support of the Utility Savings Initiative on a nonrecurring basis.

### 24 Position Reductions (1615)
- Reduces General Fund support for a vacant Environmental Senior Specialist position (600265072) in the Environmental Assistance Center to 50% and abolishes a vacant Senior Economic Developer position (600083998) that was transferred from Commerce as part of the Energy Office move to DENR. The office supplies line item is reduced by $334, leaving $3,147.

## Marine Fisheries

### 25 Position Shifts (1320)
- Fund shifts three Marine Fisheries Technician II positions (60032634, 60032688, 60032603) from General Fund support to federal grant support and takes a corresponding General Fund reduction.

### Environmental & Natural Resources

---

**Page H-1**
Conference Report on the Continuation, Capital, and Expansion Budget

26 Position Reductions (1495)
Closes the Marine Fisheries office located in Nage Head for an operating savings of $19,422, and shifts two positions to home-based operations. Also abolishes two filled positions, an Environmental Health Specialist (60034501), an Environmental Service Technician (60034015), and a vacant Microbiology Lab Technician III (60034517) that is currently split funded between General Fund support and a federal grant.

27 Marine Patrol (1325)
Budgets a transfer from the Advance License Sales special fund to offset General Fund support of the Marine Patrol Section on a nonrecurring basis. ($1,900,000) NR

28 At-Sea Observer Program (1320)
Eliminates the recurring General Fund support for the At-Sea Observer Program, and provides $1,030,000 in nonrecurring support for the program in FY 2014-15 from the following sources: $959,442 from the General Fund and $339,558 from the Advance License Sales special fund. Recurring support will be provided from increases in exo commercial fishing license fees, which will begin to be collected in the second quarter of 2015. ($2,080,000) R $959,442 NR

29 Marine Oyster Sanctuary (1320)
Provides funding for habitat mapping and water column/benthic data collection associated with establishing an oyster sanctuary. Also supports any advance analysis and studies that may be required by State or federal agencies to permit shellfish conservation efforts in the sanctuary. $125,000 R

30 Fisheries Information Network System (1315)
Transfers $1.6 million from the unencumbered cash balance in the Advance License Sales special fund to support the upgrade of the Fisheries Information Network System.

Museum of Natural Sciences

31 Operating Reductions (1860)
Reduces Museum funding by 1.6% by abolishing a vacant Administrative Assistant I position (60035022) and reducing funding for temporary wages. Also reduces salary reserve by $30,000 and the carpentry and hardware supplies line-item by $30,700. ($195,618) R $-1,000

Environment & Natural Resources
Conference Report on the Continuation, Capital, and Expansion Budget

Office of Land and Water Stewardship

32 One NC Naturally Initiative (1610)  
Abolishes a tiered Educational Development Consultant position (100096215) that provided outreach and education programs for the One NC Naturally initiative to generate interest in and understanding of the State’s conservation needs. Duties will be shifted to the remaining employees.

33 Clean Water Management Trust Fund (1115)  
Provides an additional $500,000 for the Trust Fund in FY 2014-15 bringing the total funding available to $1.1 million. There is a corresponding special provision.

Parks and Recreation

34 Operating Reductions (1280)  
Abolishes a vacant State Parks Facility Architect position (100092635) supported by the Parks and Recreation Trust Fund. Also reduces various equipment line items including but not limited to motor vehicles, boats, trailers, voice communication equipment and computers and printers. Operating funds of $0.6 million remain after this reduction.

35 Camp Sertoma Land Management (1280)  
Provides funds to support the management of the Camp Sertoma Property, which is being transferred from the University System to the State Parks System in Section 11.7(d) of this Act.

36 Parks and Recreation Trust Fund (1280)  
Provides grant funding to the Town of Emerald Isle for the Senator Preston Memorial Park.

37 Salary Reserve (1140)  
Reduces salary reserve available within the Secretary’s Office.

Environment & Natural Resources

Page H - 8
38 Public Information Office (1140)
Expands the Department's public information efforts by transferring 50% of a Public Information Officer position (8003/6346) from the Division of Coastal Management to the Office of Public Affairs. Position will be supported by indirect cost receipts.

Waste Management

39 Solid Waste Section (1760)
Reduces the legal services and motor vehicle insurance line-items in the Solid Waste Section, leaving $174,974 for these purposes.

40 Waste Management (1760)
Budgets a transfer of solid waste disposal tax receipts to replace General Fund support of positions that inspect and permit hazardous waste and solid waste facilities. Positions also enforce hazardous waste, solid waste and inactive hazardous sites management standards, and ensure the development and implementation of comprehensive plans for management of waste.

41 Noncommercial Fund (1910)
Provides a $3.4 million recurring appropriation for the Noncommercial Leaking Petroleum Underground Storage Tank Fund to assist homeowners with the cleanup cost of petroleum releases from home heating oil tanks and small farm tanks.

Water Infrastructure

42 Operating Support (1460)
Reduces the supplies line item on a recurring basis, leaving $5,000 for this purpose.

43 Drinking Water State Revolving Fund (DWSRF) (1460)
Reduces funding for the DWSRF State match by $600,000 due to an anticipated decrease in the federal capitalization grant for the program in fiscal year 2014-15. Also transfers $850,000 in unused DWSRF State matching funds back to the division's General Fund budget and takes a corresponding nonrecurring reduction in FY 2014-15.

Environment & Natural Resources
## Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>44 Water and Sewer Grants (1460)</strong></td>
<td>Provides additional funds for water and sewer infrastructure development projects in Tier I and Tier II counties. There is a corresponding special provision.</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Water Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>45 Position Reductions (1620 &amp; 1990)</strong></td>
<td>Abolishes a filled Business &amp; Technology Applications Technician position (60331523) in the Water Resources Management Section and also abolishes a vacant Environmental Regional Supervisor (60333227) in the Fayetteville Regional Office. A receipt supported supervisor from the Central Office will be reassigned to replace the regional supervisor position.</td>
<td>($155,976)</td>
</tr>
<tr>
<td><strong>Zoological Park</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>46 Zoo Trams (1305)</strong></td>
<td>Reduces funds to the motorized vehicles line item on a nonrecurring basis.</td>
<td>($208,624)</td>
</tr>
<tr>
<td><strong>Total Legislative Changes</strong></td>
<td></td>
<td>$3,769,002</td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
<td></td>
<td>($2,234,182)</td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
<td></td>
<td>-1322</td>
</tr>
<tr>
<td><strong>Environment &amp; Natural Resources</strong></td>
<td></td>
<td>$159,302,056</td>
</tr>
</tbody>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### Wildlife Resources Commission

<table>
<thead>
<tr>
<th>RESERVE FOR SALARIES &amp; BENEFITS</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>14-15</td>
</tr>
</tbody>
</table>

#### Legislative Changes

<table>
<thead>
<tr>
<th>RESERVE FOR SALARIES &amp; BENEFITS</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>47 Compensation Increase Reserve</strong></td>
<td>225,059</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESERVE FOR SALARIES &amp; BENEFITS</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>48 State Retirement System Contributions</strong></td>
<td>40,666</td>
</tr>
<tr>
<td>Increases the State’s contribution to the Teacher and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1190. Total General Fund appropriation across all sections in the committee report is $45.5 million.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESERVE FOR SALARIES &amp; BENEFITS</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wildlife Resources Commission</strong></td>
<td></td>
</tr>
<tr>
<td><strong>49 Management Flexibility Reserve</strong></td>
<td>($328,832)</td>
</tr>
<tr>
<td>Reduces funding to the Commission by 15% by creating a management flexibility reserve. The Director shall prioritize the recurring portion of the reduction on elimination of positions that are redundant, newly created, and vacant.</td>
<td>($2,000,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESERVE FOR SALARIES &amp; BENEFITS</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50 Beaver Management Assistance Program (1151)</strong></td>
<td>37,700</td>
</tr>
<tr>
<td>Reduces funding for the Beaver Management Assistance Program by 2%. A total of $377,300 remains in the budget to support the Program.</td>
<td></td>
</tr>
</tbody>
</table>
Conference Report on the Continuation, Capital, and Expansion Budget

51 Position Adjustments
Offsets General Fund appropriated salaries in each of the following programs by budgeting additional fishing and hunting license receipts transferred from the Wildlife Resources Fund established in G.S. 143-250:

<table>
<thead>
<tr>
<th>Program</th>
<th>Salary (IN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Policy and Regulation</td>
<td>($38,245)</td>
</tr>
<tr>
<td>Controller's Office</td>
<td>($30,678)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>($58,885)</td>
</tr>
<tr>
<td>Purchasing Services Warehouse</td>
<td>($17,825)</td>
</tr>
<tr>
<td>Budget, Planning and Audit</td>
<td>($10,365)</td>
</tr>
<tr>
<td>Personnel</td>
<td>($16,762)</td>
</tr>
</tbody>
</table>

FY 14-15
($168,765)

52 Budget Realignments
Reduces receipt supported line-items in the customer service and information technology sections and realigns those funds to offset General Fund appropriated salaries in each of those sections as follows:

<table>
<thead>
<tr>
<th>Section</th>
<th>Salary (IN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>($29,122)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>($63,925)</td>
</tr>
</tbody>
</table>

($113,047)

53 Federal Grant Funds (1166)
Budgets an increase in a federal grant for game land operations and maintenance and reduces the General Fund appropriation by the same amount:

($1,000,000)

Total Legislative Changes
($1,313,319)

Total Position Changes
($2,000,000)

Revised Budget
$11,163,269

Wildlife Resources Commission
### Conference Report on the Continuation, Capital, and Expansion Budget

#### Commerce

<table>
<thead>
<tr>
<th>General Fund</th>
<th>FY 14-15</th>
<th>$56,733,202</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Department-wide**

**54 Management Flexibility Reserve**

Reduces funding to the Department by 3%, resulting in a revised General Fund appropriation of $50.1 million (exclusive of Industrial Commission). The Secretary shall prioritize the elimination of positions that are redundant, newly created, and vacant.

($1,022,094) 

**55 Compensation Increase Reserve**

Provides a $1,000 annual salary increase (3% salary and benefit increase) for permanent full-time employees.

$337,402

**56 State Retirement System Contributions**

Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 10% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $45.5 million.

$66,996
Conference Report on the Continuation, Capital, and Expansion Budget

Administration

57 Special Funds (1111)
- Offsets the General Fund appropriation for Administration by directing the unencumbered cash balance as of June 30, 2014 from the following funds toward operating costs:
  - Economic Development Reserve (24000-2084)
  - Energy Research Grants Special Fund (24000-2537)
  - NC Green Business Fund (24000-2535)
  - One NC: Small Business Fund (24000-2592)
  - Main Street Solutions Special Fund (24013-2622)

The Economic Development Reserve Fund is closed after the transfer. There is a corresponding special provision.

58 Purchasing Officer (1111)
- Eliminates a vacant Purchasing Officer position (60077170)

Commerce Finance Center

59 Job Maintenance and Capital Development Fund (JMDC) (1581)
- Reduces funds appropriated for JMDC payments. A total of $7.5 million is available for payments to Bridgestone, Goodyear, and Cooper for the 2013 grant year. Funds disbursed in FY 2013-14 were less than what was appropriated due to companies’ underperformance.

Industrial Commission

60 Compromise Settlement Agreement Fees (1031)
- Shifts Industrial Commission expenses to Compromise Settlement Agreement fee receipts in the General Fund, which will now be fully budgeted in the General Fund. Net General Fund appropriation to the Commission will be $5 million.

61 Special Fund (1831)
- Offsets the General Fund appropriation for the Industrial Commission by directing the unencumbered cash balance as of June 30, 2014 from the Investigation Management System Special Fund (24011-3240) toward operating costs. This fund is closed after the transfer.
Conference Report on the Continuation, Capital, and Expansion Budget

62 Investigation Management System (1931)
Eliminates funding for the Industrial Commission’s Investigation Management System, which was intended to process, prioritize, and track investigations by the Insurance Compliance Program. Funding was appropriated to the Commission in FY 2013-14 but has not been used. The Commission is working with the Office of Information Technology Services to evaluate future system needs.

63 Common Follow-Up System (CFS) (1130)
Budgets $600,000 in nonrecurring receipts for CFS; the Commission on Workforce Development will prescribe a method for calculating the amount that participating agencies that contribute to CFS. Agencies will transfer funds by December 31, 2014. There is a corresponding special provision.

64 AccessNC and Demand Driven Data Delivery System (D4) (1130)
Provides nonrecurring funding for contractual services to merge two information technology platforms (AccessNC and D4). AccessNC inventories available business sites statewide and provides economic data to the public. D4 publishes labor market data. There is a corresponding special provision.

Reserves and Transfers
65 Film and Entertainment Grant Fund (1912)
Provides funds to encourage the production of motion pictures, television shows, and commercials and to develop the film-making industry within the State. There is a corresponding special provision.

66 Job Catalyst Fund (1912)
Provides funds to encourage the creation of jobs and investment within the manufacturing industry in North Carolina. This item is contingent upon H.B. 1224, 2013 Regular Session, becoming law.

67 Challenge Grant for Study of Future Use of Broughton Hospital
Provides funds for a challenge grant for a study of the future use of Broughton Hospital facilities.

Commerce
## Conference Report on the Continuation, Capital, and Expansion Budget

### Rural Economic Development

- **68 Limited Resource Communities Grants (1534)**
  - ($1,393,021) R
  - $500,000.00 NR
  - Reduces funds appropriated to the Limited Resource Communities Grant program established in Section 15-108 of S.L. 2014-380 leaving $1.25 million in recurring support. Also, appropriates $500,000 on a nonrecurring basis in FY 2014-15. There is a corresponding special provision.

- **69 Rural Economic Development Division**
  - ($218,750) R
  - Reduces Rural Economic Development Division funds to partially offset Community Development Block Grant (CDBG) cash match expansion. Reductions may not be taken to Rural Grant programs. There is a corresponding special provision.

- **70 Community Development Block Grant (CDBG) (1620)**
  - $937,500 R
  - Provides 50% of the required cash match for the CDBG program. FY 2014-15 funds shall be used to purchase and install a new grants management software program. The other 50% match will be in-kind, achieved via staff salaries who are dedicated to full-time CDBG activities. There is a corresponding special provision.

- **71 NC Broadband (1477)**
  - $250,000 NR
  - Provides six months of nonrecurring funding to allow for continuation of the NC Broadband program from January 1, 2015 to June 30, 2015 as federal funding ends December 31, 2014. There is a corresponding special provision.

- **72 Grant Program Expansion (1534)**
  - $1,250,000 NR
  - Appropriates on a nonrecurring basis $1.25 million to the Rural Economic Development Division grant programs. Funds may not be used for administrative costs. There is a corresponding special provision.

### Workforce Solutions

- **73 Apprenticeship Program (1912)**
  - Budgets $300,000 in nonrecurring receipts for the Apprenticeship Program from the Community Colleges System Office to offset forgone revenue for waived apprentice fees in FY 2014-15. The Department of Commerce will evaluate the fee waivers effect on increasing participation in the program before requesting a permanent fee change.

---

**Commerce**
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>FY 14-15</th>
<th>Total Legislative Changes</th>
<th>Total Position Changes</th>
<th>Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($2,342,265) R</td>
<td>$21,297,064 NA</td>
<td>$85,788,091</td>
</tr>
<tr>
<td>Conference Report on the Continuation, Capital, and Expansion Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commerce - State Aid</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14-15</td>
</tr>
<tr>
<td>$15,624,767</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legislative Changes</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Biotechnology Center</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>74 Biotechnology Center (1121)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases General Fund support to the Biotechnology Center by $1 million. Total funding to the Center will total $13.6 million for FY 2014-15. There is a corresponding special provision.</td>
</tr>
<tr>
<td>$1,000,000 $R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Earl Scruggs Center</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>78 Earl Scruggs Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides $250,000 in one-time funding to the Earl Scruggs Center to support activities related to the history and cultural traditions of Cleveland County.</td>
</tr>
<tr>
<td>$250,000 $R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Farm Bureau - Ag in the Classroom</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>76 Ag in the Classroom (1913)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates funding to the Ag in the Classroom program due to inability to spend funds.</td>
</tr>
<tr>
<td>$(21,175) $R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grassroots Science Museums</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>77 Museum Additions (1913)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides base funding to three additional museums (Marbles in Raleigh, HandsOn! in Hendersonville, and Cowan in Kernersville) and eliminates funding to the Health Adventure museum in Asheville due to closure.</td>
</tr>
<tr>
<td>$100,648 $R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Research Triangle Institute</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>76 Research Triangle Institute Grant (1913)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides $500,000 in one-time funding to the Research Triangle Institute for US Department of Energy grant match requirements. Research findings will be shared with the State Energy Office.</td>
</tr>
<tr>
<td>$500,000 $R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commerce - State Aid</th>
</tr>
</thead>
</table>

Page 11 - 15
<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>$79,473</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$17,454,240</td>
</tr>
</tbody>
</table>

Conference Report on the Continuation, Capital, and Expansion Budget
## Conference Report on the Continuation, Capital, and Expansion Budget

### DACS - Special Revenue

<table>
<thead>
<tr>
<th>FY 2014-16</th>
<th>Budget Code: 23700</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$9,332,705</td>
</tr>
<tr>
<td>Recommended Budget</td>
<td>$8,987,380</td>
</tr>
<tr>
<td>Receipts</td>
<td>$7,230,638</td>
</tr>
<tr>
<td>Positions</td>
<td>34.00</td>
</tr>
</tbody>
</table>

### Legislative Changes:

#### Requirements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleep Products (2500)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revests over $1.1 million from existing cash balance to the General Fund</td>
<td>$1,199,765 NR</td>
</tr>
<tr>
<td>Research Stations NR Fund (2185)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revests funds in excess of the $1 million cash balance cap on the fund</td>
<td>$11,208 NR</td>
</tr>
<tr>
<td>Pasticulture Tech Training (2147)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revests existing cash balance to the General Fund and closes fund code 2147 - Pasticulture Tech Training</td>
<td>$2,697 NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$0 R</td>
</tr>
<tr>
<td></td>
<td>$1,210,890 NR</td>
</tr>
</tbody>
</table>

#### Receipts:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sleep Products (2500)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revests over $1.1 million from existing cash balance to the General Fund</td>
<td>$0 NR</td>
</tr>
<tr>
<td>Research Stations NR Fund (2185)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revests funds in excess of the $1 million cash balance cap on the fund</td>
<td>$0 NR</td>
</tr>
</tbody>
</table>

Agriculture and Consumer Services.
<table>
<thead>
<tr>
<th>Item</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plasticulture Tech Training (2147)</td>
<td>$0 R</td>
</tr>
<tr>
<td>Reverts existing cash balance to the General Fund and closes fund code 2147 - Plasticulture Tech Training.</td>
<td>$0 NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$0 R</td>
</tr>
<tr>
<td></td>
<td>$0 NR</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$11,209,080</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$7,230,838</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($3,977,442)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>34.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$5,355,263</td>
</tr>
</tbody>
</table>
## DACS - Warehouse Investment Fund

**Budget Code:** 23701

### FY 2014-16

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$32,438</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
<td></td>
</tr>
<tr>
<td>Requirements</td>
<td>$0</td>
</tr>
<tr>
<td>Receipts</td>
<td>$0</td>
</tr>
<tr>
<td>Positions</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Legislative Changes:

#### Requirements:

- Warehouse Investment Fund (2201)
  - Reverts existing cash balance to the General Fund and closes budget code 23701 - DACS - Warehouse Investment Fund.
  - $32,438 NR
  - 0.00

- **Subtotal Legislative Changes**
  - $0 R
  - $32,438 NR
  - 0.00

#### Receipts:

- Warehouse Investment Fund
  - $0 R
  - $0 NR

- **Subtotal Legislative Changes**
  - $0 R
  - $0 NR

---

**Agriculture and Consumer Services**
## Conference Report on the Continuation, Capital, and Expansion Budget

### FY 2014-15

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$32,438</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$0</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($32,438)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$0</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**DACS - Soil & Water Conservation**

<table>
<thead>
<tr>
<th>Budget Code: 23704</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014-16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$13,247,883</td>
<td></td>
</tr>
<tr>
<td>Recommended Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirements</td>
<td>$10,261,581</td>
<td></td>
</tr>
<tr>
<td>Receipts</td>
<td>$9,581,537</td>
<td></td>
</tr>
<tr>
<td>Positions</td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Requirements:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swine Waste Fund (2730)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reveals a portion of unencumbered funds appropriated in FY 2007-08 for swine waste management practices due to low demand</td>
<td>$200,652</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Legislative Changes**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$200,652</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swine Waste Fund (2730)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reveals a portion of unencumbered funds appropriated in FY 2007-08 for swine waste management practices due to low demand</td>
<td>$0</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
</tbody>
</table>

**Subtotal Legislative Changes**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
</tbody>
</table>

---

Agriculture and Consumer Services

Page H - 21
<table>
<thead>
<tr>
<th>Conference Report on the Continuation, Capital, and Expansion Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
</tr>
<tr>
<td>Total Positions</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
</tr>
</tbody>
</table>

Agriculture and Consumer Services
Conference Report on the Continuation, Capital, and Expansion Budget

DENR - Special

<table>
<thead>
<tr>
<th>Budget Code: 24300</th>
</tr>
</thead>
</table>

FY 2014-16

Beginning Unreserved Fund Balance: $19,291,529

Recommended Budget:
- Requirements: $46,315,424
- Receipts: $37,225,777
- Positions: 275.50

Legislative Changes:

Requirements:

Aquariums Admissions Fund (2861)
- Increases the transfer of admission fee receipts to the aquariums' General Fund budget by $1,000,000 to support the operations of the State's three aquariums. Also budgets additional fee receipts of $1,220,000 in the North Carolina Aquariums Fund.
  - $1,400,000 R
  - 50 NR
  - 0.00

Inspection & Maintenance Pollution Control
- No adjustment necessary.
  - 50 R
  - 50 NR
  - 0.00

Advance License Sales (2392)
- Transfers the cash balance in the Advance License Sales Fund to the Division of Marine Fisheries for the following items:
  - Marine Patrol Section - $1,920,000
  - Fisheries Information Network System - $1,600,000
  - At Sea Observer Program - $339,558
  - $3,839,558 NR

Subtotal Legislative Changes:
- $1,400,000 R
- $3,839,558 NR
- 0.00

Receipts:

Environment and Natural Resources
<table>
<thead>
<tr>
<th>Conference Report on the Continuation, Capital, and Expansion Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aquariums Admissions Fund (2885)</strong></td>
</tr>
<tr>
<td>Budgets additional admission fee receipts anticipated to be generated as the result of a fee increase at the State's three aquariums and Jennette's Pier. Aquarium admission fees were increased by $2.00 for all age groups. Pier fees were increased for multi-day fishing passes and sightseeing passes.</td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$1,400,000 R</td>
</tr>
<tr>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Inspection &amp; Maintenance Pollution Control (2336)</strong></td>
</tr>
<tr>
<td>Diverts $3.3 million of the emissions inspection fee from the I &amp; M Air Pollution Control Account to the General Fund in FY 2014-15. Directs the Division of Air Quality to use its cash balance to support the pollution control program for mobile sources in FY 2014-15. There is a corresponding special provision.</td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$0 R</td>
</tr>
<tr>
<td>($3,300,000) NR</td>
</tr>
<tr>
<td><strong>Advance License Sales (2392)</strong></td>
</tr>
<tr>
<td>No adjustment necessary.</td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$0 R</td>
</tr>
<tr>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$1,400,000 R</td>
</tr>
<tr>
<td>($3,300,000) NR</td>
</tr>
<tr>
<td><strong>Revised Total Requirements</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$51,554,982</td>
</tr>
<tr>
<td><strong>Revised Total Receipts</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$38,323,777</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>($16,231,205)</td>
</tr>
<tr>
<td><strong>Total Positions</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>275.60</td>
</tr>
<tr>
<td><strong>Unappropriated Balance Remaining</strong></td>
</tr>
<tr>
<td>FY 2014-15</td>
</tr>
<tr>
<td>$3,060,324</td>
</tr>
</tbody>
</table>

**Environment and Natural Resources**
## Reserve for Air Quality - Fuel Tax

<table>
<thead>
<tr>
<th>FY 2014-16</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$1,676,832</td>
</tr>
<tr>
<td>Recommended Budget</td>
<td></td>
</tr>
<tr>
<td>Requirements</td>
<td>$8,678,446</td>
</tr>
<tr>
<td>Receipts</td>
<td>$9,664,348</td>
</tr>
<tr>
<td>Positions</td>
<td>99.60</td>
</tr>
</tbody>
</table>

**Legislative Changes:**

**Requirements:**

- Air Quality Fuel Tax (2334)
  - No adjustment necessary:
    - $0, R
    - 0.00

- Subtotal Legislative Changes:
  - $0, R
  - 0.00

**Receipts:**

- Air Quality Fuel Tax (2334)
  - Diverts $1 million of the fuel tax allocated to the Water and Air Account pursuant to G.S. 105-449, 120 from Account to the General Fund in FY 2014-15. Directs the Division of Air Quality to use the cash balance for operations to replace the diverted revenue for one-year:
    - $0, R
    - ($1,000,000), NR

- Subtotal Legislative Changes
  - $0, R
  - ($1,000,000), NR

Environment and Natural Resources
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$9,678,445</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$9,568,340</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($1,014,097)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>99.60</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$661,526</td>
</tr>
</tbody>
</table>

Conference Report on the Continuation, Capital, and Expansion Budget
FY 2014-15

Environment and Natural Resources
<table>
<thead>
<tr>
<th><strong>DENR - Marine Conservation Fund</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Code:</strong> 24303</td>
</tr>
</tbody>
</table>

**FY 2014-16**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
<td>$229,527</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
<td>$208,776</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td>$47,737</td>
</tr>
<tr>
<td><strong>Positions</strong></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Legislative Changes**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Marine Conservation Fund (2990)</td>
<td>($19,557) R</td>
</tr>
<tr>
<td>Adjusts program requirements to reflect the loss of budgeted interest</td>
<td></td>
</tr>
<tr>
<td>earnings that are being redirected to the General Fund on a permanent basis.</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>($19,557) R</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Marine Conservation Fund (2990)</td>
<td>($19,557) R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Marine Conservation Fund</td>
<td></td>
</tr>
<tr>
<td>to the General Fund on a permanent basis. Interest earnings are estimated</td>
<td></td>
</tr>
<tr>
<td>to be $5000 annually.</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>($19,557) R</td>
</tr>
</tbody>
</table>

<p>| Environment and Natural Resources                                          | Page H - 20 |</p>
<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$189,219</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$29,150</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($161,039)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$67,486</td>
</tr>
</tbody>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### DENR - Clean Water Management Fund

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
</table>

### Beginning Unreserved Fund Balance

- $28,868,832

### Recommended Budget

- Requirements: $8,886,976
- Receipts: $8,886,976
- Positions: 0.00

### Legislative Changes

#### Requirements:

- **Clean Water Management Trust Fund (2002)**
  - Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.
  - ($290,000) R
  - 50 NR
  - 0.00
  - **Subtotal Legislative Changes**: ($290,000) R
  - 50 NR
  - 0.00

#### Receipts:

- **Clean Water Management Trust Fund (2002)**
  - redirects interest earnings credited to the Clean Water Management Trust Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $298,696 annually.
  - ($290,000) R
  - 50 NR
  - **Subtotal Legislative Changes**: ($290,000) R
  - 50 NR

---

**Environment and Natural Resources**
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$8,426,976</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$8,426,976</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$28,860,832</td>
</tr>
</tbody>
</table>
DENR - Dry Cleaning Solvent Tax

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
</tr>
<tr>
<td>Recommended Budget</td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Positions</td>
</tr>
</tbody>
</table>

Legislative Changes:

Requirements:

Dry-Cleaning Solvent Cleanup Fund (2127) ($1,135,500) R
Adjust program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.

Subtotal Legislative Changes ($1,135,500) R

Receipts:

Dry-Cleaning Solvent Cleanup Fund (2127) ($1,136,500) R
Redirects interest earnings credited to the Dry-Cleaning Solvent Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $48,030 annually.

Subtotal Legislative Changes ($1,136,500) R

Environment and Natural Resources

Page H - 24
<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Positions</td>
</tr>
</tbody>
</table>

**Legislative Changes:**

**Requirements:**

| Parks and Recreation Trust Fund Interest (2235) | ($130,000) | R |
| Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis | 0.00 | NR |

**Subtotal Legislative Changes** | ($130,000) | R |
| 0.00 | NR |

**Receipts:**

| Parks and Recreation Trust Fund Interest (2235) | ($130,000) | R |
| Redirects interest earnings credited to the Parks and Recreation Trust Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $104,120 annually. | 0.00 | NR |

**Subtotal Legislative Changes** | ($130,000) | R |
| 0.00 | NR |

**Environment and Natural Resources**
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$11,828,062</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$13,383,231</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$1,555,149</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$28,348,818</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

#### DENR - Special Interest Bearing

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Positions</td>
</tr>
</tbody>
</table>

### Legislative Changes:

#### Requirements:

**Bernard Allen Drinking Water Fund (2054)**

- No adjustment necessary: $0 R, $0 NR, 0.00

**Subtotal Legislative Changes:**

- $0 R, $0 NR, 0.00

#### Receipts:

**Bernard Allen Drinking Water Fund (2054)**

Redistributes interest earnings credited to the Bernard Allen Memorial Emergency Drinking Water Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $2,735 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.

**Subtotal Legislative Changes:**

- $0 R, $0 NR

---

Environment and Natural Resources
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$400,000</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$400,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Total Positions</td>
<td>1.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$798,926</td>
</tr>
<tr>
<td>FY 2014-16</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td></td>
</tr>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
<td>$581,192</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
<td></td>
</tr>
<tr>
<td>Recommendations:</td>
<td>$858,489</td>
</tr>
<tr>
<td>Receipts:</td>
<td>$569,364</td>
</tr>
<tr>
<td>Positions:</td>
<td>7.00</td>
</tr>
</tbody>
</table>

**Legislative Changes:**

**Requirements:**

- **Water Pollution Control System Account (6342)**: ($19,125) R
  - Adjusted program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.
  - $0 NR
  - 0.00

**Subtotal Legislative Changes**: ($19,125) R
- $0 NR
- 0.00

**Receipts:**

- **Water Pollution Control System Account (6342)**: ($19,125) R
  - Redirects interest earnings credited to the Water Pollution Control System Account to the General Fund on a permanent basis. Interest earnings are estimated to be $52,130 annually.
  - $0 NR

**Subtotal Legislative Changes**: ($19,125) R
- $0 NR

Environment and Natural Resources
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$630,364</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$549,259</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($90,105)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>7.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$481,267</td>
</tr>
</tbody>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### DENR - Commercial LUST Cleanup

**Budget Code: 64305**

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
</tr>
<tr>
<td><strong>Positions</strong></td>
</tr>
</tbody>
</table>

### Legislative Changes

#### Requirements:

- **Brownfield Superfund Fund (6376)**
  - No adjustment necessary.
  - 50 R
  - 50 NR
  - 0.00

- **Commercial Leaking Petroleum UST Fund (6370)**
  - Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.
  - ($30,000) R
  - 50 NR
  - 0.00

- **Emergency Response Fund (6373)**
  - No adjustment necessary.
  - 50 R
  - 50 NR
  - 0.00

- **Inactive Hazardous Sites Cleanup Fund (6372)**
  - No adjustment necessary.
  - 50 R
  - 50 NR
  - 0.00

- **Inactive Hazardous Sites Fund - SB 1492 (6379)**
  - No adjustment necessary.
  - 50 R
  - 50 NR
  - 0.00

---

Environment and Natural Resources  

Page H - 42
## Conference Report on the Continuation, Capital, and Expansion Budget

**FY 2014-15**

### Administrative Funds (6379)
Transfers a portion of the solid waste disposal tax allowed for administrative expenses to the Division of Waste Management's General Fund budget to support positions in the Solid Waste and Hazardous Waste sections. There is a corresponding special provision that increases the administrative allowance.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(500,000) R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

### Noncommercial Leaking Petroleum UST Fund (6371)
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(573,000) R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

### Superfund Cost Share (6375)
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(328,561) R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

### Subtotal Legislative Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>($828,561) R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

---

### Receipts:

#### Brownfield Superfund Fund (6376)
Redirects interest earnings credited to the Brownfield Superfund Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $3,075 annually. No impact to the Fund as anticipated because interest earnings were not budgeted to be spent.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

#### Commercial Leaking Petroleum UST Fund (6370)
Redirects interest earnings credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $170,215 annually.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(530,000) R</td>
<td>0.00</td>
<td>NR</td>
</tr>
</tbody>
</table>

---

### Environment and Natural Resources

Page H - 43
### Conference Report on the Continuation, Capital, and Expansion Budget

#### FY 2014-15

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emergency Response Fund (6373)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Emergency Response Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $2,210 annually. No impact to the Fund as anticipated because interest earnings were not budgeted to be spent.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Inactive Hazardous Sites Cleanup Fund (6372)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Inactive Hazardous Sites Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $23,682 annually. No impact to the Fund as anticipated because interest earnings were not budgeted to be spent.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Inactive Hazardous Sites Cleanup Fund (6379)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Inactive Hazardous Sites Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $137,446 annually. No impact to the Fund as anticipated because interest earnings were not budgeted to be spent.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Noncommercial Leaking Petroleum UST Fund (6371)</strong></td>
<td>($20,000) R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $25,400 annually.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Superfund Cost Share (6376)</strong></td>
<td>($38,561) R</td>
</tr>
<tr>
<td>Redirects interest earnings credited to the Superfund Cost Share Fund to the General Fund on a permanent basis. Interest earnings are estimated to be $29,280 annually.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>($129,561) R</td>
</tr>
<tr>
<td></td>
<td>$0 NR</td>
</tr>
</tbody>
</table>

**Environment and Natural Resources**
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$30,779,737</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$29,752,839</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($1,027,998)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>14,20</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$308,798,102</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**DENR - Drinking Water State Revolving Fund**

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
</tr>
<tr>
<td><strong>Positions</strong></td>
</tr>
</tbody>
</table>

### Legislative Changes:

**Requirements:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drinking Water State Revolving Fund (6D12)</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers $800,000 from the cash balance to the</td>
<td>$0</td>
</tr>
<tr>
<td>Division of Water Infrastructure in the Department of</td>
<td>R</td>
</tr>
<tr>
<td>Environment and Natural Resources. These funds</td>
<td>($500,000)</td>
</tr>
<tr>
<td>were not needed to meet the State match in FY 2013-14</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>($500,000)</td>
</tr>
<tr>
<td></td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drinking Water State Revolving Fund (6D12)</strong></td>
<td></td>
</tr>
<tr>
<td>No adjustment necessary</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>NR</td>
</tr>
</tbody>
</table>

**Subtotal Legislative Changes**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
</tr>
<tr>
<td>R</td>
</tr>
</tbody>
</table>

### Environment and Natural Resources

---

Page H - 46
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
</tr>
<tr>
<td>Total Positions</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
</tr>
<tr>
<td>FY 2014-16</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Positions</td>
</tr>
</tbody>
</table>

**Legislative Changes:**

**Requirements:**

<table>
<thead>
<tr>
<th>Petroleum Violation Escrow Funds (693E)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers $1,000,000 from the cash balance in the Stripper Well fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers and the Utility Savings Initiative.</td>
<td>$1,000,000 NR</td>
</tr>
<tr>
<td>$0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$1,000,000 NR</td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Petroleum Violation Escrow Funds (693E)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No adjustment necessary.</td>
<td>$0 NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$0 NR</td>
</tr>
</tbody>
</table>

Environment and Natural Resources
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$0</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($1,000,000)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$1,037,967</td>
</tr>
</tbody>
</table>

Environment and Natural Resources
## Disaster Relief Fund

### FY 2014-16

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$3,317,157</td>
</tr>
<tr>
<td>Recommended Budget</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Receipts</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Positions</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

### Legislative Changes

#### Requirements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Small Bus Loans, Hurricane Floyd (2059)</strong></td>
<td>$0  R</td>
</tr>
<tr>
<td>Transfers all but $1,000 to a reserve in the Department of Public Safety for LiDAR topological mapping (14550-1004)</td>
<td>$122,243 NR 0.00</td>
</tr>
<tr>
<td><strong>Small Bus Loans, 2005 Disaster Recovery (2066)</strong></td>
<td>$0  R</td>
</tr>
<tr>
<td>Transfers all but $66,157 to a reserve in the Department of Public Safety for LiDAR topological mapping (14550-1304)</td>
<td>$53,087,757 NR 0.00</td>
</tr>
</tbody>
</table>

**Subtotal Legislative Changes**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,220,000 NR 0.00</td>
</tr>
</tbody>
</table>

### Receipts:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster Relief Fund (24602)</td>
<td>$0  R</td>
</tr>
<tr>
<td></td>
<td>$0  NR</td>
</tr>
</tbody>
</table>

**Subtotal Legislative Changes**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0  R</td>
</tr>
<tr>
<td>$0  NR</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**FY 2014-15**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$4,720,000</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($3,220,000)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$97,157</td>
</tr>
<tr>
<td>Requirement Description</td>
<td>Budget Code</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Economic Development Reserve (2554)</td>
<td></td>
</tr>
<tr>
<td>Transfers cash balance to Commerce's Administration Division to offset operating expenses. Fund 24609-2084 is closed.</td>
<td></td>
</tr>
<tr>
<td>Energy Research Grants (2537)</td>
<td></td>
</tr>
<tr>
<td>Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.</td>
<td></td>
</tr>
<tr>
<td>NC Green Business Fund (2555)</td>
<td></td>
</tr>
<tr>
<td>Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.</td>
<td></td>
</tr>
<tr>
<td>One North Carolina Small Business Fund (2982)</td>
<td></td>
</tr>
<tr>
<td>Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.</td>
<td></td>
</tr>
<tr>
<td>Ag Gas Expansion</td>
<td></td>
</tr>
<tr>
<td>Establishes a special fund for Expanded Gas Products Service to Agriculture.</td>
<td></td>
</tr>
<tr>
<td>IDF Utility Account (2968)- Ag Gas Expansion</td>
<td></td>
</tr>
<tr>
<td>Transfers $2.5 million in recurring receipts and $1 million of cash balance to the newly established special fund for Expanded Gas Products Service to Agriculture.</td>
<td></td>
</tr>
</tbody>
</table>

Commerce
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IDF Utility Account (2668)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Transfers $5 million of the cash balance to General Fund availability</td>
<td>$5,000,000 NR</td>
</tr>
<tr>
<td><strong>One North Carolina Small Business Fund (2562)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Receives $2.5 million from the One NC Fund</td>
<td>$2,500,000 NR</td>
</tr>
<tr>
<td><strong>One North Carolina Fund (2560)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Transfers $2.5 million cash balance to the One North Carolina Small Business Fund</td>
<td>$2,500,000 NR</td>
</tr>
<tr>
<td><strong>IDF Utility Account (2668)</strong></td>
<td>$0 R</td>
</tr>
<tr>
<td>Transfers $1 million of cash balance to the Main Street Solutions Fund</td>
<td>$1,000,000 NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$5,000,000 R</td>
</tr>
<tr>
<td></td>
<td>$13,246,068 NR</td>
</tr>
</tbody>
</table>

**Receipts:**
- **Economic Development Reserve (2684)**                                   | $0 R       |
- **Energy Research Grants (2537)**                                          | $0 R       |
- **NC Green Business Fund (2535)**                                          | $0 R       |
- **One North Carolina Small Business Fund (2562)**                          | $0 R       |
  Receives $2.5 million from the One NC Fund                                 | $2,500,000 NR |
- **Ag Gas Expansion**                                                        | $2,500,000 R |
  Establishes a special fund for Expanded Gas Products Service to Agriculture. | $1,000,000 NR |
<table>
<thead>
<tr>
<th>Account Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>One North Carolina Fund (2560)</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>NR</td>
</tr>
<tr>
<td>IDF Utility Account (2568)</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Increases receipts to reflect FY 2013-14 actuals.</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$9,000,000</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$3,500,000</td>
</tr>
<tr>
<td></td>
<td>NR</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$85,979,840</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$54,648,168</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($31,331,672)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>4.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$2,208,135</td>
</tr>
</tbody>
</table>
### FY 2014-16

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$976,185</td>
</tr>
<tr>
<td>Recommended Budget</td>
<td>$1,776,205</td>
</tr>
<tr>
<td>Requirements</td>
<td>$1,776,205</td>
</tr>
<tr>
<td>Receipts</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Requirements:**

<table>
<thead>
<tr>
<th>Description</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation Management System (2240)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers cash balance to the Industrial Commission to offset operating expenses. Fund 24611, 2240 is closed.</td>
<td>$125,000</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$125,000</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Description</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigation Management System (2240)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$0</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**FY 2014-15**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$1,901,206</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$1,770,205</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$(126,000)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$850,165</td>
</tr>
</tbody>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### Commerce - Special Revenue

<table>
<thead>
<tr>
<th>FY 2014-16</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$1,605,141</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
<td></td>
</tr>
<tr>
<td>Requirements</td>
<td>$77,968</td>
</tr>
<tr>
<td>Receipts</td>
<td>$2,968</td>
</tr>
<tr>
<td>Positions</td>
<td>2.00</td>
</tr>
</tbody>
</table>

### Legislative Changes:

#### Requirements:

<table>
<thead>
<tr>
<th>Main Street Solutions (2622)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers cash balance to Commerce's Administration Division to offset operating expenses</td>
<td>$418,773</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Main Street Solutions (2622)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receives $1 million from the IDF Utility Account</td>
<td>$1,000,000</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal Legislative Changes</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,418,773</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

#### Receipts:

<table>
<thead>
<tr>
<th>Main Street Solutions (2622)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receives $1 million from the IDF Utility Account</td>
<td>$1,000,000</td>
<td>NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal Legislative Changes</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,000,000</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1088
<table>
<thead>
<tr>
<th>Revised Total Requirements</th>
<th>$1,498,731</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Receipts</td>
<td>$2,002,856</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$506,227</td>
</tr>
<tr>
<td>Total Positions</td>
<td>2.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$2,111,386</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

#### Commerce – Enterprise

<table>
<thead>
<tr>
<th>Budget Code: 54600</th>
</tr>
</thead>
</table>

- **FY 2014-16**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Unreserved Fund Balance</td>
<td>$5,890,883</td>
</tr>
<tr>
<td>Recommended Budget</td>
<td>$46,432,723</td>
</tr>
<tr>
<td>Requirements</td>
<td>$48,229,552</td>
</tr>
<tr>
<td>Positions</td>
<td>326.00</td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Requirements:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underage Drinking Initiative (5883)</td>
<td>($2,566) R</td>
</tr>
<tr>
<td>Transfers the Underage Drinking Initiative Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.</td>
<td>$1,229,788 NR</td>
</tr>
<tr>
<td>ABC Warehouse (5892)</td>
<td>($8,131,662) R</td>
</tr>
<tr>
<td>Transfers the ABC Warehouse Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.</td>
<td>$2,964,818 NR</td>
</tr>
<tr>
<td>ABC Commission (5881)</td>
<td>($4,673,185) R</td>
</tr>
<tr>
<td>Transfers the ABC Commission Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.</td>
<td>$1,093,328 NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>($13,007,386) R</td>
</tr>
<tr>
<td></td>
<td>$4,883,824 NR</td>
</tr>
<tr>
<td></td>
<td>-46.00</td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underage Drinking Initiative (5883)</td>
<td>($2,566) R</td>
</tr>
<tr>
<td>Transfers the Underage Drinking Initiative Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.</td>
<td>$0 NR</td>
</tr>
</tbody>
</table>

---

1090
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Warehouse (5882)</td>
<td>($93,031,562)</td>
<td>$0</td>
</tr>
<tr>
<td>Transfers the ABC Warehouse Fund operating</td>
<td>R</td>
<td>NR</td>
</tr>
<tr>
<td>budget and associated cash balance to the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Public Safety via Type II transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABC Commission (5881)</td>
<td>($44,328,040)</td>
<td>$0</td>
</tr>
<tr>
<td>Transfers the ABC Commission Fund operating</td>
<td>R</td>
<td>NR</td>
</tr>
<tr>
<td>budget and associated cash balance to the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Public Safety via Type II transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>($12,462,576)</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>R</td>
<td>NR</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$38,289,271</td>
<td></td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$33,767,276</td>
<td></td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($4,521,995)</td>
<td></td>
</tr>
<tr>
<td>Total Positions</td>
<td>260.00</td>
<td></td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$1,358,858</td>
<td></td>
</tr>
</tbody>
</table>
JUSTICE 
&
PUBLIC SAFETY 
Section I
Conference Report on the Continuation, Capital, and Expansion Budget

Public Safety

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>FY 14-15</td>
</tr>
<tr>
<td></td>
<td>$1,880,014,008</td>
</tr>
</tbody>
</table>

A. Reserve for Salaries & Benefits

1. Compensation Increase Reserve
   - Provides a $1,000 annual recurring salary increase (~$1,256 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teachers' Salary Schedule for State agency teachers. Employees eligible for a step increase through a statutory pay plan are provided at least a step increase in lieu of the $1,000 salary increase.
   - $30,219,620

2. Experience-based Step Increase Reserve - State Highway Patrol
   - Provides funds for at least one experience-based step increase for all step-eligible State Highway Patrol Troopers. Salary increases for step-eligible Troopers range from 5% to 6%. State Highway Patrol Troopers who are not eligible for a step are provided a $1,000 salary increase. A provision in the Salaries and Benefits part of the Appropriations Act provides additional details on this increase.
   - $1,834,633

3. State Retirement System Contributions
   - Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution; provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1165. Total General Fund appropriation across all sections in the committee report is $465.5 million.
   - $4,223,979

B. Department-wide

4. Management Flexibility Reduction
   - Allows the Department of Public Safety (DPS) to identify additional savings on a nonrecurring basis for FY 2014-15. These reductions will be replaced by the increased savings associated with prison closures and other budget changes that will be annualized in FY 2015-16. This amount is 0.5% of the total DPS budget.
   - $(6,319,683)

Public Safety
Conference Report on the Continuation, Capital, and Expansion Budget

C. Administration

5 Various Administrative Reductions
Eliminates 3.5 FTE positions that have been vacant for a year or more. The positions are:

<table>
<thead>
<tr>
<th>Code</th>
<th>Position</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1100</td>
<td>60056106 Office Assistant IV</td>
<td>$44,833</td>
</tr>
<tr>
<td>1100</td>
<td>60056106 Process Assisstant III</td>
<td>$38,051</td>
</tr>
<tr>
<td>1100</td>
<td>50001065 Personnel Analyst II</td>
<td>$80,958</td>
</tr>
<tr>
<td>1250</td>
<td>60000343 Office Assistant IV</td>
<td>$24,739</td>
</tr>
</tbody>
</table>

This item also makes reductions totaling $436,339 to various operating line items within the Division of Administration for a total reduction of $625,520. The total budget for the Division of Administration (including External Affairs, the Governor's Crime Commission, and Victim Services) after this 1.1% reduction is $55,951,786.

6 NCVAN (1170)
Eliminates the grant to the NC Victims Assistance Network. This is the last direct appropriation to a non-profit in the Department's budget; the others were eliminated in the 2011 budget. This reduction will have no impact on services provided by State agencies to victims of crime.

D. Law Enforcement

7 State Highway Patrol Vacant Trooper Positions
Eliminates 26 vacant trooper positions in the State Highway Patrol (SHP). As of March 2014, there were 154.5 vacant trooper positions; of which 56 had been vacant for longer than six months. These positions are budgeted at the starting trooper salary of $70,100, for a total position cost of $50,986 each including retirement, social security, and health benefits. After this reduction, there will be 1,759 sworn law enforcement positions in the Highway Patrol.

8 State Highway Patrol Uniforms
Increases funding for State Highway Patrol uniforms to provide adequate resources for Troopers. After the reduction in item 7, there are a total of 1,691 General Fund supported troopers (66 troopers are supported by federal funds). Uniform expenditures for troopers are $965 each for 1,430 traditional patrol and $1,005 each for 261 size and weight troopers. The total annual cost is $1,071,035. The Authorized Budget for FY 2014-15 appropriates $963,384 for this purpose, leaving a shortfall of $963,384. This item increases the budget for uniforms by 100% to fully fund SHP uniform needs.
| Conference Report on the Continuation, Capital, and Expansion Budget |
|-----------------------|---------|
| FY 14-15              |         |

<table>
<thead>
<tr>
<th>9 NC Trooper's Association Caisson Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides funding to the NC Trooper's Association (NCTA) Caisson Unit for the purchase of a truck and trailer. The Caisson Unit provides funeral services with a horse-drawn military caisson wagon for fallen law enforcement officers and firefighters in North Carolina and the surrounding states. The Unit is a partnership between NCTA and the State Highway Patrol. The NCTA maintains the horse and equipment and the Highway Patrol provides troopers to perform the funeral missions.</td>
</tr>
<tr>
<td>$100,000</td>
</tr>
<tr>
<td>10 State Bureau of Investigation (SBI)</td>
</tr>
<tr>
<td>Transfers the SBI from the Department of Justice to the Law Enforcement Division of DPS. A total of 446 FTE positions are transferred, including 11 Special Fund positions and 35.5 receipt supported FTE positions. DPS is directed to identify $1 million in savings from the merger in FY 2014-15. Consolidation of all of the State's major law enforcement agencies and criminal information sections under DPS should result in additional savings in the future. Medicaid Fraud Investigators who are not funded in Fund Code 1300 may be transferred in FY 2015-16 after further review of the program.</td>
</tr>
<tr>
<td>$31,073,066</td>
</tr>
<tr>
<td>11 ALE District Office Consolidation (1401)</td>
</tr>
<tr>
<td>Reduces the budget for Alcohol Law Enforcement (ALE) district offices. These offices can be co-located with EBI offices, producing savings in rent and lease costs, utilities, and maintenance agreements. This reduction is a prorated amount based on closures effective October 1, 2014. FY 2015-16 annualized General Fund savings will be $308,566, a reduction of 4% to the General Fund appropriation of $9,841,052 for ALE.</td>
</tr>
<tr>
<td>($331,430)</td>
</tr>
<tr>
<td>12 ALE Positions (1401)</td>
</tr>
<tr>
<td>Reduces funding for 13 ALE positions that were transferred to nonrecurring receipt support by the Department to meet management flexibility reduction included in the 2013 budget.</td>
</tr>
<tr>
<td>$724,454</td>
</tr>
</tbody>
</table>

| E. Emergency Management and National Guard |
| 13 Geodetic Survey Receipts (1511) |
| Shifts 1.25 FTE and some operating costs to receipt support. Geodetic Survey has a total budget of $1,209,391. This item increases budgeted receipts and reduces General Fund support for the program. The budget will be as follows: |
| Total Requirements: $1,209,391 |
| Less Receipts: $315,969 |
| Net General Fund Appropriation: $893,422 |
| ($80,486) |     |
| 14 Joint Forces Headquarters Building Repairs (1500) |
| Reduces Emergency Management's budget for building repairs at its Joint Forces Headquarters facility by 44%. $1,111,632 remains in the budget for this purpose. |
| ($889,488) |     |

Public Safety |     |
Conference Report on the Continuation, Capital, and Expansion Budget

15 Hazardous Materials and Regional Response Teams (1506)
Creates a fee structure for facilities that store or process hazardous materials. Funds generated by the fee will be used to fund the Hazardous Materials Database for use by first responders and to support the seven Regional Response Teams (RRT) for Hazardous Materials located in Wilmington, Wilmington, Raleigh, Fayetteville, Greensboro, Charlotte and Asheville. The RRT are currently funded by a General Fund appropriation that supports a program coordinator and two emergency management officers, as well as operating costs for the teams. Funds may also be used to provide grants to local emergency management entities for equipment, training and exercises related to hazardous material response. The total amount collected by the fee is estimated to be $1.5 million.

16 Light Detection and Ranging (LiDAR) Technology (1804)
Provides $3,220,000 for LiDAR topographical mapping technology in the Geospatial Technology Management Section. These funds are being transferred to DPH from the Department of Commerce's Disaster Relief Fund.

17 National Guard Adjutant General's Office (1600)
Reduces the National Guard's Adjutant General's administrative services budget by $8,000 and the employee travel meal account by $3,000. The total reduction is a 0.22% reduction to the Adjutant General's budget, leaving $4,660,442.

18 Tarheel Challenge Academy
Provides funding for the operation of a Tarheel Challenge Academy in Stanly County. The new Academy will begin classes in FY 2015-16, but partial year funding is required in FY 2014-15 to hire and train staff. The State provides 75 percent of the costs. The other 25 percent is federally funded. The total annualized operating costs in FY 2015-16 will be $3,253,233, of which $2,380,658 is State funded. This item also provides funding to transition Tarheel Challenge Academy staff in Salenburg from temporary positions to permanent positions. Currently, those positions do not receive health or retirement benefits. The total cost to pay for health and retirement for these positions is $630,645, of which $174,211 is the 25 percent State share.

F. Adult Correction and Juvenile Justice - Prisons

19 Regional Office and Female Command
Eliminates a prison regional office and the female command and distributes the prisons into four remaining regional offices. Sixteen prisons have closed since 2009 and the four regional offices are capable of supporting the remaining facilities. The female command will end operations effective November 1, 2014, and a regional office for male prisons will close March 1, 2016. FY 2015-16 annualized General Fund savings will be $1,017,778.

Public Safety
Conference Report on the Continuation, Capital, and Expansion Budget

20 Tillery Correctional Center (CC) and Caledonia Correctional Institution (CI) Consolidate the management of Tillery CC and Caledonia CI in Halifax County. The prisons are adjacent to one another and Tillery CC supports the mission of Caledonia CI.

-32,00

21 Operating and Vacant Position Reduction Reduces line items in supplies ($23,200), medical contracts and equipment ($268,108), PC software ($200,000), and training ($38,209). This item also eliminates 11 vacant healthcare-related positions at NC Correctional Institution for Women and Pender Correctional Institution (9532,353).

-11,00

22 Prison Misdemeanants Eliminates all misdemeanants from State prison. Currently, offenders with sentences between 91-180 days serve their sentence in county jails supported by the Statewide Misdemeanant Confinement Program (SMCP). SMCP is managed by the NC Sheriffs Association and pays counties for housing, transportation, and medical care for offenders. SMCP will support approximately 1,000 additional misdemeanants with sentences greater than 90 days. This section applies to misdemeanants convicted on or after October 1, 2014, and DWI offenders convicted on or after January 1, 2015. SMCP will also expand to provide appropriate treatment for DWI offenders. Currently, North Carolina is one of three states that house misdemeanants in the state prison system without exceptional circumstances. FY 2015-16 annualized General Fund savings will be $4,314,854.

23 Fountain Correctional Center for Women (CCW) Closes Fountain CCW, a 521-bed minimum-custody unit in Nash County, effective January 1, 2015. This closure is part of the plan to convert Eastern Correctional Institution to a minimum-custody female facility. FY 2015-16 annualized General Fund savings will be $6,794,023.

-176,00

24 North Piedmont CCW Closes North Piedmont Correctional Center for Women, a 138-bed minimum-custody unit in Davidson County, effective August 1, 2014. This closure is part of the plan to convert Eastern Correctional Institution to a minimum-custody female facility. FY 2015-16 annualized General Fund savings will be $2,143,740.

-45,00

25 Eastern CI Converts Eastern Correctional Institution, a 429-bed medium-custody male facility in Greene County, to a minimum-custody female facility effective November 1, 2014. This conversion is part of the Division's prison closure plan and is dependent on the elimination of all misdemeanants from State prison. FY 2015-16 annualized General Fund savings will be $4,338,433.

-152,00

26 Burke County Confinement in Response to Violation (CRV) Facility Provides funding, effective October 1, 2014, for a facility associated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The annualized cost for the facility will be $3,064,800.

$2,767,414

Public Safety

Page 15
<table>
<thead>
<tr>
<th>27 Robeson County CRV Facility</th>
<th>FY 14-15</th>
<th>R $1,559,723</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides funding, effective February 1, 2015, for a facility dedicated to housing offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The annualized cost for the facility will be $3,743,334.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 28 Vehicles for Probation/Parole Officers (1370) | $1,629,300 |
| Provides funds to purchase new vehicles required for 100 new Probation/Parole Officer positions funded in the FY 2014-15 budget. Funds will be transferred to the Department of Administration Motor Fleet Management Division to purchase the vehicles, which will then be leased to the Department of Public Safety. Funds for the annual lease costs of each vehicle were included in the position costs for 170 new Probation/Parole Officers authorized by the Appropriations Act of 2013. |

| Total Legislative Changes | $55,874,908 |
| (as $4,390,563) |
| Total Position Changes | 95,50 |
| Revised Budget | $1,741,196,351 |
Conference Report on the Continuation, Capital, and Expansion Budget

Justice

<table>
<thead>
<tr>
<th>Total Budget Enacted 2015 Session</th>
<th>FY 14-15</th>
<th>$82,908,639</th>
</tr>
</thead>
</table>

**Legislative Changes**

A. Reserve for Salaries & Benefits

29 Compensiation Increase Reserve

Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.

$889,918 R

30 State Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1108. Total General Fund appropriation across all sections in the committee report is $45.5 million.

$150,686 R

B. Legal Services (1200)

31 DOJ Legal Services – NCGA Litigation Reserve

Reduces funding for Legal Services. A corresponding $300,000 increase is made to the North Carolina General Assembly’s litigation reserve.

($300,000) R

C. State Bureau of Investigation (SBI) (1300)

32 Crime Lab Position Correction

Transfers five positions from the SBI to the NC State Crime Lab. These positions support the operations of the Crime Lab and should have been transferred when the budgets were split into two fund codes in FY 2013-14. The following positions are transferred.

<table>
<thead>
<tr>
<th>Number</th>
<th>Title</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>60011107</td>
<td>Processing Asst IV</td>
<td>$36,245</td>
</tr>
<tr>
<td>60011100</td>
<td>Purchasing Agent II</td>
<td>$56,074</td>
</tr>
<tr>
<td>60011101</td>
<td>Administrative Officer I</td>
<td>$57,847</td>
</tr>
<tr>
<td>60011090</td>
<td>HVAC Technician</td>
<td>$50,550</td>
</tr>
<tr>
<td>60011102</td>
<td>Program Asst V</td>
<td>$49,502</td>
</tr>
</tbody>
</table>

Justice
Conference Report on the Continuation, Capital, and Expansion Budget

33 Transfer to Department of Public Safety
Transfers the SBI from the Department of Justice to the Department of Public Safety (DPS). Law Enforcement Division. A total of 446 FTE positions are transferred, including 11 Special Fund positions and 35.5 receipt supported FTE positions. DPS is directed to identify $1 million in savings from the merger in FY 2014-15. Consolidation of all of the State’s major law enforcement agencies and criminal information sections under DPS should result in additional savings in the future. Medicaid Fraud Investigators who are not funded in Fund Code 1300 may be transferred in FY 2015-16 after further review of the program.

D. State Crime Laboratory (1400)

34 Crime Lab Position Correction
Transfers five positions from the SBI to the NC State Crime Lab. These positions support the operations of the Crime Lab and should have been transferred when the budgets were split into two fund codes in FY 2015-14. The following positions are transferred:

<table>
<thead>
<tr>
<th>Number</th>
<th>Title</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>90011076</td>
<td>Processing Asst IV</td>
<td>$35,260</td>
</tr>
<tr>
<td>90011060</td>
<td>Purchasing Agent II</td>
<td>$59,074</td>
</tr>
<tr>
<td>90011091</td>
<td>Administrative Officer</td>
<td>$57,847</td>
</tr>
<tr>
<td>90011090</td>
<td>HVAC Technician</td>
<td>$65,533</td>
</tr>
<tr>
<td>90011062</td>
<td>Program Asst V</td>
<td>$49,562</td>
</tr>
</tbody>
</table>

35 Toxicology Outsourcing Funds
Reduces the appropriation for private toxicology testing by 66% to $250,000.

36 Western Crime Lab - Forensic Biology/DNA Unit
Provides funding to establish a new Forensic Biology/DNA Unit at the Western Regional Laboratory, effective March 1, 2015. The annualized cost for these positions is $902,166. Approximately 20% of Forensic Biology/DNA submissions to the Crime Laboratory originate from counties served by the Western Lab. An additional 20% originate from counties served by the Triad Lab. Currently, only the Raleigh Lab has Forensic Biology/DNA capabilities. Adding a unit to the western region will decrease turnaround time on analysis and reduce analysts’ court and travel time. The unit will consist of the following positions:

- Forensic Scientist I
- Forensic Scientist II
- Evidence Technician
- Forensic Science Supervisor

Approximately $1.2 million in federal grant funds will be used to pay for the equipment and other non recurring start-up costs for the unit.
Conference Report on the Continuation, Capital, and Expansion Budget

E. Department-wide

37 Management Flexibility Reserve

Directs the department to identify efficiencies in its operations by eliminating positions, transitioning expenditures to receipt support, or reducing operating line items such as travel, purchased services, and supplies. This is a 3.0% reduction to the department's remaining budget after the transfer of the State Bureau of Investigation. No reductions will be made to the State Crime Laboratory.

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>$(32,665,102)</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$300,000</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$49,343,824</td>
</tr>
</tbody>
</table>

Justice
### Judicial - Indigent Defense

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>FY 14-15</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>$111,357,284</td>
<td></td>
</tr>
<tr>
<td><strong>A. Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38 Compensation Increase Reserve</td>
<td>$648,801</td>
<td>R</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39 State Retirement System Contributions</td>
<td>$153,846</td>
<td>R</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1108. Total General Fund appropriation across all sections in the committee report is $45.5 million.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Department-wide</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 Administrative Reduction for the Office of Indigent Defense Services (IDS)</td>
<td>($486,380)</td>
<td>R</td>
</tr>
<tr>
<td>Reduces the appropriation for IDS administrative costs not related to the direct representation of clients.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Legislative Changes</strong></td>
<td>$335,967</td>
<td>R</td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
<td>$111,693,231</td>
<td></td>
</tr>
<tr>
<td>Legislative Changes</td>
<td>GENERAL FUND</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td><strong>Total Budget Enacted 2015 Session</strong></td>
<td><strong>FY 14-15</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$456,428,252</td>
<td></td>
</tr>
<tr>
<td><strong>A. Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>41 Compensaiton Increase Reserve</strong></td>
<td>$3,671,777</td>
<td></td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,296 salary and benefit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>increase) for permanent full-time employees. Employees eligible for a step</td>
<td></td>
<td></td>
</tr>
<tr>
<td>increase through a statutory pay plan are provided at least a step increase in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>lieu of the $1,000 salary increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**42 Experience-based Step Increase Reserve - Assistant &amp; Deputy Clerks of</td>
<td>$3,621,172</td>
<td></td>
</tr>
<tr>
<td>Superior Court**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provides funds for one experience-based step increase for all step eligible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistant and Deputy Clerks of Superior Court. Assistant and Deputy Clerks of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Superior Court who are not eligible for a step are provided a $1,000 salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>43 Experience-based Step Increase Reserve - Magistrates</strong></td>
<td>$3,733,327</td>
<td></td>
</tr>
<tr>
<td>Increases the entry rate of pay and all subsequent steps of the Magistrate pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>plan defined in G.S. 7A-171 (a)(1) and provides all step-eligible Magistrates with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>one step. Salaries of Magistrates not eligible for a step shall be increased to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reflect the new salary schedule. A provision in the Salaries and Benefits part of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the Appropriations Act provide additional details on this increase.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>44 State Retirement System Contributions</strong></td>
<td>$1,138,738</td>
<td></td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System to fund the Annual Required Contribution, provide a 1.0% cost-of-living</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjustment to retirees, and reflect the ratification of H.B. 1106. Total General</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund appropriation across all sections in the committee report is $46.5 million.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>45 Consolidated Judicial Retirement System</strong></td>
<td>(5960,030)</td>
<td></td>
</tr>
<tr>
<td>Reduces the State's contribution to the Consolidated Judicial Retirement System for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014-15 to match the Annual Required Contribution after providing a 1.0% cost-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of-living adjustment to retirees and reflecting ratification of H.B. 1106.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**B. Department-wide**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>46 Administrative Reduction for the Administrative Office of the Courts (AOC)</strong></td>
<td>$(2,925,344)</td>
<td></td>
</tr>
<tr>
<td>Allows AOC to identify savings throughout the Department to achieve a $2.9 million reduction. AOC shall not eliminate any State-funded position in a district operating at less than 100 percent of the recommended staffing level identified by the current workload formula developed for that position in consultation with the National Center for State Courts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>47 Salary Reserve</strong></td>
<td>$(41,830)</td>
<td></td>
</tr>
<tr>
<td>Directs AOC to budget salaries at actual levels.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**C. Administration and Service (1100)**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>48 Technology Services</strong></td>
<td>$(500,000)</td>
<td></td>
</tr>
<tr>
<td>Reduces the appropriation for AOC’s Technology Services Division by 3.21%, leaving $15,096,017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**D. Pass-throughs (1900)**

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>49 Access to Civil Justice Grant</strong></td>
<td>$(671,250)</td>
<td></td>
</tr>
<tr>
<td>Eliminates the Access to Civil Justice funds, which pass through AOC’s budget to the NC State Bar.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total Legislative Changes | $7,466,620 |       |
| Total Position Changes |
| Revised Budget | $463,993,072 |       |
### Legislative Changes

#### Requirements:

**ABC Commission**
- Transfers the budget for the ABC Commission from the Department of Commerce's Enterprise budget (54605) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.

**ABC Warehouse**
- Transfers the ABC Commission's Warehouse budget from the Department of Commerce's Enterprise budget (54605) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.

**Underage Drinking Initiative**
- Transfers the ABC Commission's Underage Drinking Initiative budget from the Department of Commerce's Enterprise budget (54605) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.

**Subtotal Legislative Changes**
- **$13,007,386** R
- **$0** NR
- **-46,000**
<table>
<thead>
<tr>
<th>Receipts:</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABC Commission</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers the cash balance in the ABC Commission budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety</td>
<td>$4,873,106 R</td>
</tr>
<tr>
<td><strong>ABC Warehouse</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers the cash balance from the ABC Commission's Warehouse fund in the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety</td>
<td>$1,069,328 NR</td>
</tr>
<tr>
<td><strong>Underage Drinking Initiative</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers the budget and the cash balance for the Underage Drinking Initiative from Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety</td>
<td>$8,131,662 R</td>
</tr>
<tr>
<td><strong>Underage Drinking Initiative</strong></td>
<td></td>
</tr>
<tr>
<td>Transfers the budget and the cash balance for the Underage Drinking Initiative from Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety</td>
<td>$2,564,818 NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal Legislative Changes</th>
<th>$13,007,386 R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,983,934 NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revised Total Requirements</th>
<th>$13,007,386</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Receipts</td>
<td>$17,871,320</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$4,983,934</td>
</tr>
<tr>
<td>Total Positions</td>
<td>46.00</td>
</tr>
</tbody>
</table>

| Unappropriated Balance Remaining | $4,983,934 |
Conference Report on the Continuation, Capital, and Expansion Budget

(1.0) Cultural Resources

Total Budget Enacted 2013 Session

| FY 14-15 | $63,008,100 |

Legislative Changes

Reserve for Salaries & Benefits

1. Compensation Increase Reserve
   Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.
   $776,215

2. State Retirement System Contributions
   Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1155. Total General Fund appropriation across all sections in the committee report is $18.5 million.
   $117,353

Historic Publications (1220)

3. Historic Publications Positions
   Reduces staff and operations funds for the Historic Publications Unit. There remains approximately $173,464 in the account to be used to continue producing the publications that are required in G.S. 121-4.
   ($180,095)

   60083324 Editor I $30,761
   60083313 Administrator $81,876
   60083322 Administrative Secretary II $38,947

Historic Sites (1241)

4. Position Elimination
   Eliminates an education position located in Kinston vacated by a retirement.
   ($63,870)

   60064315 Education Coordinator $47,887

(1.0) Cultural Resources
<table>
<thead>
<tr>
<th>Conference Report on the Continuation, Capital, and Expansion Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
</tr>
<tr>
<td>5 Strategic Marketing</td>
</tr>
<tr>
<td>$43,000</td>
</tr>
<tr>
<td><strong>NC Museum of History (1500)</strong></td>
</tr>
<tr>
<td>6 Museum of History</td>
</tr>
<tr>
<td>$(514,961)</td>
</tr>
<tr>
<td><strong>Statewide Library Programs and Grants (1480)</strong></td>
</tr>
<tr>
<td>7 Library Grants</td>
</tr>
<tr>
<td>$(284,000)</td>
</tr>
<tr>
<td><strong>Tryon Palace</strong></td>
</tr>
<tr>
<td>8 Operations</td>
</tr>
<tr>
<td>$400,000</td>
</tr>
<tr>
<td><strong>Total Legislative Changes</strong></td>
</tr>
<tr>
<td>$688,052</td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
</tr>
<tr>
<td>-4.00</td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
</tr>
<tr>
<td>$63,696,952</td>
</tr>
</tbody>
</table>

(1.0) Cultural Resources
**Conference Report on the Continuation, Capital, and Expansion Budget**

**2.0) Cultural Resources - Roanoke Island Commission**

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
<th>$450,000</th>
</tr>
</thead>
</table>

**Legislative Changes**

**General Fund**

<table>
<thead>
<tr>
<th>Roanoke Island Commission</th>
<th>Operations</th>
<th>($9,000)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reduces funds appropriated to the Roanoke Island Commission for operation of the Roanoke Island Festival Park by 2%. The State appropriations for FY 2014-15 will be $441,000.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Legislative Changes</th>
<th>($9,000)</th>
<th>R</th>
</tr>
</thead>
</table>

**Total Position Changes**

<table>
<thead>
<tr>
<th>Revised Budget</th>
<th>$441,000</th>
</tr>
</thead>
</table>

(2.0) Cultural Resources - Roanoke Island Com
Conference Report on the Continuation, Capital, and Expansion Budget

(3.0) Insurance

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>$38,009,424</th>
</tr>
</thead>
</table>

**Legislative Changes**

**Reserve for Salaries & Benefits**

10 Compensation Increase Reserve  
Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.  

11 State Retirement System Contributions  
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provides a 1.0% cost-of-living adjustment to retirees, and reflected the ratification of H.B. 1105. Total General Fund appropriation across all sections in the committee report is $48.5 million.

**Administration (1100)**

12 Operations  
Reduces funds available for miscellaneous contracts throughout Administration by .36% and leaves $5,570,747 remaining for FY 2014-15.

**Agency Wide**

13 Position Eliminations  
Eliminates 4 vacant and 3.8 filled positions. The remaining amount is $34,209,053 in personal services for FY 2014-15.

- 60013402 Office Assistant IV  $26,013
- 60013403 Administrative Assistant I  $29,856
- 60013407 Program Assistant V  $27,875
- 60013408 Insurance Company Examiner  $54,648
- 60013409 Insurance Co. Examiner  $69,401
- 60013407 Office Assistant IV  $34,516
- 60013493 Office Assistant III  $25,746
- 60013501 Insurance Regulations Analyst III ( .8 FTE)  $47,115

(3.0) Insurance
Conference Report on the Continuation, Capital, and Expansion Budget

14 Over-realized Receipts
Reduces appropriations based upon anticipated additional receipts from collection agencies for license fees.

Office of State Fire Marshal (1500)
15 Communications, Printing, and Various Line Items
Reduces funds appropriated for the purpose of communications, data, and programming and brings the budget closer to actual expenditures of prior years. The FY 2014-15 State appropriations for 55% of XX accounts will be approximately $800,000.

<table>
<thead>
<tr>
<th>Total Legislative Changes</th>
<th>($291,302)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td>-780</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$37,712,322</td>
</tr>
</tbody>
</table>

(3.0) Insurance
## (5.0) State Board of Elections

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2015 Session</strong></td>
<td>$5,993,244</td>
</tr>
<tr>
<td><strong>Legislative Changes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>16 Compens...</td>
<td>$63,056</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
<tr>
<td>17 State Retirement System Contributions</td>
<td>$13,617</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is ~$38.5 million.</td>
<td></td>
</tr>
<tr>
<td><strong>Information Systems Division (1300)</strong></td>
<td></td>
</tr>
<tr>
<td>18 Contract Elimination</td>
<td>($117,415)</td>
</tr>
<tr>
<td>Eliminates funds for contracting of data services; the functions previously performed by a vendor are now completed by State Board of Elections staff.</td>
<td></td>
</tr>
<tr>
<td><strong>Investigations</strong></td>
<td></td>
</tr>
<tr>
<td>19 Investigator Positions (1200)</td>
<td>$201,857</td>
</tr>
<tr>
<td>Provides funding for three new positions to investigate fraud in elections, discrepancies in voter registration information, including duplicate registrations, and to pursue prosecution for violations of election law.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Legislative Changes</strong></td>
<td>$180,815</td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
<td>3.00</td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
<td>$5,854,069</td>
</tr>
</tbody>
</table>

---

Conference Report on the Continuation, Capital, and Expansion Budget

Page 6
# Conference Report on the Continuation, Capital, and Expansion Budget

## (6.0) General Assembly

### GENERAL FUND

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
<th>$51,834,767</th>
</tr>
</thead>
</table>

### Legislative Changes

#### Reserve for Salaries & Benefits

20. **Compensation Increase Reserve**
- Provides a $1,000 annual across salary increase (~$1,236 salary and benefit increase) for permanent and temporary full-time employees.
- $604,385 R

21. **State Retirement System Contributions**
- Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $48.5 million.
- $173,829 R

#### House and Senate (1110 & 1120)

22. **General Government Oversight Committee**
- Provides funds for the Joint Legislative Oversight Committee on General Government. The Committee will be comprised of 12 members who will meet during the interim to monitor implementation of laws, budget, and reports from the seventeen agencies within the purview of the appropriations subcommittees on General Government.
- $34,733 R

#### Information Systems Division (1217)

23. **Operations**
- Reduces funds appropriated for operations for FY 2014-15. This reduction will be offset by one-time carry-forward funds that would have otherwise transferred into a reserve account.
- ($400,000) NR

### Total Legislative Changes

- $982,927 R
- ($400,000) NR

### Revised Budget

- $82,097,694

(6.0) General Assembly
Conference Report on the Continuation, Capital, and Expansion Budget

(7.0) Governor

<table>
<thead>
<tr>
<th></th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td><strong>FY 14-15</strong></td>
</tr>
<tr>
<td></td>
<td>$7,173,182</td>
</tr>
</tbody>
</table>

**Legislative Changes**

**Reserve for Salaries & Benefits**

24 Compensation Increase Reserve

Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.

$63,922 R

25 State Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1105. Total General Fund appropriation across all sections in the committee report is $45.5 million.

$15,887 R

**Administration**

26 Operations Reduction and Position Elimination

Eliminates recurring funding for one Washington, DC-based federal government liaison and other operating costs. Funds have been transferred annually to North Carolina Department of Transportation to partially fund this position. Additionally, non-recurring funds are provided for FY 2014-15 to continue funding this position for one more year.

($115,430) R

$80,889 NR

$6014814 Federal Legislative Programs Coordinator $80,889

**Total Legislative Changes**

$35,621 R

$80,886 NR

**Total Position Changes**

**Revised Budget**

$7,217,377

(7.0) Governor
## (8.0) State Budget & Management

### GENERAL FUND

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
<th>$7,834,217</th>
</tr>
</thead>
</table>

### Legislative Changes

**Reserve for Salaries & Benefits**

**27 Compensation Increase Reserve**
- Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.
- **$75,025**

**28 State Retirement System Contributions**
- Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.6% cost-of-living adjustment to retirees, and reflect the ratification of HB 1105. Total General Fund appropriation across all sections in the committee report is $45.5 million.
- **$20,033**

**Administration**

**29 Position Elimination**
- Eliminates one vacant position.
  - **($50,884)**
  - Grants Assistant, $37,000

**Technology and Data Services (1310)**

**30 Contract**
- Reduces funds for a maintenance agreement/server software contract by 15%, leaving $557,497 for FY 2014-15.
- **($100,000)**

### Total Legislative Changes
- **($52,626)**

### Total Position Changes
- **-1.00**

### Revised Budget
- **$7,481,691**
### (9.0) State Budget and Management - Special

#### GENERAL FUND

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
<th>$1,920,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Appropriations</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>31 Resources Education Assistance Counseling and Housing of Macon County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides funding to Resources Education Assistance Counseling and Housing of Macon County, Inc. (REACH) to match other funds for the construction of a shelter for battered women and families. The complex will serve individuals in and around Macon and Jackson counties.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>32 Amphitheater Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides funds to The Andrew Jackson Historical Foundation, Inc. to rebuild a dilapidated amphitheater. This grant requires a match of other funds locally.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special Appropriations (13085)</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>33 North Carolina Humanities Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates the grant-in-aid to the Humanities Council.</td>
</tr>
</tbody>
</table>

| Total Legislative Changes | ($20,000) | R |
|--------------------------|------------|
| Total Position Changes   | $175,000 | NR |
| Revised Budget           | $1,875,000 |    |
## (10.0) Auditor

### GENERAL FUND

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14-15</td>
</tr>
<tr>
<td>$11,217,468</td>
</tr>
</tbody>
</table>

### Legislative Changes

<table>
<thead>
<tr>
<th>Reserve for Salaries &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>34 Compensations Increase Reserve</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.</td>
</tr>
<tr>
<td>$150,841</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Retirement System Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of HB 1155. Total General Fund appropriation across all sections in the committee report is $48.5 million.</td>
</tr>
<tr>
<td>$40,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agency Wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>36 Operations Reductions</td>
</tr>
<tr>
<td>Reduces funds appropriated for travel, lodging and telephone services in the 537XX accounts. There remains $286,303 in these accounts for FY 2014-15.</td>
</tr>
<tr>
<td>($937,000)</td>
</tr>
</tbody>
</table>

### Total Legislative Changes

| $154,799 |

### Total Position Changes

### Revised Budget

| $11,372,257 |

---

Page 111
### Conference Report on the Continuation, Capital, and Expansion Budget

### (11.0) Revenue

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td></td>
</tr>
<tr>
<td>FY 14-15</td>
<td>$80,098,668</td>
</tr>
</tbody>
</table>

#### Reserve for Salaries & Benefits

**37 Compensation Increase Reserve**

Provides a $1,000 annual recurring salary increase (~$1,225 salary and benefit increase) for permanent full-time employees.

$1,151,362

#### State Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provides a 1.0% cost-of-living adjustment to retirees, and reflected the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $45.5 million.

$223,228

#### Administrative Services (1881)

**39 Asheville Office Space Lease**

Increases the budget for the Asheville office space lease to pay for the physical security upgrades required by new IRS regulations.

$103,061

#### Agency Wide

**40 Vacant Position Elimination**

Eliminates vacant positions. The positions eliminated are:

- $034,375 Business and Technology Application Specialist ($52,665)
- $03615/6 Accounting II ($26,215)
- $03611/8 Tax Administrator I ($34,691)
- $03613/6 Business and Technology Application Analyst ($43,017)
- $03623/0 Business Systems Analyst ($51,457)
- $03614/3 Tax Auditor Mgr ($47,195)
- $03615/2 Revenue Field Auditor Supv ($70,688)
- $03610/0 Field Auditor Team Leader ($60,311)
- $03625/2 Processing Assistant IV ($28,632)

---

Page 12
Conference Report on the Continuation, Capital, and Expansion Budget

41 Operating Expenses Transferred to Receipt Support
Shifts ongoing expenses and one position to the Collection Assistance Fee. The position is Revenue Officer I and a salary of $40,125.

- Fund 1685 - Information Technology
- Fund 1680 - Collection
- Fund 1683 - Examination
- Fund 1681 - Administrative Services

Property Tax (1629)

42 MotoTax Project
Authorizes the Department of Revenue to pay for expenditures related to the MotoTax Project, a collaboration between the Department of Transportation and the Department of Revenue. The cost will be $795,239 recurring and will come from property tax collections on motor vehicles collected by the Division of Motor Vehicles.

43 Local Government Division Positions
Adds five positions to the Local Government Division. The cost of the positions will be $400,575 recurring and $36,575 nonrecurring. Funding for the positions will come from local sales and use tax receipts. These positions will aid counties in auditing refund requests from nonprofits and governmental units.

Total Legislative Changes: $(1,817,149)
Total Position Changes: -100
Revised Budget: $79,379,309

(110) Revenue
### Project Collect Tax

**Budget Code:** 24704

<table>
<thead>
<tr>
<th>FY 2014-15</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
<td>$56,140,889</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
<td></td>
</tr>
<tr>
<td>Requirements</td>
<td>$22,632,812</td>
</tr>
<tr>
<td>Receipts</td>
<td>$22,632,612</td>
</tr>
<tr>
<td>Positions</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Requirements:**

- **Scanner Replacement**
  - Provides nonrecurring funds to the Department of Revenue to purchase new document scanners. The current scanners are out of date and will be vulnerable to computer viruses once Microsoft ceases patching Windows XP. The Department of Revenue will receive four new scanners responsible for scanning correspondence, checks, and returns. In 2013, the current scanners processed more than 11 million documents.
  - **Cost:** $1,600,000
  - **Status:** NR
  - **Position:** 0.00

- **Locator Services**
  - Increases the cap on taxpayer locator services from $150,000 to $200,000. Funds for the increase will come from the Collection Assistance Fee. Funds pay for extending the program that works with financial institutions in the State to locate asset information for taxpayers with overdue tax debts.
  - **Cost:** $200,000
  - **Status:** NR
  - **Position:** 0.00

- **Taxpayer Assistance Call Center**
  - Appropriates funds to the Department of Revenue to open a second call center in Guilford County.
  - **Cost:** $3,938,078
  - **Status:** NR
  - **Position:** 50.00

---

Department of Revenue
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>FY 2014-15</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criminal Investigation Division Special Agents</strong></td>
<td>$228,425</td>
</tr>
<tr>
<td>Authorizes the Department of Revenue to use funds collected through the Collection Assurance Fee to hire two new special agents to pursue individuals and businesses with overdue tax debts. The cost for the new agents will be $228,425 recurring and $10,400 nonrecurring.</td>
<td>$10,400</td>
</tr>
</tbody>
</table>

| **Collection E-Service** | $0 | R |
| Transfers funds to Budget Code 24708 Fund 2478 to support the collection e-service initiative as part of the Integrated Tax Administration System (ITAS) replacement project | $7,949,000 | NR |

| **Taxpayer Assistance Call Center** | $0 | R |
| Authorizes the Department of Revenue to spend $1,477,585 in nonrecurring funds to upgrade technology for the Interactive Voice Response (IVR) system and provide the flexibility for the installation of additional phone lines. | $1,477,585 | NR |

| **ABC Permit/Tax Compliance Program** | $0 | R |
| Authorizes the Department of Revenue to spend $30,000 from the Collection Assistance Fee to implement software applications that will ensure applicants for Alcoholics Beverage Control retail permits are in compliance with North Carolina Tax Statutes. | $30,000 | NR |

| **Operating Expenses Transferred to Receipt Support** | $2,390,425 | R |
| Shifts ongoing expenses and one position to the Collection Assistance Fee. The position is Revenue Officer I with a salary of $40,125. | $40,125 | 1.00 |

| Fund 1605 - Information Technology | $6,728,828 | R |
| Fund 1660 - Collection | $10,667,015 | NR |
| Fund 1663 - Examination | $3,000 | |
| Fund 1981 - Administrative Services | |

Subtotal Legislative Changes

Receipts:

Department of Revenue
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses Transferred to Receipt Support</td>
<td>0</td>
</tr>
<tr>
<td>Collection Agency Service</td>
<td>0</td>
</tr>
<tr>
<td>ABC Permit/Tax Compliance Program</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>0</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$40,026,555</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$22,692,612</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($17,333,943)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>53.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$35,746,826</td>
</tr>
</tbody>
</table>
## ITAS Replacement, code 2478

**Budget Code**: 24700

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Beginning Unreserved Fund Balance</th>
<th>Recommended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014-15</td>
<td>$29,853,135</td>
<td>$51,024,601</td>
</tr>
</tbody>
</table>

### Legislative Changes

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Amount</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections Case Management</td>
<td>$5,000,000</td>
<td>NR</td>
</tr>
<tr>
<td>Collection E-Service</td>
<td>$7,540,000</td>
<td>NR</td>
</tr>
<tr>
<td>Tax Information Management System Funding</td>
<td>$15,090,942</td>
<td>NR</td>
</tr>
</tbody>
</table>

- **Collections Case Management**: Authorizes the Department of Revenue to use funds available to begin implementation of a new case management system for the Collections Division as part of the replacement of the Integrated Tax Administration System (ITAS).
- **Collection E-Service**: Provides funds from the Collection Assistance fee to implement an e-garnishment project that will automate management of the garnishment process, verification of IC-3s and W-2s, web portal for installment payments, and a decision analytics framework.
- **Tax Information Management System Funding**: Authorizes the Department of Revenue to use available funds to support the remediation of the backlog and ongoing support and maintenance of Release 3 of the Tax Information Management System (TIMS) for several tax schedules including alcoholic beverage, tobacco products, estate, and gift tax. Funding for the time limited positions is included in the appropriated funds. The funds come from a special fund containing money from General Fund appropriations, Collection Assistance Fee, and the TIMS benefit stream.

---

*Department of Revenue*
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Electronic Filing Contract</td>
<td>$0 R</td>
</tr>
<tr>
<td>Provides funds for an existing contract for the development of a corporate electronic tax filing system. This contract was previously authorized and this appropriation continues the funding for this effort.</td>
<td>$5,000,000 NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>ITAS Replacement - Budget Adjustment</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revises the ITAS budget to reflect the changed authorization to the public private partnership found in the IT section of the appropriations bill. The requirements for the ITAS replacement for FY 2014-15 include the following initiatives: Collections Case Management, Collection E-Services, and Tax Information Management System Funding.</td>
<td>($51,024,901) NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$0 R</td>
</tr>
<tr>
<td></td>
<td>($22,394,659) NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td>Receipts:</td>
<td></td>
</tr>
<tr>
<td>ITAS Replacement - Budget Adjustment</td>
<td>$0 R</td>
</tr>
<tr>
<td>Revises the ITAS budget to reflect the changed authorization to the public private partnership found in the IT section of the appropriations bill. The requirements for the ITAS replacement for FY 2014-15 include the following initiatives: Collections Case Management, Collection E-Services, and Tax Information Management System Funding.</td>
<td>($27,674,319) NR</td>
</tr>
<tr>
<td>Collection E-Service</td>
<td>$0 R</td>
</tr>
<tr>
<td></td>
<td>$7,549,000 NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$0 R</td>
</tr>
<tr>
<td></td>
<td>($20,325,319) NR</td>
</tr>
</tbody>
</table>

Department of Revenue
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$28,629,842</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$7,549,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($21,080,842)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>7,00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$5,772,190</td>
</tr>
</tbody>
</table>
## Conference Report on the Continuation, Capital, and Expansion Budget

### (12.0) Secretary of State

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14-15</td>
<td>$11,678,783</td>
</tr>
</tbody>
</table>

#### Legislative Changes

<table>
<thead>
<tr>
<th>Reserve for Salaries &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>44 Compensation Increase Reserve</strong></td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Retirement System Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is $46.5 million.</td>
</tr>
</tbody>
</table>

#### Agency Wide

<table>
<thead>
<tr>
<th>Management Flexibility Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduces the budget for the Secretary of State.</td>
</tr>
</tbody>
</table>

#### Corporations (1210)

<table>
<thead>
<tr>
<th>Position Eliminations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates two vacant positions from the Corporation's Division. The positions are:</td>
</tr>
<tr>
<td>650080687 Processing Assistant IV ($26,013)</td>
</tr>
<tr>
<td>650080687 Processing Assistant IV ($26,945)</td>
</tr>
<tr>
<td>($75,660) R</td>
</tr>
</tbody>
</table>

#### Total Legislative Changes

| $25,523 R |

#### Total Position Changes

| -2.00 |

#### Revised Budget

| $11,600,706 |

---

(12.0) Secretary of State  
Page J 20
Conference Report on the Continuation, Capital, and Expansion Budget

(13.0) Lieutenant Governor

<table>
<thead>
<tr>
<th>Total Budget Enacted 2015 Session</th>
<th>$678,089</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserve for Salaries &amp; Benefits</strong></td>
<td></td>
</tr>
<tr>
<td><strong>48 Compensation Increase Reserve</strong></td>
<td>$7,418</td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.</td>
<td></td>
</tr>
<tr>
<td><strong>48 State Retirement System Contributions</strong></td>
<td>$32,302</td>
</tr>
<tr>
<td>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.6% cost-of-living adjustment to retirees, and reflect the ratification of HB 1155. Total General Fund appropriation across all sections in the committee report is $65.5 million.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administration (1100)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>50 Operating Expense Reductions</strong></td>
<td>($13,592)</td>
</tr>
<tr>
<td>Reduces the budget for the following line items:</td>
<td></td>
</tr>
<tr>
<td>Reduced in State ground transportation by 50%, leaving $1,500</td>
<td></td>
</tr>
<tr>
<td>Reduced in State lodging by 71%, leaving $1,229</td>
<td></td>
</tr>
<tr>
<td>Reduced in State meals by 84%, leaving $1,133</td>
<td></td>
</tr>
<tr>
<td>Reduced telephone services by 16%, leaving $5,006</td>
<td></td>
</tr>
<tr>
<td>Reduced food supplies by 83%, leaving $400</td>
<td></td>
</tr>
</tbody>
</table>

| Total Legislative Changes | ($3,782) |
| Total Position Changes | |
| Revised Budget | $671,307 |
Conference Report on the Continuation, Capital, and Expansion Budget

(14.0) State Controller

<table>
<thead>
<tr>
<th>Legislative Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>51 Compensation Increase Reserve</strong></td>
</tr>
</tbody>
</table>

**52 State Retirement System Contributions**
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1155. Total General Fund appropriation across all sections in the committee report is $46.5 million.

Agency Wide

**53 Personnel Reductions**
Eliminates 2.75 filed and two vacant positions. The positions eliminated are:
- **50087001** Financial/Business Systems Manager ($111,325)
- **50087002** .75 Full Time Equivalent Administrative Assistant ($41,308)
- **50087102** Deputy State Controller ($115,236)
- **50087105** Business and Technology Application Specialist ($55,165)
- **50087111** Support Services Supervisor ($40,632)

Office of State Controller (1000)

**54 Maintenance for the Cash Management System**
Provides funds for ongoing maintenance of the Cash Management System.

**55 Operating Budget Reductions**
Reduces budgeted line items for communication and data processing accounts to bring them in line with prior year actual expenditures, less $1,702,770 for these purposes.

(14.0) State Controller
Conference Report on the Continuation, Capital, and Expansion Budget

56 Oracle DSS Contract Increase
Provides funds to pay for the increase in Oracle software licensing fees.

57 Lease Increase
Appropriates money for a contractual inflationary lease increase for the Bush Street building.

56 BEACON Hardware
Provides funds to extend the warranty on hardware for BEACON through July 2015.

59 Operating Budget Adjustment
Appropriates General Fund money to decrease the amount of the transfer between the State Controller’s special and general fund budget codes.

60 IBM Cognos DSS Contract Increase
Provides funds for a software license fee increase. Cognos Decision Support System is a data warehouse of financial transactions.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>($332,152)</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$130,000</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$28,608,539</td>
</tr>
</tbody>
</table>

(14.0) State Controller.
**Office of State Controller – Special**

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
</table>

**Beginning Unreserved Fund Balance**

$28,075,373

**Recommended Budget**

- **Requirements**: $15,366,290
- **Receipts**: $8,523,770
- **Positions**: 20.00

**Legislative Changes**

**Requirements:**

- **Federal Insurance Contribution Act (FICA) Savings**
  - Transfers $5,255,000 in FY 2014-15 to general availability
  - $5,255,000 NR
  - $0.00

- **Operating Budget Adjustment**
  - Decreases the transfer between the State Controller’s special and general fund codes
  - ($114,015) NR
  - $0.00

**Subtotal Legislative Changes**

- ($114,015) NR
- $5,255,000 NR
- $0.00

**Receipts:**

- **Federal Insurance Contribution Act (FICA) Savings**
  - $50 R
  - $0 NR

- **Subtotal Legislative Changes**
  - $50 R
  - $0 NR

---

**Office of State Controller**

Page J-24
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$20,507,276</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$8,623,770</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$(11,883,505)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>20.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$18,001,560</td>
</tr>
</tbody>
</table>
1133

Conference Report on the Continuation, Capital, and Expansion Budget

(15.0) Administration

**Total Budget Enacted 2013 Session**

| FY 14-15 | 867,047,033 |

**Legislative Changes**

<table>
<thead>
<tr>
<th>Reserve for Salaries &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>61 Compensation Increase Reserve</strong></td>
</tr>
<tr>
<td>Provides a $1,000 annual recurring salary increase (≈ $1,235 salary and benefit increase) for permanent full-time employees</td>
</tr>
<tr>
<td>$579,785</td>
</tr>
</tbody>
</table>

| **62 State Retirement System Contributions** |
| Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1105. Total General Fund appropriation across all sections in the committee report is $48.5 million |
| $147,715 |

**Agencies Wide**

| **63 Operations Reductions and Efficiency** |
| Reduces operating budgets throughout divisions within the Department to more closely reflect actual expenditures and achieve efficiencies. Divisions impacted are as follows: |
| **1121 - Fiscal Management**: | $22,900 |
| **1122 - Human Resources**: | $11,618 |
| **1123 - Historically Underutilized Business**: | $12,727 |
| **1241 - Management Information Systems**: | $16,341 |
| **1411 - State Construction**: | $43,704 |
| **1412 - State Property**: | $17,746 |
| **1511 - Purchase and Contract**: | $50,212 |

| **Total**: | ($184,451) |

(15.0) Administration
Conference Report on the Continuation, Capital, and Expansion Budget

64 Vacant Positions
Eliminates eight full time equivalent positions and benefits throughout the Department of Administration. The positions are as follows:
- 0013644 Administrative Secretary III
- 0013992 Attorney
- 0013996 Office Assistant III
- 0013997 Contract Specialist I
- 0013998 Administrative Assistant II
- 0014509 Processing Assistant V
- 0014805 BBB Technician
- 0014803 Building & Environmental Technician

Facilities Management (1421)

65 Janitorial Services Contract
Reduces the janitorial services contract ($392,164) by 11% to more closely reflect actual expenditures leaving $2,209,623.

66 Utilities Expenditures
Reduces the appropriation for utilities within the Department ($322,000) by 8% to more closely reflect actual expenditures leaving $13,247,850.

Office of State Human Resources (1311)

67 Operations Reduction - Agency Wide
Reduces funds appropriated for operations. There remains approximately $7 million for Office of State Human Resources' operations.

68 Position Elimination
Eliminates a position within Office of State Human Resources identified in the voluntary Reduction in Force project.

State Ethics Commission (1810)

69 Operating Expense Reductions
Reduces line items for information technology expenditures, printing expenses, and office supplies. The total operating reduction is 11% and leaves $109,281 in operating funds.

(15.0) Administration
Conference Report on the Continuation, Capital, and Expansion Budget

Veterans’ Affairs (1771)

70 Aid to County Veterans’ Services Offices

Eliminates the grant-in-aid program to county governments for the provision of veterans’ services. The program gave county veterans’ services offices administration a supplement for the provision of veterans’ services.

Veterans Home Program (1772)

71 Veterans’ Homes Building Reserves

Appropriates funds from the State Veteran’s Trust Fund to fully operate the two recently opened State Veteran’s Homes in Black Mountain and Kinston. The additional amount appropriated from the Trust Fund is $18,293,585 which brings the total operating budget for the Homes to $42,056,030 for FY 2014-15.

| Total Legislative Changes                          | ($1,764,016) |
| Total Position Changes                             | 0.00         |
| Revised Budget                                     | $465,262,317 |

(15.0) Administration
<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td>$17,716,898</td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>$29,225,969</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>$19,278,784</td>
</tr>
<tr>
<td>Positions</td>
</tr>
<tr>
<td>2.90</td>
</tr>
</tbody>
</table>

**Legislative Changes**

**Requirements:**

<table>
<thead>
<tr>
<th>E-Commerce Fund Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers $2,130,000 from the E-Commerce Fund to support general availability.</td>
</tr>
<tr>
<td>$2,130,000</td>
</tr>
<tr>
<td>NR</td>
</tr>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal Legislative Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
</tr>
<tr>
<td>R</td>
</tr>
<tr>
<td>$2,130,000</td>
</tr>
<tr>
<td>NR</td>
</tr>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>E-Commerce Fund Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
</tr>
<tr>
<td>R</td>
</tr>
<tr>
<td>$0</td>
</tr>
<tr>
<td>NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subtotal Legislative Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
</tr>
<tr>
<td>R</td>
</tr>
<tr>
<td>$0</td>
</tr>
<tr>
<td>NR</td>
</tr>
<tr>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
</tr>
<tr>
<td>Total Positions</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
</tr>
<tr>
<td>NC Veterans Trust Fund</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
</tbody>
</table>

**FY 2014-15**

**Beginning Unreserved Fund Balance:**
$23,038,009

**Recommended Budget**

- Requirements: $23,788,342
- Receipts: $23,785,816
- Positions: 0.00

**Legislative Changes**

**Requirements:**

- State Veterans' Homes: $18,268,588 R
  - Appropriates funds to fully operate the two recently opened state Veterans' Homes in Black Mountain and Kinston: 0.00

**Subtotal Legislative Changes:** $18,268,588 R

**Receipts:**

- State Veterans' Homes: $18,268,588 R
  - Increases receipts to reflect the recently opened State Veterans' Homes in Black Mountain and Kinston: 0.00

**Subtotal Legislative Changes:** $18,268,588 R

---

**Department of Administration**
<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$42,056,930</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$42,064,404</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($2,528)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$23,026,483</td>
</tr>
</tbody>
</table>
Conference Report on the Continuation, Capital, and Expansion Budget

Department of Administration Special Fund

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td>$45,453,806</td>
</tr>
</tbody>
</table>

**Recommended Budget**

- Requirements: $40,789,893
- Receipts: $46,491,012
- Positions: 48.00

**Legislative Changes**

**Requirements:**

- **Motor Fleet Management**:
  - Appropriates receipts from the Motor Fleet Management Fund to bring the State Fleet replacement schedule closer to the industry standard. The funds will be used to purchase 500 to 1,000 additional vehicles per year.
  - Budgeted: $10,979,483
  - Diff: $0.00

**Subtotal Legislative Changes**:

- Budgeted: $10,979,483
- Diff: $0.00

**Receipts:**

- **Motor Fleet Management**:
  - Budgeted: $10,979,483
  - Diff: $0.00

**Subtotal Legislative Changes**:

- Budgeted: $10,979,483
- Diff: $0.00

Department of Administration
### Conference Report on the Continuation, Capital, and Expansion Budget

**FY 2014-15**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$51,779,178</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$67,470,466</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$5,691,319</td>
</tr>
<tr>
<td>Total Positions</td>
<td>48.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$51,145,125</td>
</tr>
</tbody>
</table>

*Department of Administration*
### Temporary Solutions

<table>
<thead>
<tr>
<th>Budget Code: 4100-7511</th>
</tr>
</thead>
</table>

#### FY 2014-15

**Beginning Unreserved Fund Balance**
- ($3,954,680)

**Recommended Budget**
- Requirements: $22,234,149
- Receipts: $22,434,444
- Positions: 7.50

#### Legislative Changes

**Requirements:**

Temporary Solutions - Budget Adjustment
- Increases the requirements for the operations of Temporary Solutions. Executive Order #4 required State agencies to utilize Temporary Solutions for their temporary employment needs, therefore, the budget has increased due to the increased usage of this service.
- $21,918,668 R
- $0 NR
- 0.00

**Subtotal Legislative Changes**
- $21,918,668 R
- $0 NR
- 0.00

**Receipts:**

Temporary Solutions
- Increases the receipts for Temporary Solutions resulting from increased revenues due to Executive Order #4.
- $25,673,033 R
- $0 NR

**Subtotal Legislative Changes**
- $25,673,033 R
- $0 NR
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$44,182,817</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$49,107,477</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$3,954,660</td>
</tr>
<tr>
<td>Total Positions</td>
<td>7.50</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$0</td>
</tr>
</tbody>
</table>
## State Parking System

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td>Requirements</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Positions</td>
</tr>
</tbody>
</table>

### Legislative Changes

**Requirements:**

<table>
<thead>
<tr>
<th>State Parking Fund</th>
<th>$500,000</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increases receipts to actual required amounts for the purposes of improving facility maintenance and repairs as well as security upgrades.</td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$500,000</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>State Parking Correction</th>
<th>$600,000</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgets receipts to actual</td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$600,000</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$2,635,325</td>
<td></td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$2,604,722</td>
<td></td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$297</td>
<td></td>
</tr>
<tr>
<td>Total Positions</td>
<td>14.75</td>
<td></td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$1,802,010</td>
<td></td>
</tr>
</tbody>
</table>
## (16.0) Housing Finance Agency

**Total Budget Enacted 2013 Session**

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,411,632</td>
<td></td>
</tr>
</tbody>
</table>

### Legislative Changes

#### HOME Match (1100)

- **72 HOME Match**
  - Reduces the State match for the federal HOME Program by 2%. The General Fund appropriation for FY 2014-15 is $1,458,649.
  - **($20,676)**

#### Housing Trust Fund (1100)

- **73 Workforce Housing Loan Program**
  - Appropriates funds to the Housing Trust Fund in order to create a Low Income Housing Loan program to assist in the development of low-income housing units throughout the State.
  - **$10,000,000**

- **74 Housing Trust Fund**
  - Reduces the General Fund appropriation to the Housing Trust Fund by 2%. For FY 2014-15, the General Fund appropriation to the Housing Trust Fund is $8,850,000.
  - **($140,000)**

### Total Legislative Changes

- **($169,676)**

### Total Position Changes

- **$10,000,000**

### Revised Budget

- **$18,241,661**
### (17.0) Office of Administrative Hearings

##### Total Budget Enacted 2015 Session

<table>
<thead>
<tr>
<th>FY</th>
<th>$5,027,190</th>
</tr>
</thead>
</table>

#### Legislative Changes

**Reserve for Salaries & Benefits**

- **75 Compensation Increase Reserve**
  
  Provides a $1,000 annual recurring salary increase (~$1,236 salary and benefit increase) for permanent full-time employees.

  $55,638

- **76 State Retirement System Contributions**

  Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1155. Total General Fund appropriation across all sections in the committee report is $18.5 million.

  $14,231

---

#### Administration (1100)

- **77 Operating Reduction**

  Reduces various operating line items within the Office to more closely reflect actual expenditures. The following line items are reduced: Maintenance Agreements/Service Contracts (033490), Intangible Assets (034765), Postage/Freight/Delivery (033848). The operating reduction reflects a 1% decrease to the Office, leaving $2,080,544.

  $(32,111)

---

#### Total Legislative Changes

$37,018

#### Total Position Changes

**Revised Budget**

$5,064,948
Conference Report on the Continuation, Capital, and Expansion Budget

(18.0) Treasurer

General Fund

Total Budget Enacted 2013 Session

<table>
<thead>
<tr>
<th>FY</th>
<th>14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,026,005</td>
<td></td>
</tr>
</tbody>
</table>

Legislative Changes

Reserve for Salaries & Benefits

78 Compensation Increase Reserve

Provides a $1,000 annual recurring salary increase (~$1,235 salary and benefit increase) for permanent full-time employees.

$46,241 R

79 State Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1155. Total General Fund appropriation across all sections in the committee report is $48.5 million.

$12,120 R

Financial Operations (1510)

80 Operating Reduction

Reduces budgeted Computer and Data Processing (522821) expenditures to more closely reflect actual expenditures.

$(70,082) R

Investments (1210)

81 Compensation Reserve

Establishes a Compensation Reserve to be used for providing market based compensation to employees of the Investment Division. In addition to the $1.03 million in General Funds appropriated for this purpose, up to $97,000 is to be apportioned directly from investments under management to be used for positions not subject to G.S. 147- 66.3(b).

$1,020,000 R

82 Investments Internalization

Provides funds to the Investments Division to internalize a variety of investments currently managed by external fund managers. The appropriation will provide funding to hire five Portfolio Managers and five Investment Analysts to manage investments for global equity, private equity, credit strategies, real estate, and inflation protection. There is also additional funding for software licenses and employee related expenses.

$1,000,292 R

$51,940 M

(18.0) Treasurer
### Supplemental Retirement

**83 Start Up Funds**
- Appropriates $150,000 from the Qualified Excess Benefit Arrangement to fund the start-up costs to administer the State-wide 401(k) plan created under S.L. 2011-310.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Legislative Changes</strong></td>
<td>$2,607,991 R</td>
</tr>
<tr>
<td><strong>Total Position Changes</strong></td>
<td>$51,940 MR</td>
</tr>
<tr>
<td><strong>Revised Budget</strong></td>
<td>$9,686,236</td>
</tr>
</tbody>
</table>
### Conference Report on the Continuation, Capital, and Expansion Budget

**Blount Street Properties**

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
</table>

**Beginning Unreserved Fund Balance**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>$60,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td>$60,000</td>
</tr>
<tr>
<td>Positions</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Legislative Changes

**Requirements:**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blount Street Properties</td>
<td>$5,456,797</td>
<td>NR</td>
</tr>
<tr>
<td>Transfers the entire balance of the Blount Street Properties fund to support general availability.</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$5,456,797</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

**Receipts:**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blount Street Properties</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$0</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>NR</td>
</tr>
</tbody>
</table>

Department of State Treasurer
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$5,516,787</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$60,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($5,456,787)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>0.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$0</td>
</tr>
</tbody>
</table>
Conference Report on the Continuation, Capital, and Expansion Budget

(19.0) Fire Rescue Nat Guard Pensions & LDD Benefits

<table>
<thead>
<tr>
<th>Total Budget Enacted 2013 Session</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>$33,179,042</td>
<td></td>
</tr>
</tbody>
</table>

Legislative Changes

Firefighters' Pension Fund (1412)

84 General Fund Contribution

Reduces the General Fund contribution to match the Annual Required Contribution to the Firefighters' and Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 95 of G.S. 59, as amended in a special provision. The amount of the recurring General Fund contribution is $13,319,481.

National Guard (1414)

85 General Fund Contribution

Reduces the General Fund contribution to the National Guard Pension Fund to match the Annual Required Contribution. The reduction reflects benefits increasing 5.4 per month. The payment of these pension benefits is made pursuant to G.S. 127A-40. The amount of the recurring General Fund contribution to the fund is $6,079,274.

Rescue Squad (1413)

86 General Fund Contribution

Reduces the General Fund contribution to match the Annual Required Contribution to the Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 86 of G.S. 59, as amended in a special provision. The amount of the recurring General Fund contribution is $390,519.

Total Legislative Changes

$1,694,768

Total Position Changes

Revised Budget

$21,484,274
TRANSPORTATION
Section K
### Highway Fund

<table>
<thead>
<tr>
<th>Legislative Changes</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
<td>$1,919,010,600</td>
</tr>
</tbody>
</table>

#### Adjustments to Availability

1. **Revenue Adjustment**
   - Reflects the repeal of the Motor Fuels Tax refund for taxcabs in G.S. 105-440.106(b), effective on January 1, 2015, increasing revenue availability by $68,400 in FY 2014-15.

2. **Intermodal Division Balances**
   - Reallocates $12,000,000 of the unallotted and unexpended balance of funds within the intermodal divisions.

3. **ShallowDraft Navigation Channel and Lake Dredging Fund**
   - Reduces Highway Fund revenue availability to reflect a one-time transfer of $1,677,134 to the Shallow Draft Navigation Channel and Lake Dredging Fund.

#### Administration

4. **Division Cuts**
   - Reduces the Communications, Strategic Planning Office, Office of Inspector General, Financial Management, Information Technology, and Facilities Management programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include $1,705,907 to the Highway Fund and $101,130 in receipts.

   Divisional adjustments are enumerated below:
   - Communications Division (Fund Code 64210-0002): $29,957
   - Strategic Planning Office (Fund Code 64210-1096): $3,958
   - Financial Management Division (Fund Code 64210-7020): $148,903
   - Information Technology Division (Fund Code 64210-7020): $1,091,163
   - Facilities Management Division (Fund Code 64210-7030): $401,883

---

Highway Fund
Conference Report on the Continuation, Capital, and Expansion Budget

5 Division of Highways Administration Cuts
Reduces the Intergovernmental Affairs, Program Development, Technical Services, Transportation Planning, and Transportation Mobility and Safety programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include $188,058 to receipts.

Divisional adjustments are enumerated below.

- Intergovernmental Affairs (Fund Code 84210-1078/1129): $13,678
- Program Development Division (Fund Code 84210-1226): $15,266
- Technical Services Division (Fund Code 84210-7103): $110,738
- Transportation Planning Program (Fund Code 84210-7070): $4,000
- Transportation Mobility and Safety Division (Fund Code 84210-0149): $54,174

6 Financial Management
Reduces funding for the Financial Management Division (Fund Code 84210-7020) by $4,200,000 to reflect actual spending. Budgeted funds total $5,688,246 in FY 2014-15.

7 Governance Office
Eliminates a position and associated costs within the Quality Enhancement Unit.

<table>
<thead>
<tr>
<th>Position</th>
<th>Title</th>
<th>Total Position Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>65015423</td>
<td>Management Engineer I</td>
<td>$82,516</td>
</tr>
</tbody>
</table>

8 Occupational Safety & Health Program (OSHA)
Reduces funding for the OSHA Program (Fund Code 84210-7932), as recommended in the Governor's budget. The program provides funding to address safety deficiencies that impact the workplace environment. Eligible projects include mitigation of deficiencies discovered in routine inspections by OSHA, building code, or health code inspectors and employee safety training. This $7,307 reduction represents a 2.0% adjustment to the certified 2014-15 budget for this program. Budgeted funds total $366,030 in FY 2014-15.

9 Position Eliminations
Eliminates 37 administrative positions and 270 vacant receipt-supported positions assigned to equipment, HTP field, and HF field units which have been vacant for 180 days or longer. Estimated recurring savings total $2,096,362.

Highway Fund

FY 14-15

(4,200,000) R

(82,516) R

(7,307) R

(2,096,362) R

Page K - 2
Conference Report on the Continuation, Capital, and Expansion Budget

**Aid to Municipalities**

10 State Aid to Municipalities

Appropriates additional funding for the Aid to Municipalities program based on revised projections for motor fuels tax consumption in accordance with G.S. 136-41.1. Budgeted funds total $149,328,000 in FY 2014-15.

$9,453,990 R

**Construction**

11 Economic Development Program Fund

Converts funding for the Economic Development Program (Fund Code 84210-7836) to recurring.

$4,036,171 R

($4,030,171) NR

**Division of Motor Vehicles**

12 Credit/Debit Transaction Payments

Realigns funding for payments to card vendors for credit/debit transactions based on actual transaction rates and the deployment of point-of-sale capability to driver license offices. Funding for Vehicle Services (Fund Code 84210-7055) is reduced by $3,707,308 recurring, a 28.0% adjustment to the certified 2014-15 budget for this line item. Funding for Driver Services (Fund Code 84210-0049) is reduced by $64,879 nonrecurring, a 46.9% adjustment to the certified 2014-15 budget for this line item.

($3,707,308) R

($64,879) NR

13 Title Conversion Fees

Budgets anticipated net receipts from the authorized $3.50 fee for the conversion of paper titles under the Electronic Lien and Title system required pursuant to G.S. 20-50.4A.

($53,653) R

14 License and Identification Card Costs

Increases funding for the production of new format driver license and identification cards issued by the Division of Motor Vehicles, as recommended in the Governor's budget. This $1,585,443 increase to Driver Services (Fund Code 84210-0049) represents a 36.2% adjustment to the certified 2014-15 budget for this line item.

$1,585,443 R

15 Medical Review Unit

Increases funding for contractual physician case reviews and Medical Review Board hearings, as recommended in the Governor's budget. The $350,000 increase represents a 0.7% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0049).

$350,000 R

Highway Fund
Conference Report on the Continuation, Capital, and Expansion Budget

16 Ignition Interlock Program
Increases funding to establish a stand-alone Ignition Interlock Unit, as recommended in the Governor’s budget. This $603,045 increase represents an 8.4% adjustment to the certified 2014-15 budget for the Commissioner’s Office.

<table>
<thead>
<tr>
<th>FY 14-15</th>
<th>$917,485 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>$46,460 NR</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

17 Driver License Examiner Facilities
Provides funding for fourteen Driver License Examiners to reduce customer wait times at high-volume offices, as recommended in the Governor’s budget. This $822,307 increase represents a 1.6% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0040).

<table>
<thead>
<tr>
<th>$793,515 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,882 NR</td>
</tr>
</tbody>
</table>

18 Governor’s Highway Safety Program
Reduces the Governor’s Highway Safety Program (Fund Code 84210-0042), administrative budget for car mileage reimbursement by $11,369, including $5,058 in receipts, as recommended in the Governor’s Budget. Budgeted funds for the program total $279,233 in FY 2014-15.

| ($5,619) R   |

19 Information Technology

19 SOA Governance and Competency Center
Provides funds to establish enterprise-level Service Oriented Architecture (SOA) Governance to support the design, development and deployment of products and services as part of the Division of Motor Vehicles Modernization effort and other ongoing initiatives, as recommended in the Governor’s budget. The Department will also establish an SOA competency center to retain existing technical resources and develop the new technologies to be delivered via modernization. This $3,000,000 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.

<table>
<thead>
<tr>
<th>$840,000 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,360,000 NR</td>
</tr>
</tbody>
</table>

20 Modernization of Driver Services
Increases funding to advance Phase 3 of the State Automated Driver License System replacement project, supplementing $9.3 million of available funding from current appropriations for the modernization initiative in FY 2014-15. This $3,024,503 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.

| $3,024,503 NR |

Highway Fund

Page K-4
Conference Report on the Continuation, Capital, and Expansion Budget

21 Hearing Fee Implementation
Provides $2,295,000 nonrecurring for web application development to facilitate the future implementation of hearing fees. This $2,295,000 funding increase represents a 0.5% adjustment to the certified 2014-15 budget for the Information Technology Division.

22 DMV Service Initiatives
Provides additional Information Technology (IT) staffing for the State Automated Driver License System (SADLS) and State Towing and Registration System (STARS) project teams, as recommended in the Governor’s budget. Four (4.00) additional positions are authorized for the SADLS project team and three (3.00) additional positions are authorized for the STARS project team. This $830,707 funding increase represents a 1.5% adjustment to the certified 2014-15 budget for the Information Technology Division.

23 Channel Strategy Development
Provides funding to design, develop and deploy tools, applications, solutions and systems for internal and external users, as recommended in the Governor’s budget. This $1,800,000 funding increase represents a 3.3% adjustment to the certified 2014-15 budget for the Information Technology Division.

24 Card Payment Operation and Maintenance
Provides funding for maintenance, licensing costs, and required Payment Card Industry (PCI) Data Security Standards associated with the acceptance of credit cards, as recommended in the Governor’s budget. This $1,032,919 funding increase represents a 1.9% adjustment to the certified 2014-15 budget for the Information Technology Division.

Intermodal
25 Aviation, Rail, Ferry, and Bicycle and Pedestrian Operating Reductions
Reduces operating and grant funding for the Divisions of Aviation, Rail, Ferry, and Bicycle and Pedestrian Transportation. Recurring reductions total $3,332,660, a 4.0% adjustment to the certified 2014-15 budgets for these programs.

Divisions' adjustments are enumerated below:
Aviation Division (Fund Code 84210-7630): $800,000
Rail Division (Fund Code 84210-7523): $960,326
Ferry Division (Fund Code 84210-7823): $1,542,317
Bicycle & Pedestrian Division (Fund Code 84210-0035): $30,043

Highway Fund
Conference Report on the Continuation, Capital, and Expansion Budget

Maintenance

26 Primary System  
Reduces funding for Primary System Maintenance Program, as recommended in the Governor's budget. Budgeted funds total $140,845,000 in FY 2014-15.  
($6,078,148)  

27 Contract Resurfacing  
$5,750,000  

28 Secondary System  
($10,709,290)  

29 Pavement Preservation  
Establishes funding for the Pavement Preservation Program.  
$65,045,024  

Reserves

30 Compensation Increase Reserve  
Provides a $1,000 annual recurring salary increase (~$1,296 salary and benefit increase) for permanent full-time employees.  
$9,291,113  

31 State Retirement System Contributions  
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1196.  
$1,513,400  

32 State Health Plan  
Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the Highway Fund to reflect zero premium increase at January 1, 2015.  
($1,050,000)  

Highway Fund
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>33 Disability Income Plan</td>
<td>($388,700)</td>
</tr>
<tr>
<td>Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Annual Required Contribution.</td>
<td></td>
</tr>
<tr>
<td>34 Reserve for Future Benefit Needs</td>
<td>($1,745,000)</td>
</tr>
<tr>
<td>Eliminates the Highway Fund reserve for future benefit needs.</td>
<td></td>
</tr>
</tbody>
</table>

**Transfers**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35 Global TransPark</td>
<td>($250,000)</td>
</tr>
<tr>
<td>Reduces the operating transfer to the Global TransPark Authority by $250,000, a 25% adjustment to the certified 2014-15 budget.</td>
<td></td>
</tr>
<tr>
<td>36 Department of Public Instruction - Driver Education</td>
<td>($26,882,132)</td>
</tr>
<tr>
<td>$26,378,131</td>
<td>NR</td>
</tr>
<tr>
<td>Converts funding to nonrecurring and adjusts the transfer from the Highway Fund to the Department of Public Instruction based on the forecasted ninth-grade Average Daily Membership (ADM) for the 2014-15 school year.</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Legislative Changes</td>
<td>$40,424,870</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>$27,406,916</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>$1,964,142,286</td>
</tr>
</tbody>
</table>

Highway Fund

Page K-7
### Legislative Changes

#### Adjustments to Availability

<table>
<thead>
<tr>
<th>Revenue Adjustment</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>37 Revenue Adjustment</td>
<td>Reflects the repeal of the Motor Fuels Tax refund for taxicabs in G.S. 105-449:106(b), effective January 1, 2013. The repeal increases revenue availability by $23,140 in FY 2014-15</td>
<td>$23,140</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administration</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>38 Administration</td>
<td>Reduces funding for Highway Trust Fund administration by $11,000,000 to realign the budget to reflect actual spending. Budgeted funds total $34,500,000 in FY 2014-15</td>
<td>($11,000,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Construction</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 Strategic Transportation Investments</td>
<td>Increases funding for Strategic Transportation Investments to $1,018,094,812 in FY 2014-15</td>
<td>$67,000,140</td>
</tr>
</tbody>
</table>

#### Total Legislative Changes

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$56,893,140</td>
<td>R</td>
</tr>
</tbody>
</table>

#### Total Position Changes

| Revised Budget | $1,162,393,140 |

---

Highway Trust Fund
## Turnpike Authority

### Budget Code: 64200

#### FY 2014-16

**Beginning Unreserved Fund Balance**: $0

**Recommended Budget**

- **Requirements**: $88,725,718
- **Receipts**: $88,725,718
- **Positions**: 20.00

#### Legislative Changes

**Requirements**:

- **Administration**
  - Reduces funding for the Turnpike Authority administration budget by $42,601, as recommended in the Governor’s budget. Budgeted funds to the Turnpike Authority total $1,442,678 in FY 2014-15. ($42,601) R
  - $0 NR

**Subtotal Legislative Changes**

($42,601) R

- $0 NR

**Receipts**:

- **Administration**
  - Reduces associated receipts for Turnpike Authority administration. ($42,601) R

**Subtotal Legislative Changes**

($42,601) R

- $0 NR
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$88,683,117</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$88,683,117</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$0</td>
</tr>
<tr>
<td>Total Positions</td>
<td>20.00</td>
</tr>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$0</td>
</tr>
</tbody>
</table>
RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L
### Statewide Reserves

<table>
<thead>
<tr>
<th>General Fund</th>
<th>FY 14-15</th>
<th>$1,954,916,186</th>
</tr>
</thead>
</table>

#### Legislative Changes

**A. Employee Benefits**

1. **Reserve for Future Benefit Needs**
   - Eliminates the General Fund Reserve for Future Benefit Needs
   - **($56,400,000)**

2. **State Health Plan**
   - Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the General Fund to reflect a zero premium increase as of January 1, 2015.
   - **($22,000,000)**

3. **Disability Income Plan**
   - Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Actual Required Contribution.
   - **($3,300,000)**

**B. Other Reserves**

4. **NCGA Litigation Reserve**
   - Provides $300,000 NR to the General Assembly’s litigation reserve in defense of the North Carolina Constitution
   - **$300,000**

5. **Information Technology Reserve**
   - Continues funding of $33,240,067 to upgrade, simplify, and modernize the State’s IT operations and internal infrastructure. This includes replacing obsolete computers and applications, and ensuring State agencies are meeting IT security requirements.
   - **($31,612,488)**

6. **Information Technology Fund**
   - Maintains funding of $17,655,145 to support the Office of the State Chief Information Officer and statewide information technology projects. Additional funding of $5 million, to include $1.5 million in carryforward, is provided to the Government Data Analytics Center (GDAC) to improve fraud detection. An additional $1,139,486 is provided for the Criminal Justice Law Enforcement Automated Data System (CJLEADS) to support law enforcement and the Administrative Office of the Courts.
   - **$679,488**

7. **Job Development Investment Grant (JDIG) Reserve**
   - Decreases funding for the JDIG Reserve to align funding with needs for FY 2014-15. Combined with available cash balance, total funds appropriated for FY 2014-15 will be $54,024,000.
   - **($15,971,084)**

---

Statewide Reserves

- Rain L. 1
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 One North Carolina Fund</td>
<td>Decrease funding for the One NC Fund to align funding with needs of FY 2014-15 where available cash balance, total funds appropriated for FY 2014-15 will be $11,402,077.</td>
<td>($7,144,263)</td>
</tr>
<tr>
<td>9 Pending Legislation and Legislative Services Commission Litigation</td>
<td>Provides funds for pending legislation and expenditures authorized by the Legislative Services Commission.</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>C. Debt Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Debt Service Savings</td>
<td>Decreases debt service to reflect the authorization of Two-Thirds bonds to replace existing authorized but unissued special indebtedness.</td>
<td>($200,000)</td>
</tr>
<tr>
<td>11 Debt Service Increase</td>
<td>Increases debt service to reflect the authorization of Two-Thirds bonds to fund projects authorized in this act.</td>
<td>$5,794,474</td>
</tr>
<tr>
<td>12 Debt Service Adjustment</td>
<td>Adjusts debt service appropriations based on updated cash flow requirements.</td>
<td>($2,340,916)</td>
</tr>
<tr>
<td>Total Legislative Changes</td>
<td></td>
<td>($84,396,037)</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td></td>
<td>($526,023,432)</td>
</tr>
<tr>
<td>Revised Budget</td>
<td></td>
<td>$944,195,839</td>
</tr>
</tbody>
</table>
State Health Plan (Administration)

**Budget Code:** 23450

**FY 2014-15**

### Beginning Unreserved Fund Balance

<table>
<thead>
<tr>
<th>Requirements</th>
<th>$212,151,548</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td>$212,151,548</td>
</tr>
<tr>
<td>Positions</td>
<td>46.00</td>
</tr>
</tbody>
</table>

### Legislative Changes

#### Requirements:

**Medical Benefits Administration Contracts (2A25)**
- Adjusts the budgeted amounts for Third Party Administrative Services contracts to reflect revised estimates
  - Requirements: $10,150,000 R
  - Receipts: $0 NR
  - Positions: 0.00

**Agency Administration (2A10)**
- Adjusts the budgeted amounts for the Plan's other administrative costs to reflect revised estimates
  - Requirements: $2,690,000 R
  - Receipts: $0 NR
  - Positions: 0.00

Subtotal Legislative Changes: $12,800,000 R

### Receipts:

**Adjust Transfers from Trust Funds**
- Adjusts the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for FY 2014-15
  - Requirements: $12,800,000 R
  - Receipts: $0 NR

Subtotal Legislative Changes: $12,800,000 R

Department of State Treasurer
Conference Report on the Continuation, Capital, and Expansion Budget

<table>
<thead>
<tr>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
</tr>
<tr>
<td>Total Positions</td>
</tr>
</tbody>
</table>

Unappropriated Balance Remaining

Department of State Treasurer
CAPITAL
Section M
Conference Report on the Continuation, Capital, and Expansion Budget

Capital

<table>
<thead>
<tr>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget Enacted 2013 Session</strong></td>
</tr>
<tr>
<td>$8,423,000</td>
</tr>
</tbody>
</table>

**Legislative Changes**

A. Department of Cultural Resources

1. Museum of History Expansion
   Appropriates funds to the Museum of History for advance planning of an expansion, renovation, and exhibit development for the Museum of History in Raleigh. The estimated total cost of the project is $45.2 million.
   
   $1,500,000    NR

B. Department of Environment and Natural Resources

2. Water Resource Development Projects
   Provides funds for the State's share of Water Resource Development Projects. State funds will match 90% of the cost in federal funds and $1.47 million in local funds. The projects are specified in a special provision.
   
   $5,810,000    NR

C. Department of Public Safety

3. Sammoch Training Facility
   Eliminates funding for the renovation of the Sammoch Training Facility. Two-Thirds Bonds are authorized to continue the renovation of the facility within the Act.
   
   ($5,173,000)    NR

D. University of North Carolina

4. Appalachian State University - Health Sciences Building Planning
   Appropriates $2 million in General Funds and an additional $2.22 million in non-State funds to Appalachian State University to fully plan the Health Sciences Building. The total cost of construction is estimated to be $73.4 million and the total square footage is 203,000 gross square feet.
   
   $3,000,000    NR

E. Two-Thirds Bonds

5. Department of Administration - Albemarle Building Renovation
   Authorizes the issuance of Two-Thirds Bonds to fully renovate the Albemarle Building in Raleigh, NC. The total amount of debt authorized is $42.32 million.

6. Department of Cultural Resources - U.S.S. North Carolina Battleship
   Authorizes the issuance of Two-Thirds Bonds to build a coffersdam to protect the U.S.S. North Carolina Battleship. The total amount of debt authorized is $3 million.

7. Repairs and Renovations Reserve
   Authorizes the issuance of Two-Thirds Bonds to be allocated to the Repairs and Renovations Reserve. The total amount of debt authorized is $30 million.
Conference Report on the Continuation, Capital, and Expansion Budget

8 Department of Public Safety - Samarkand Training Facility
   Authorizes the issuance of Two-Thirds Bonds to complete the Samarkand Training Facility project. The total amount of debt authorized is $5.17 million.

9 Department of Environment and Natural Resources - Hammocks Beach State Park
   Authorizes the issuance of Two-Thirds Bonds to the Parks and Recreation Trust Fund within the Department of Environment and Natural Resources to expand Hammocks Beach State Park. The total amount of debt authorized is $3 million.

10 Department of Agriculture and Consumer Services - McGough Arena Roof Repair
    Authorizes the issuance of Two Thirds Bonds to repair the McGough Arena Roof located at the Western North Carolina Agricultural Center. The total amount of debt authorized is $2 million.

11 Department of Justice - Western Crime Lab
    Authorizes the issuance of Two Thirds Bonds for the purpose of constructing the Western Crime Lab in Edneyville, NC, as planned in S.L. 2010-142 and S.L. 2013-360. The total amount of debt authorized is $15.4 million.

12 Bond Reauthorization
    Reauthorizes $206 million of authorized but unissued special indebtedness with Two-Thirds Bonds.

Total Appropriation to Capital $15,560,000 NR
INFORMATION TECHNOLOGY SERVICES
Section N
Conference Report on the Continuation, Capital, and Expansion Budget

Information Technology Fund

<table>
<thead>
<tr>
<th>Budget Code: 24667</th>
</tr>
</thead>
</table>

FY 2014-15

Beginning Unreserved Fund Balance: $3,809,023

Recommended Budget:

Requirements: $10,470,657

Receipts: $10,472,857

Positions: 31.00

Legislative Changes:

Requirements:

Criminal Justice Information Network (2705)
Maintains funding of $169,963 for the Criminal Justice Information Network (CJIN). The CJIN is a statewide criminal justice infrastructure that allows the sharing of information between State and local criminal justice agencies.

Center for Geographic Info and Analysis (2715)
Maintains funding of $465,398 for the Center for Geographic Information and Analysis (CGIA), the lead agency for geographic information systems (GIS) services and GIS coordination for North Carolina, providing GIS services to State and local governments.

Enterprise Security Risk Management Office (2720)
Maintains funding of $964,148 for Enterprise Security Risk Management. The Enterprise Security and Risk Management Office (ESRMO) is responsible for the development, delivery and maintenance of an information security and risk management program that safeguards the State's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage, or loss.

Enterprise Project Management Office (2740)
Maintains funding of $1,473,265 for the Enterprise Project Management Office (EPMO). The EPMO was established to improve the management of IT projects in State government.

Information Technology
Conference Report on the Continuation, Capital, and Expansion Budget

Architecture and Engineering (2760)
Maintains funding of $351,066 for the Office of Enterprise Architecture. The Office acts as a strategic planner and architect for the State's IT programs and is responsible for formulating and advancing a vision for those programs.

State Portal (2769)
Maintains funding of $224,741 to support the current State website within the Office of the State Chief Information Officer.

Enterprise Licenses (2780)
Maintains funding of $33,000 to support enterprise license agreements. Enterprise license agreements support multiple agencies' IT projects and applications.

Consolidation (2790)
Maintains funding of $1,021,081 for consolidation, allowing the State Chief Information Officer to work to centralize IT operations and functions in the State.

Electronic Forms and Digital Signatures (2790)
Reduces funding for the State's enterprise electronic forms and digital signatures capability by 50% from $600,000 to $300,000, while continuing support for agencies currently using the service.

GDAC (2900, 2404, 2457, 2459)
Increases funding from the Information Technology Fund by $5,000,000, or 53%, to $1,417,510, to continue the efforts of the Government Data Analytics Center (GDAC) and the North Carolina Financial Accountability and Compliance Technology System (NFACTS) to develop an enterprise business intelligence capability. Included in the $5 million is $1.5 million in GDAC carryover. It also includes an increase in recurring funding for the Criminal Justice Law Enforcement Automated Data System (CJLEADS) of $1,129,488 to support ongoing operations and allow the development of additional capabilities. In addition to funding from the IT Fund, GDAC receives an appropriation in the Office of the State Controller's budget. Total funding for GDAC operations from all funding sources in fiscal year 2014-2015 is anticipated to be $17,059,414.

Information Technology
Conference Report on the Continuation, Capital, and Expansion Budget

 FY 2014-15

Longitudinal Data System Board Staffing
Provides funding of $5,000 for administrative support for the Longitudinal Data Board.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 R</td>
<td></td>
</tr>
<tr>
<td>$5,000 NR</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

Enterprise Resource Planning/NC GEAR
Provides $1.5 million in funding to the State Chief Information Officer to develop a strategic implementation plan for a Statewide Enterprise Resource Planning System (ERP), in coordination with the North Carolina Government Efficiency and Reform Initiative (NC GEAR), and the State Controller. The plan is to be submitted to the Joint Legislative Oversight Committee on Information Technology by December 1, 2014.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 R</td>
<td></td>
</tr>
<tr>
<td>$1,500,000 NR</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Legislative Changes

<table>
<thead>
<tr>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$678,488 R</td>
<td></td>
</tr>
<tr>
<td>$6,505,000 NR</td>
<td></td>
</tr>
<tr>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

Receipts:

Interest
Accounts for interest generated by the Information Technology Fund during FY 2013-14.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,200 R</td>
<td></td>
</tr>
<tr>
<td>$0 NR</td>
<td></td>
</tr>
</tbody>
</table>

GDAC Funding (2404, 2457, 2459, 2800)
Provides $5 million in nonrecurring funding from the IT Fund for the Government Data Analytics Center (GDAC) and the North Carolina Financial Accountability and Compliance Technology System (NCFACTS), an increase of 53%. This includes GDAC carryforward of $1.5 million. An additional $1,129,488 in recurring funding is provided for the Criminal Justice Law Enforcement Automated Data System (CJLEADS). All of this funding will be used to continue the State’s efforts to develop an enterprise business intelligence capability.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,129,488 R</td>
<td></td>
</tr>
<tr>
<td>$5,000,000 NR</td>
<td></td>
</tr>
</tbody>
</table>

Information Technology
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Forms and Digital Signatures (2790)</td>
<td>($450,000) R</td>
</tr>
<tr>
<td>Reduces funding for the Electronic Forms and Digital Signatures project by 50%, from $900,000 to $450,000, limiting support to current users.</td>
<td>$0 NR</td>
</tr>
<tr>
<td>Funding for Longitudinal Data Board</td>
<td>$0 R</td>
</tr>
<tr>
<td>Provides funding to support administrative requirements of the Longitudinal Data Board.</td>
<td>$5,000 NR</td>
</tr>
<tr>
<td>Funding for Enterprise Resource Planning/NC GEAR</td>
<td>$0 R</td>
</tr>
<tr>
<td>Provides $1.5 million for the State Chief Information Officer, in conjunction with the NC Government Efficiency and Reform Initiative (NC GEAR), and the State Controller to develop a strategic implementation plan for a Statewide Enterprise Resource Planning System.</td>
<td>$1,500,000 NR</td>
</tr>
<tr>
<td>Subtotal Legislative Changes</td>
<td>$651,888 R</td>
</tr>
<tr>
<td></td>
<td>$6,506,000 NR</td>
</tr>
<tr>
<td>Revised Total Requirements</td>
<td>$17,656,145</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$17,859,545</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>$4,400</td>
</tr>
<tr>
<td>Total Positions</td>
<td>31.00</td>
</tr>
<tr>
<td>Ending Unreserved Fund Balance</td>
<td>$3,913,423</td>
</tr>
</tbody>
</table>

Information Technology
# Conference Report on the Continuation, Capital, and Expansion Budget

## Information Technology Reserve Fund

<table>
<thead>
<tr>
<th>FY 2014-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td><strong>Recommended Budget</strong></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
</tr>
<tr>
<td><strong>Positions</strong></td>
</tr>
</tbody>
</table>

### Legislative Changes:

#### Requirements:

**Plan (Enterprise Architecture) (2725)**
Maintains State Chief Information Officer funding for Enterprise Architecture at $2,239,612 for personnel with the skills necessary to ensure that the State has an enterprise architecture that can be used as the basis for planning Statewide IT support and integrating agency requirements. As part of this effort, a consistent, data-led business case development process will be created that is based on best practices and ensures that the State acquires the best support at the lowest cost.

<table>
<thead>
<tr>
<th>Plan (Enterprise Architecture) (2725)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintains State Chief Information</td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>Officer funding for Enterprise</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Architecture at $2,239,612 for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>personnel with the skills necessary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to ensure that the State has an</td>
<td></td>
<td></td>
</tr>
<tr>
<td>enterprise architecture that can be</td>
<td></td>
<td></td>
</tr>
<tr>
<td>used as the basis for planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statewide IT support and integrating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agency requirements. As part of this</td>
<td></td>
<td></td>
</tr>
<tr>
<td>effort, a consistent, data-led</td>
<td></td>
<td></td>
</tr>
<tr>
<td>business case development process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>will be created that is based on</td>
<td></td>
<td></td>
</tr>
<tr>
<td>best practices and ensures that the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State acquires the best support at</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the lowest cost.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Build (Project Management) (2725)**
Reduces funding for project management by 30% to $1,772,353 to allow the State CIO to maintain staff with the skills required to create and deploy a development model for Cabinet agencies that will assist them in defining software requirements and require standard methodologies for project management and system development.

<table>
<thead>
<tr>
<th>Build (Project Management) (2725)</th>
<th>$(1,109,901)</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduces funding for project</td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>management by 30% to</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>$1,772,353 to allow the State CIO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>maintain staff with the skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>required to create and deploy a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>development model for Cabinet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>agencies that will assist them in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>defining software requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and require standard methodologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>for project management and system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>development.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Remediation (Equipment Relocation) (2725)**
Continues the relocation of information technology equipment from substandard facilities to State data centers. For FY 2014-15, funding of $900,000 is provided for equipment costs associated with the effort.

<table>
<thead>
<tr>
<th>Remediation (Equipment Relocation) (2725)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continues the relocation of information</td>
<td>50</td>
<td>NR</td>
</tr>
<tr>
<td>technology equipment from substandard</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>facilities to State data centers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For FY 2014-15, funding of $900,000 is</td>
<td></td>
<td></td>
</tr>
<tr>
<td>provided for equipment costs associated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with the effort.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Conference Report on the Continuation, Capital, and Expansion Budget

Security (2776)
Continues the State CIO's effort to assess IT security requirements, implement improvements, with nonrecurring funding of $250,000 for FY 2014-15.
Recurring funding of $142,798 is provided to support an additional security specialist in the Office of the State Chief Information Officer.

Desktop Remediation (2725)
Reduces desktop remediation funding by $7,050,000, requiring the State Chief Information Officer to prioritize requirements for agency desktop support.

Network Simplification (2726)
Provides funding of $4,202,463 to allow for the upgrade, simplification, and modernization of the State's critical IT infrastructure.

MS Office (2725)
Maintains funding of $2.3 million to update approximately 50,000 agency software licenses to meet current standards.

Operate (Standards and Measures)
Eliminates nonrecurring funding of $500,000 for a consultant to support standardization of IT services.

Customer Data (2725)
Eliminates nonrecurring funding of $1 million for a consultant to support the development of standard State policy regarding access to and use of data held by the State.

Secure Sign-On (2775)
Maintains recurring funding of $70,000 for secure sign-on, but reduces nonrecurring funding by 34%, from $3,280,000 to $2,167,015 to support the upgrade of the State's identity management system. This will allow the implementation of increasing security requirements for access to certain types of data.

Information Technology
### Conference Report on the Continuation, Capital, and Expansion Budget

#### FY 2014-15

<table>
<thead>
<tr>
<th>Innovation Center (2725)</th>
<th>$0</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continues operation of the State Information Technology Innovation Center to encourage collaboration among State agencies, institutions of higher learning, citizens, and the private sector to create information technology solutions with potential benefit to the State and anyone using government services.</td>
<td>$0</td>
<td>NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$270,067</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>($11,612,485)</td>
<td>NR</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

### Receipts:

<table>
<thead>
<tr>
<th>IT Reserve Receipts (2726 and 2775)</th>
<th>$270,067</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sells IT Reserve receipts at $220,240,067, a reduction of 36%.</td>
<td>($11,612,485)</td>
<td>NR</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
<td>$270,067</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>($11,612,485)</td>
<td>NR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revised Total Requirements</th>
<th>$220,240,067</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Receipts</td>
<td>$220,240,067</td>
</tr>
<tr>
<td><strong>Change in Fund Balance</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Positions</strong></td>
<td>33.00</td>
</tr>
</tbody>
</table>

**Ending Unreserved Fund Balance**

| $0 |

### Information Technology

Page N7
Conference Report on the Continuation, Capital, and Expansion Budget

Information Technology Internal Service Fund

Budget Code: 74660

<table>
<thead>
<tr>
<th>FY 2014-16</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Beginning Unreserved Fund Balance | $18,687,047 |
| Recommended Budget | $160,000,002 |
| Receipts | $190,000,000 |
| Positions | 507.00 |

Legislative Changes:

Requirements:

**Information Technology Internal Service Fund**
Sets funding for the Office of Information Technology Services at $105,000,000 (Fund Codes 7100, 7110, 7250, 7270, 7280, 7228, 7100, 7240, 7260, 7224, and 7U83)...

$0 R

$5,000,000 NR

0.00

Subtotal Legislative Changes

$0 R

$5,000,000 NR

0.00

Receipts:

**IT Internal Service Fund Receipts**
Limits receipts for FY 2014-15 to $195,000,000 (Fund Codes 7110, 7230, 7230, 7230, 7250, 7228, 7100, 7240, 7290, 7224, and 7U83).

$0 R

$6,000,000 NR

Subtotal Legislative Changes

$0 R

$6,000,000 NR

Information Technology
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$195,000,002</td>
</tr>
<tr>
<td>Revised Total Receipts</td>
<td>$196,000,000</td>
</tr>
<tr>
<td>Change in Fund Balance</td>
<td>($2)</td>
</tr>
<tr>
<td>Total Positions</td>
<td>807.00</td>
</tr>
<tr>
<td>Ending Unreserved Fund Balance</td>
<td>$18,557,045</td>
</tr>
</tbody>
</table>
NUMERICAL INDEX TO HOUSE
AND SENATE BILLS
2013 GENERAL ASSEMBLY
2014 REGULAR SESSION

"Ratified Number" refers to the Session Law number except when preceded by an R, in which case it refers to the Resolution number.

### HOUSE BILLS

<table>
<thead>
<tr>
<th>H.B.</th>
<th>Ratified Number</th>
<th>H.B.</th>
<th>Ratified Number</th>
<th>H.B.</th>
<th>Ratified Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>93</td>
<td>884</td>
<td>104</td>
<td>1114</td>
<td>69</td>
</tr>
<tr>
<td>101</td>
<td>96</td>
<td>894</td>
<td>41</td>
<td>1117</td>
<td>61</td>
</tr>
<tr>
<td>133</td>
<td>10</td>
<td>1025</td>
<td>58</td>
<td>1120</td>
<td>73</td>
</tr>
<tr>
<td>183</td>
<td>19</td>
<td>1030</td>
<td>R1</td>
<td>1121</td>
<td>R3</td>
</tr>
<tr>
<td>201</td>
<td>90</td>
<td>1031</td>
<td>18</td>
<td>1131</td>
<td>7</td>
</tr>
<tr>
<td>230</td>
<td>5</td>
<td>1033</td>
<td>89</td>
<td>1133</td>
<td>115</td>
</tr>
<tr>
<td>267</td>
<td>65</td>
<td>1034</td>
<td>64</td>
<td>1134</td>
<td>36</td>
</tr>
<tr>
<td>272</td>
<td>108</td>
<td>1043</td>
<td>42</td>
<td>1139</td>
<td>62</td>
</tr>
<tr>
<td>292</td>
<td>8</td>
<td>1044</td>
<td>83</td>
<td>1145</td>
<td>114</td>
</tr>
<tr>
<td>330</td>
<td>57</td>
<td>1045</td>
<td>35</td>
<td>1151</td>
<td>84</td>
</tr>
<tr>
<td>346</td>
<td>40</td>
<td>1048</td>
<td>106</td>
<td>1154</td>
<td>70</td>
</tr>
<tr>
<td>366</td>
<td>103</td>
<td>1050</td>
<td>3</td>
<td>1155</td>
<td>85</td>
</tr>
<tr>
<td>369</td>
<td>119</td>
<td>1052</td>
<td>59</td>
<td>1158</td>
<td>12</td>
</tr>
<tr>
<td>375</td>
<td>71</td>
<td>1054</td>
<td>98</td>
<td>1159</td>
<td>37</td>
</tr>
<tr>
<td>379</td>
<td>63</td>
<td>1056</td>
<td>81</td>
<td>1182</td>
<td>60</td>
</tr>
<tr>
<td>531</td>
<td>26</td>
<td>1059</td>
<td>87</td>
<td>1193</td>
<td>97</td>
</tr>
<tr>
<td>558</td>
<td>20</td>
<td>1060</td>
<td>15</td>
<td>1194</td>
<td>112</td>
</tr>
<tr>
<td>569</td>
<td>30</td>
<td>1067</td>
<td>46</td>
<td>1195</td>
<td>88</td>
</tr>
<tr>
<td>573</td>
<td>14</td>
<td>1074</td>
<td>R6</td>
<td>1207</td>
<td>38</td>
</tr>
<tr>
<td>625</td>
<td>94</td>
<td>1086</td>
<td>121</td>
<td>1212</td>
<td>74</td>
</tr>
<tr>
<td>644</td>
<td>76</td>
<td>1096</td>
<td>72</td>
<td>1218</td>
<td>92</td>
</tr>
<tr>
<td>688</td>
<td>2</td>
<td>1103</td>
<td>16</td>
<td>1220</td>
<td>53</td>
</tr>
<tr>
<td>698</td>
<td>27</td>
<td>1108</td>
<td>6</td>
<td>1245</td>
<td>80</td>
</tr>
<tr>
<td>712</td>
<td>49</td>
<td>1112</td>
<td>R7</td>
<td>1247</td>
<td>52</td>
</tr>
<tr>
<td>777</td>
<td>21</td>
<td>1113</td>
<td>51</td>
<td>1276</td>
<td>R8</td>
</tr>
</tbody>
</table>
## SENATE BILLS

<table>
<thead>
<tr>
<th>S.B.</th>
<th>Ratified Number</th>
<th>S.B.</th>
<th>Ratified Number</th>
<th>S.B.</th>
<th>Ratified Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>118</td>
<td>719</td>
<td>28</td>
<td>848</td>
<td>31</td>
</tr>
<tr>
<td>42</td>
<td>117</td>
<td>729</td>
<td>122</td>
<td>851</td>
<td>54</td>
</tr>
<tr>
<td>58</td>
<td>44</td>
<td>734</td>
<td>120</td>
<td>853</td>
<td>102</td>
</tr>
<tr>
<td>105</td>
<td>75</td>
<td>741</td>
<td>29</td>
<td>859</td>
<td>91</td>
</tr>
<tr>
<td>163</td>
<td>113</td>
<td>744</td>
<td>100</td>
<td>864</td>
<td>32</td>
</tr>
<tr>
<td>193</td>
<td>109</td>
<td>761</td>
<td>67</td>
<td>865</td>
<td>33</td>
</tr>
<tr>
<td>201</td>
<td>82</td>
<td>767</td>
<td>48</td>
<td>867</td>
<td>24</td>
</tr>
<tr>
<td>226</td>
<td>11</td>
<td>773</td>
<td>107</td>
<td>868</td>
<td>25</td>
</tr>
<tr>
<td>294</td>
<td>1</td>
<td>786</td>
<td>4</td>
<td>870</td>
<td>34</td>
</tr>
<tr>
<td>355</td>
<td>9</td>
<td>788</td>
<td>86</td>
<td>871</td>
<td>47</td>
</tr>
<tr>
<td>370</td>
<td>13</td>
<td>790</td>
<td>39</td>
<td>874</td>
<td>55</td>
</tr>
<tr>
<td>376</td>
<td>105</td>
<td>793</td>
<td>101</td>
<td>875</td>
<td>56</td>
</tr>
<tr>
<td>403</td>
<td>111</td>
<td>794</td>
<td>77</td>
<td>877</td>
<td>99</td>
</tr>
<tr>
<td>463</td>
<td>22</td>
<td>796</td>
<td>R2</td>
<td>879</td>
<td>R4</td>
</tr>
<tr>
<td>477</td>
<td>43</td>
<td>797</td>
<td>66</td>
<td>882</td>
<td>R5</td>
</tr>
<tr>
<td>523</td>
<td>45</td>
<td>812</td>
<td>78</td>
<td>883</td>
<td>95</td>
</tr>
<tr>
<td>574</td>
<td>17</td>
<td>815</td>
<td>50</td>
<td>884</td>
<td>116</td>
</tr>
<tr>
<td>614</td>
<td>79</td>
<td>845</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>648</td>
<td>110</td>
<td>846</td>
<td>68</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Suggestions for Use: Local legislation appears under the name of the particular county or municipality. Legislation that amends or repeals another session law appears under "Laws Amended or Repealed" and under the particular subject. General appropriations appear under "Appropriations". Specific appropriations or earmarks appear under the particular agency, entity, or subject. Committees, Commissions, Councils, and Boards appear as main entries. Numbers are alphabetized as spelled (i.e., 9 is listed alphabetically as "nine"). Session Law numbers (locators) are shown in standard citation format with the word "Section" replaced by the section symbol (§). Thus, "Session Law 145 Section 6A.10 subsection (a) through subsection (p)" would appear as "145§6A.10(a)-(p)", and "Session Law 145 Section 28.31 through Section 28.31A" would appear as "145§§28.31-28.31A". Noncontiguous Session Law sections are separated by a comma. Complete Session Law citations are separated by a semicolon.

A

ABC Boards (Local)—alcohol and substance abuse education and prevention initiative study .................................. 100§121.3(a)-(b)
Abusive Patent Assertions Act ....................................................................................................................... 110§2.1-2.2
Academic Standards Review Commission
  Common Core replacement ................................................................. 78§2(c)
  Created ......................................................................................... 78§2(a)-(i)
  English Language Arts and Mathematics standards review ................................................................. 78§2(c)
Acupuncture Licensing Board—appointments and membership .............................................................. 116§2.1
Administration, Department of
  Appropriations and allocations
    County veterans services programs State contribution eliminated ...................................................... 100§30.1
    Current Operations ......................................................................... 100§2.1
    Eugenics Program administration funds ......................................................................................... 100§6.13(d)
  Broughton Hospital facilities future use study ........................................ 100§15.20(a)-(d)
  Camp Sertoma/Moore Springs property re-allocated to DENR ................................................. 100§11.7(d)
  Division of Purchase and Contract
    Any fuel option in school bus contracts ................................................................................. 4§28(a)-(b)
Division of Veterans Affairs
  Closure of certain offices prohibited .......................................................... 100§30.2
  Eugenics Program amendments ................................................................................................. 100§6.13(a)-(f)
  LNG export terminal siting study ........................................................................ 4§22(a)-(b)
  Natural gas-fueled school bus infrastructure study ...................................................................... 4§28(c)
  Office of Justice for Sterilization Victims sunset ........................................................................ 100§6.13(e)
  Oregon Inlet federal property acquisition .............................................................................. 100§14.7(a)-(m)
State Construction Office
  Coal ash products specifications for public procurement .......................................................... 122§16
  Maintain maps of military installations ........................................................................................ 79§1
  Responsible for reviewing endorsements of buildings near military bases ........................................ 79§2-5
Students Against Destructive Decisions Program discontinued ....................................................... 100§30.3
Administrative Hearings, Office of
Appropriations and allocations—Current Operations ........................................ 100§2.1
Capstone permitting ......................................................................................... 120§48
Electronic filing .............................................................................................. 120§5(a)-(b)
Medicaid appeals ............................................................................................ 100§12H.27(a)-(d)
Recourse when agency fails to act .................................................................. 120§59(a)-(b)
Representation of small business entities in appeals ...................................... 120§7(a)-(c)
Technical corrections, clarifications, and conforming changes ....................... 115§14

Administrative Procedure Act .......................................................................... 120§2

Administrative Procedure Oversight Committee, Joint Legislative—licensing
board reporting requirements ........................................................................... 120§4

Administrative Rules
ADA requirements for private pools ............................................................... 120§13(a)-(c)
Agriculture environmental complaints procedure ......................................... 103§1(b)
Amend certain rules to conform to H201 ...................................................... 90§7
Antineoplastic agents health worker safety .................................................... 76
APA exemptions for oil and gas exploration rules ......................................... 4§2(a)-(h)
Approved wastewater systems modification .............................................. 120§47(a)-(e)
Certain rules disapproved .............................................................................. 77§1-3
Certification of private pesticide applicators ................................................. 100§13.10(a)-(c)
Coastal stormwater grandfather ................................................................... 120§25(a)-(e)
Disapprove riparian buffer mitigation rules .................................................... 95§1
Electronic transmission of commercial fishing rules .................................... 100§14.13
Emergency epinephrine auto-injectors in schools ........................................ 100§8.23(a)-(e)
Governor's Waste Management Board rules repealed .................................. 120§41(a)-(b)
Hardison Amendment clarification ................................................................ 120§57
Health Care Cost Reduction and Transparency Act revisions ...................... 100§12G.2
Hunting trials ............................................................................................... 120§36(a)-(b)
Inlet hazard areas ......................................................................................... 120§35(a)-(f)
Isolated wetlands regulation ........................................................................ 120§54(a)-(e)
Licensing boards rules for professional corporations .................................... 120§3
Mining and Energy Commission rules study ............................................... 4§25(a)-(b)
New riparian buffer mitigation program requirements rules ........................ 95§2
Oil and gas exploration
Rule deadline ................................................................................................... 4§1
Rules ............................................................................................................... 4§7(a)-(b)
Open burning ............................................................................................... 120§24(a)-(h)
Readoption of existing rules process ............................................................. 120§2
Replacement of disapproved rules ............................................................... 77§§6-7
State Fair admission fees exempt from rulemaking ....................................... 103§17
Streamline rule-making process ................................................................... 120§6(a)-(c)
Transfer solid waste rule-making authority from Public Health Commission to EMC .................................................. 122§11(a)-(m)

Adult Care Homes—see Nursing Homes

Advertising and Marketing
Advertising and naming rights on ferries ...................................................... 58§11(a)-(b)
Agritourism sign location standards ............................................................. 58§2
DOT signage .................................................................................................. 100§34.14(a)-(b)
Advertising and Marketing—continued
Got to Be NC official marketing campaign........................................... 100§13.4; 103§15

African-American Heritage Commission—
appointments and membership ................................................................. 116§§1.2, 2.2

Aging
Incompetent ward guardian status reports ........................................... 100§12D.4(a)-(c)
PACE Program report........................................................................... 100§12H.34(a)-(b)
Public guardianship system improvement ........................................... 100§12D.3(a)-(d)
Special Assistance Program
Eligibility................................................................................................... 100§12D.1(a)-(h)
State-county cost share ........................................................................... 100§12D.2
Subpoena relating to exploitation of disabled or older adults clarification ...................................................... 115§44(a)-(e)

Agricultural Finance Authority
Appointments and membership................................................................. 116§2.3
Executive Director's salary....................................................................... 100§35.2

Agriculture
Agricultural sales and use tax exemption certificate ................................. 3§3.1(a)-(f)
Agritourism sign location standards............................................................ 58§2
Assessment referendum on tobacco produced in the State ....................... 115§42.7(a)-(b)
Confidentiality of agricultural operations
environmental investigations........................................................................ 103§1(a)
Environmental complaints procedure....................................................... 103§1(b)
First degree trespass for agricultural facilities........................................... 103§10(a)-(b)
Got to Be NC official marketing campaign.............................................. 100§13.4; 103§15
Municipal flood plain ordinance enforcement in ETJ ................................. 120§15
Operation and use of defunct 4-H camps ............................................... 100§11.7(a)-(e)
Pesticide use for moles ............................................................................... 103§9
Planting and harvesting seasons definitions clarification ................................ 103§5
Prohibit regulation of fertilizers ............................................................... 103§2(a)-(b)
Well development as criteria for agricultural water resources assistance funding .............................................. 100§13.3(a)-(b)

Agriculture and Consumer Services, Department of
Appropriations and allocations
Current Operations.................................................................................. 100§2.1
Plant Sciences Research and Innovation Initiative..................................... 100§13.1(a)-(b)
Research Stations Division
Fund excess to General Fund................................................................... 100§13.8
Research Stations Division—Fund excess to General Fund ....................... 100§13.8
Structural Pest Control and Pesticides Division
—Bedding Law Account use for IT needs .............................................. 100§13.1A
TVA Settlement funds............................................................................... 100§13.15
Commissioner's salary........................................................................... 100§35.1(b)
Forestry fees correction............................................................................ 120§58
Law enforcement officers appointment...................................................... 103§7
National Poultry Improvement Plan fees................................................... 100§13.11(a)-(b)
NER facilities and administrative fees...................................................... 100§14.2

1187
Agriculture and Consumer Services, Department of—continued
  Appropriations—see Appropriations
  and allocations, this heading
Scope of local authority for ordinances ................................................... 120§32(b), (d)
Speed limit waiver in State parks and forests ........................................... 120§31(a)-(b)
State Fair admission fees exempt from rulemaking .................................. 103§17
Structural Pest Control and Pesticides Division
  Appropriations—see Appropriations
  and allocations, this heading

Agriculture and Forestry Awareness,
  Commission on—cochair appointments ............................................... 103§6

Agriculture, Board of
  Forest management plans fees ............................................................. 100§13.13(a)-(b)
  State Fair admissions fees
    Exempt from rulemaking ................................................................. 103§17
    Schedule posting ............................................................................... 100§13.2(a)-(b)

AIDS (Acquired Immune Deficiency Syndrome)—
  testing and substance abuse treatment block grant .............................. 100§12J.1

Aircraft—see Aviation

Airports and Airport Authorities
  Charlotte Douglas International Airport Commission clarifications .......... 10
  Greater Asheville Regional Airport Authority
    Appointments clarification ................................................................. 52§1-3
    Eminent domain clarification ........................................................... 52§4

Alamance County
  Burlington, City of—see that heading

Alarm Systems
  Carbon monoxide alarm requirements in hotels and motels ................. 120§22(a)-(e)
  Panic alarm carryforward clarification ............................................... 100§8.8(a)-(b)

Alarm Systems Licensing Board
  Appointments and membership .......................................................... 116§1.3
  Transferred from Justice Dept. to Dept. of Public Safety .................... 100§17.5(e)-(g)

Alcoholic Beverage Control Commission
  ABC permits
    Fee increase ...................................................................................... 100§16B.2(a)-(b)
    Suspension for certain criminal charges ........................................ 100§15.2A1(a)-(b)
    Technical correction .......................................................................... 115§28.2(a)-(c)
    Chair's salary ................................................................................... 100§35.2
    Tax compliance requirement for permit holders .............................. 3§10.1(a)-(e)
    Transfer to Department of Public Safety ......................................... 100§15.2A(a)-(f)

Alcoholic Beverages
  ABC permits
    For schools and colleges ................................................................. 120§14
    Technical correction .......................................................................... 115§28.2(a)-(c)
  Alcohol and substance abuse education
    and prevention initiative study ......................................................... 100§121.3(a)-(b)
  Alcohol Law Enforcement transfer .................................................... 100§17.1(uuu)-(hhhh)
  Community college brewing course waiver ...................................... 120§17(a)-(d)
  Excise tax changes ............................................................................. 3§9.1(a)-(c)
Alternative Energy
Any fuel option in school bus contracts .......................................................... $28(a)-(b)
Local government leases for renewable energy facilities ......................... 120§34
Natural gas-fueled school bus infrastructure study ................................... $28(c)

Alternative Medicine (see also Health Services)—hemp oil epilepsy treatment study .................. 53

Ambulances—see Emergency Services

Animals—see Fish and Wildlife

Annexation
Deannexation
Murphy ................................................................................................................. 46
Rockingham ........................................................................................................... 48
Shallotte ............................................................................................................... 68§1(a)-(c)
Spruce Pine .......................................................................................................... 55
Watha ................................................................................................................. 80§2(a)-(c)
Wrightsville Beach ............................................................................................. 45
Durham .............................................................................................................. 47§1(c)-(d), §2-4
Pinehurst ............................................................................................................. 85§1
Pleasant Garden ................................................................................................. 80§1(a)-(c)
Satellite annexation restrictions removed
for certain cities ...................................................................................... 30§§1(a)-(b), 2(a)-(b)
Technical corrections, clarifications, and
conforming changes ............................................................................... 115§15.1
Wilmington ........................................................................................................ 45

Anson County—air rifles and BB guns not "dangerous firearms" .................... 119§10(a)-(b)

Appointments
Attorney General
Forensic Science Advisory Board ................................................................. 115§46
Commissioner of Agriculture's appointments
Landscape Contractors' Licensing Board ...................................................... 103§3(b)-(d)
Governor's appointments
Academic Standards Review Commission ..................................................... 78§2(b)
Building and Infrastructure Needs of the State, Blue Ribbon Commission to Study the .................................................. 42§8(b)
Coal Ash Management Commission .......................................................... 122§3(a), (e)
Community Corrections Advisory Board ...................................................... 100§16.C.12
Education and Workforce Innovation Commission .................................. 100§23.1(e)-(f)
Landscape Contractors' Licensing Board ...................................................... 103§3(b)-(d)
Mining Commission ......................................................................................... 4§5(a)
National Guard Adjutant General ................................................................. 106§1
Oil and Gas Commission ............................................................................. 4§4(a)-(b)
Science, Technology, and Innovation, Board of ......................................... 18§2.1

House Majority Leader's appointments
Partnership for Children, Inc., Board of Directors ........................................ 116§3.1

House Minority Leader's appointments
Partnership for Children, Inc., Board of Directors ........................................ 116§3.2

Industrial Commission Chair's appointments
Industrial Commission .................................................................................. 100§15.16(a)-(e)
Appointments—continued

President Pro Tempore’s appointments

Academic Standards Review Commission .......................................................... 78§2(b)
African-American Heritage Commission ........................................................... 116§1.2
Agriculture and Forestry Awareness, Commission on
  Cochair appointments .................................................................................. 103§6
Alarm Systems Licensing Board ...................................................................... 116§1.3
Arboretum, Board of Directors ...................................................................... 116§1.12
Athletic Trainer Examiners, Board of ............................................................ 116§1.14
Building and Infrastructure Needs of the State, Blue Ribbon Commission to Study the... 42§8(b)
Building Commission, State ......................................................................... 116§1.28
Business Court Modernization, Subcommittee on ......................................... 102§8(b)
Cemetery Commission .................................................................................. 116§1.5
Charter School Advisory Board .................................................................... 116§1.39(a)-(b)
Clean Water Management Trust Fund, Board of Trustees ............................. 116§1.18
Coal Ash Management Commission ................................................................ 116§1.16(a)-(c); 122§3(a), (e)
Coastal Resources Commission .................................................................... 116§1.7
Code Officials Qualification Board .................................................................. 116§1.19(a)-(b)
Dietetics/Nutrition, Board of ......................................................................... 116§1.15
Dispute Resolution Commission .................................................................... 116§1.9
Domestic Violence Commission ..................................................................... 116§1.10
Economic Development Accountability & Standards Committee ........................ 18§1.1(a)
Education and Workforce Innovation Commission ......................................... 100§23.1(e)-(f)
Electrolysis Examiners, Board of ................................................................... 116§1.16
Environmental Management Commission .................................................... 116§1.11
General Government, Joint Legislative Committee on ................................... 100§22.1
Home Inspector Licensure Board ................................................................... 116§1.20
Housing Partnership, North Carolina .............................................................. 116§1.21
Landscape Contractors’ Licensing Board ....................................................... 103§3(b)-(d)
Lottery, Joint Legislative Oversight Committee on the North Carolina 100§5.2(h)
Massage and Bodywork Therapy, Board of ................................................... 116§1.17
Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for 116§1.8
Mining and Energy Commission .................................................................... 116§1.22
Mining Commission ......................................................................................... 4§5(a)
Museum of Art, Board of Trustees ................................................................... 116§1.1
Oil and Gas Commission ................................................................................ 4§4(a)-(b)
On-Site Wastewater Contractors and Inspectors Certification Board 116§1.25
Parks and Recreation Authority ....................................................................... 116§1.31
Partnership for Children, Inc., Board of Directors ......................................... 116§1.23
Permanency Innovation Initiative Oversight Committee ............................ 116§1.24
Ports Authority, State ..................................................................................... 116§1.29
Private Protective Services Board ................................................................... 116§1.32
Real Estate Commission .................................................................................. 116§1.26
Appointments—continued

Recreational Therapy Licensure Board .......................................................... 116§1.27
Roanoke Island Commission ........................................................................ 116§1.33
Rural Infrastructure Authority ..................................................................... 116§1.34
Soil Scientists, Board for Licensing of ..................................................... 116§1.13
South Carolina and North Carolina Interstate Freight Rail Compact Commission ........................................ 121§2
Southern Dairy Compact Commission ...................................................... 116§1.38
State Health Plan for Teachers and State Employees, Board of Trustees .................................................... 116§1.4
Structural Pest Control Commission ......................................................... 116§1.35
Substance Abuse Professionals Practice Board ...................................... 116§1.30
Supplemental Retirement Board of Trustees .......................................... 116§1.36
Well Contractors Certification Commission ............................................. 116§1.37
Secretary of Commerce's appointments
South Carolina and North Carolina Interstate Freight Rail Compact Commission ................................................ 121§2
Speaker's appointments
Academic Standards Review Commission .................................................. 78§2(b)
Acupuncture Licensing Board ..................................................................... 116§2.1
African-American Heritage Commission .................................................. 116§2.2
Agricultural Finance Authority .................................................................. 116§2.3
Agriculture and Forestry Awareness, Commission on Cochairs appointments ........................................... 103§6
Appraisal Board ......................................................................................... 116§2.4
Arboretum, Board of Directors ................................................................. 116§2.5
Athletic Trainer Examiners, Board of ...................................................... 116§2.6
Building and Infrastructure Needs of the State, Blue Ribbon Commission to Study the .......................... 42§8(b)
Building Commission, State ..................................................................... 116§2.7
Business Court Modernization, Subcommittee on ................................. 102§8(b)
Clean Water Management Trust Fund, Board of Trustees ....................... 116§2.8
Coal Ash Management Commission ....................................................... 116§2.42(a)-(b); 122§3(a), (e)
Coastal Resources Commission ................................................................ 116§2.9
Dietetics/Nutrition, Board of ..................................................................... 116§2.10
Domestic Violence Commission .................................................................. 116§2.11
Economic Development Accountability & Standards Committee .......... 18§1.1(a)
Economic Investment Committee .............................................................. 116§2.12
Education and Workforce Innovation Commission ................................ 100§23.1(e)-(f)
Emergency Medical Services Advisory Council .................................. 116§2.13
Funeral Service, Board of ......................................................................... 116§2.14
General Government, Joint Legislative Committee on .......................... 100§22.1
Global TransPark Authority ....................................................................... 116§2.15
Human Trafficking Commission ................................................................ 115§47
Indian Affairs, State Commission of ........................................................ 116§2.16
Interpreter and Transliterator Licensing Board ...................................... 116§2.17
Irrigation Contractors' Licensing Board .................................................. 116§2.18
Landscape Contractors' Licensing Board ................................................. 103§3(b)-(d)
### Appointments

<table>
<thead>
<tr>
<th>Commission/Authority</th>
<th>Session Law No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>License to Give Trust Fund Commission</td>
<td>§2.19</td>
</tr>
<tr>
<td>Locksmith Licensing Board</td>
<td>§2.20</td>
</tr>
<tr>
<td>Committee on the North Carolina</td>
<td>§5.2(h)</td>
</tr>
<tr>
<td>Marine Industrial Park Authority</td>
<td>§2.21</td>
</tr>
<tr>
<td>Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for</td>
<td>§2.22</td>
</tr>
<tr>
<td>Mining and Energy Commission</td>
<td>§2.23</td>
</tr>
<tr>
<td>Mining Commission</td>
<td>§4(a)</td>
</tr>
<tr>
<td>911 Board</td>
<td>§2.24(a)-(b)</td>
</tr>
<tr>
<td>Oil and Gas Commission</td>
<td>§4(a)-(b)</td>
</tr>
<tr>
<td>On-Site Wastewater Contractors and Inspectors Certification Board</td>
<td>§2.25</td>
</tr>
<tr>
<td>Parks and Recreation Authority</td>
<td>§2.26</td>
</tr>
<tr>
<td>Partnership for Children, Inc., Board of Directors</td>
<td>§2.27</td>
</tr>
<tr>
<td>Permanency Innovation Initiative Oversight Committee</td>
<td>§2.28</td>
</tr>
<tr>
<td>Ports Authority, State</td>
<td>§2.29</td>
</tr>
<tr>
<td>Private Protective Services Board</td>
<td>§2.30</td>
</tr>
<tr>
<td>Real Estate Commission</td>
<td>§2.31</td>
</tr>
<tr>
<td>Recreational Therapy Licensure Board</td>
<td>§2.32</td>
</tr>
<tr>
<td>Roanoke Island Commission</td>
<td>§2.33</td>
</tr>
<tr>
<td>South Carolina and North Carolina</td>
<td>§2.34</td>
</tr>
<tr>
<td>State Health Plan for Teachers and State</td>
<td>§2.35</td>
</tr>
<tr>
<td>Soil Scientists, Board for Licensing of</td>
<td>§2.36</td>
</tr>
<tr>
<td>Interstate Freight Rail Compact Commission</td>
<td>§2.37</td>
</tr>
<tr>
<td>Structural Pest Control Committee</td>
<td>§2.38</td>
</tr>
<tr>
<td>Substance Abuse Professionals Practice Board</td>
<td>§2.39</td>
</tr>
<tr>
<td>Supplemental Retirement Board of Trustees</td>
<td>§2.40</td>
</tr>
<tr>
<td>Turnpike Authority, North Carolina</td>
<td>§2.41</td>
</tr>
<tr>
<td>South Carolina and North Carolina</td>
<td>§2.42</td>
</tr>
<tr>
<td>Interstate Freight Rail Compact Commission</td>
<td>§2.43</td>
</tr>
</tbody>
</table>

### Appraisal Board

Appointments and membership: §2.4

### Appraisals

Central assessment of mobile telecommunications property: §11.1(a)-(h)

### Apprenticeships

Transfer of funds to offset apprenticeship fees: §10.6(a)-(b)

### Appropriations

See also Budgeting and Budget Process; particular agency, entity, subject.

#### Capital appropriations

- General Fund: §36.1
- Non-General Fund: §36.3
- Cash balances to meet temporary cash needs: §6.14
- Contingency and Emergency Fund litigation expenses: §6.12

#### Current Operations

- General Fund: §2.1
- Availability: §2.2(a)
- Unappropriated balance: §2.2(b)
### Appropriations—continued

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Fund</td>
<td>Appropriations Act of 2014</td>
<td>100§3.1</td>
</tr>
<tr>
<td></td>
<td>Availability</td>
<td>100§3.2</td>
</tr>
<tr>
<td>Highway Trust Fund</td>
<td>Appropriations Act of 2014</td>
<td>100§4.1</td>
</tr>
<tr>
<td></td>
<td>Availability</td>
<td>100§4.1</td>
</tr>
<tr>
<td>Current Operations and Capital Improvements</td>
<td>Appropriations Act of 2014</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>DHHS Block Grants</td>
<td>100§12J.1</td>
</tr>
<tr>
<td></td>
<td>Encumbered grant funds returned to state</td>
<td>100§6.1</td>
</tr>
<tr>
<td></td>
<td>Funds and accounts</td>
<td>See that heading</td>
</tr>
<tr>
<td>General Fund</td>
<td>Blount Street Properties Fund closed</td>
<td>100§30.5(a)-(b)</td>
</tr>
<tr>
<td>Highway Fund</td>
<td>Credit reserve</td>
<td>100§34.19(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Current Operations</td>
<td>100§3.1</td>
</tr>
<tr>
<td>Highway Trust Fund</td>
<td>Current Operations</td>
<td>100§4.1</td>
</tr>
<tr>
<td></td>
<td>Availability</td>
<td>100§4.1</td>
</tr>
<tr>
<td>Job Development Investment Grants</td>
<td></td>
<td>100§2.1</td>
</tr>
<tr>
<td>Litigation reserve</td>
<td></td>
<td>100§2.1</td>
</tr>
<tr>
<td>Order of appropriations bills</td>
<td></td>
<td>100§6.8</td>
</tr>
<tr>
<td></td>
<td>Redirection of specified interest, taxes, fees to General Fund</td>
<td>100§2.2(d)-(l)</td>
</tr>
<tr>
<td></td>
<td>Reserves, adjustments, and debt service</td>
<td>100§2.1</td>
</tr>
</tbody>
</table>

### Appropriations and Allocations—Two-Thirds

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Act funds use</td>
<td>100§36.12(a)-(k)</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>transplanting of oysters and clams</td>
</tr>
<tr>
<td>Aquariums</td>
<td>see Zoos and Aquariums</td>
</tr>
<tr>
<td>Arboretum, Board of Directors</td>
<td>appointments and membership</td>
</tr>
</tbody>
</table>

### Armed Forces

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Development and Farmland Preservation</td>
<td>Trust Fund for military buffers matching funds</td>
</tr>
<tr>
<td></td>
<td>Base realignment and closure activities funds</td>
</tr>
<tr>
<td></td>
<td>Closure of certain Division of Veterans Affairs offices prohibited</td>
</tr>
<tr>
<td></td>
<td>College credit for military training plan</td>
</tr>
<tr>
<td></td>
<td>Licensure of persons with military training</td>
</tr>
<tr>
<td></td>
<td>Military-connected student identifier</td>
</tr>
<tr>
<td></td>
<td>Military service credit clarification for newly hired educators</td>
</tr>
<tr>
<td></td>
<td>Military training and experience &quot;knowledge gap fulfillment,&quot; job development, and college credit study</td>
</tr>
<tr>
<td>National Guard</td>
<td>Additional Adjutant General position</td>
</tr>
<tr>
<td></td>
<td>Adjutant General appointment</td>
</tr>
<tr>
<td></td>
<td>Capital projects flexibility</td>
</tr>
<tr>
<td></td>
<td>Family Assistance Centers funding</td>
</tr>
<tr>
<td></td>
<td>Pension Fund enhanced benefits</td>
</tr>
<tr>
<td></td>
<td>Public records and meetings regarding military installations</td>
</tr>
</tbody>
</table>
Armed Forces—continued
State Construction Office
 Responsible for reviewing endorsements
 of buildings near military bases .......................................................... 79§§2-5
 Shall maintain maps of military installations ................................. 79§1
Uniform Deployed Parents Custody and
Visitation Act technical corrections ...................................................... 115§38(a)-(d)
Veterans
 County veterans services programs State
 contribution eliminated ...................................................................... 100§30.1
 Tuition assistance to veterans and
 families in Yellow Ribbon Program ................................................. 100§11.12(a)-(d)
Arts—Earl Scruggs Center funds .......................................................... 100§15.20(a)-(d)

Asheville, City of
Brevard Road site transfer to Henderson County ............................................ 51
Colburn Earth Science Museum Grassroots
 Science Program grant-in-aid .............................................................. 100§15.19
Extraterritorial jurisdiction authority repealed .................................................. 26§2
Greater Asheville Regional Airport Authority
 Appointments clarification .................................................................... 52§§1-3
 Eminent domain clarification ............................................................... 52§4
Health Adventure Museum of Pack Place,
 Education, Arts and Science Center
Grassroots Science Program grant-in-aid ................................................. 100§15.19
Pisgah Astronomical Research Institute
Grassroots Science Program grant-in-aid ................................................. 100§15.19
UNC-Asheville—see University of North Carolina
Western North Carolina Nature Center
Grassroots Science Program grant-in-aid ................................................. 100§15.19

Assisted Living Facilities—see Nursing Homes

Athletic Trainer Examiners, Board of—
 appointments and membership ......................................................... 116§§1.14, 2.6
Attorney General (see also Justice, Department of)
 Contingency fee agreements in third-party contracts ...................... 110§§1.1-1.3
 Energy Policy Council legal support from DENR attorneys ............ 4§29(a)-(b)
 General Assembly outside counsel in
 constitutionality lawsuits .................................................................. 100§17.3A(a)-(e)
 Salary ................................................................................................. 100§35.1(b)
 Technical corrections, clarifications, and conforming changes .... 115§11.1
 Unpaid bills collection for Turnpike Authority ................................. 115§58

Attorneys
 Contingency fee agreements in third-party
 contracts between AG and private attorneys .................................. 110§§1.1-1.3
 DOT legal services ............................................................................ 100§34.24(a)-(e)
 Energy Policy Council legal support from DENR attorneys ............ 4§29(a)-(b)
 General Assembly outside counsel in
 constitutionality lawsuits .................................................................. 100§17.3A(a)-(e)

ATVs (All Terrain Vehicles)—see Motor Vehicles
Auditor, State—see State Auditor, Department of
<table>
<thead>
<tr>
<th>Session Law</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audits and Auditing</td>
<td></td>
</tr>
<tr>
<td>Annual audit date change for Turnpike Authority</td>
<td>58§3</td>
</tr>
<tr>
<td>Captive insurance</td>
<td>65</td>
</tr>
<tr>
<td>NC Pre-K audits</td>
<td>100§12B.6</td>
</tr>
<tr>
<td>Private audit of pension fund</td>
<td>100§25.1(a)-(d)</td>
</tr>
<tr>
<td>State Auditor authority to publish reports and discretion when charging/collecting costs for audits</td>
<td>100§25.2</td>
</tr>
<tr>
<td>State Auditor evidence of criminal misconduct reporting</td>
<td>100§25.3</td>
</tr>
<tr>
<td>Aurora, Town of—Aurora Fossil Museum Grassroots Science Program grant-in-aid</td>
<td>100§15.19</td>
</tr>
<tr>
<td>Authorities</td>
<td></td>
</tr>
<tr>
<td>Agricultural Finance Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation Authority repealed for Buncombe County</td>
<td>26§4</td>
</tr>
<tr>
<td>Education Assistance Authority, State—see that heading</td>
<td></td>
</tr>
<tr>
<td>Global TransPark Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Marine Industrial Park Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Parks and Recreation Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Ports Authority, State—see that heading</td>
<td></td>
</tr>
<tr>
<td>Rural Infrastructure Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Small Business Contractor Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>State Water Infrastructure Authority—see that heading</td>
<td></td>
</tr>
<tr>
<td>Turnpike Authority, North Carolina—see that heading</td>
<td></td>
</tr>
<tr>
<td>Avery County Elk Park, Town of—see that heading</td>
<td></td>
</tr>
<tr>
<td>Aviation</td>
<td></td>
</tr>
<tr>
<td>DOT aircraft fleet sale</td>
<td>100§34.10(a)-(c)</td>
</tr>
<tr>
<td>Unmanned aircraft Procurement/operation moratorium</td>
<td>100§7.11(a)-(b)</td>
</tr>
<tr>
<td>Regulation</td>
<td>100§34.30(a)-(l)</td>
</tr>
<tr>
<td>Bail Bondsmen—see Courts; Surety and Fidelity</td>
<td></td>
</tr>
<tr>
<td>Bakersville, Town of—town council staggered terms</td>
<td>56</td>
</tr>
<tr>
<td>Bald Head Island, Village of—contract post office authority</td>
<td>23</td>
</tr>
<tr>
<td>Banking Commission, State</td>
<td></td>
</tr>
<tr>
<td>Adjustment requirement/limit on cumulative increases</td>
<td>100§35.7</td>
</tr>
<tr>
<td>Commissioner's salary</td>
<td>100§35.2</td>
</tr>
<tr>
<td>Barber Examiners, Board of</td>
<td></td>
</tr>
<tr>
<td>Initial inspections</td>
<td>115§39.7</td>
</tr>
<tr>
<td>Natural hair specialists application to be grandfathered sunset extended</td>
<td>115§61.7</td>
</tr>
<tr>
<td>Barbers and Cosmetologists—natural hair specialists application to be grandfathered sunset extended</td>
<td>115§61.7</td>
</tr>
<tr>
<td>Battleship Commission, North Carolina</td>
<td></td>
</tr>
<tr>
<td>Exempt from certain operating rules for historic sites and museums</td>
<td>100§19.5(a)-(c)</td>
</tr>
<tr>
<td>Hull repairs authorized</td>
<td>100§36.10</td>
</tr>
</tbody>
</table>

1195
Beach Nourishment and Replenishment—eminent domain
for beach erosion control and flood and hurricane works for Duck ............................. 86

Beaufort County
Aurora, Town of—see that heading
Washington, City of—see that heading

Bessemer City, City of—Gas cities PNG tax phase-in ....................................... 39§1(a)-(e)

Bids and Bidding—see Contracts and Purchasing

Billboards—see Advertising and Marketing

Biotechnology Center, North Carolina
Ag Biotech sector and biodefense cluster effort funds ........................................ 100§15.17
NER facilities and administrative fees ........................................................................ 100§14.2
Prioritize funding and distribution of loans over funding and grants .......................... 100§15.17

Bladen County
Elizabethtown, Town of—see that heading
Investing in Innovation Grant participation ......................................................... 100§8.27
Nonacceptance of deed transfer due to delinquent taxes ........................................ 29

Blue Ribbon Commission to Study the Building and
Infrastructure Needs of the State—see Building and
Infrastructure Needs of the State, Blue Ribbon Commission to Study the

Board for Licensing of Soil Scientists—see
Soil Scientists, Board for Licensing of

Board of Athletic Trainer Examiners—see
Athletic Trainer Examiners, Board of

Board of Correction—see Correction, Board of

Board of Dietetics/Nutrition—see Dietetics/Nutrition, Board of

Board of Electrolysis Examiners—see Electrolysis Examiners, Board of

Board of Funeral Service—see Funeral Service, Board of

Board of Massage and Bodywork Therapy—see Massage and Bodywork Therapy, Board of

Board of Pharmacy—see Pharmacy, Board of

Board of Review
Chair's salary ........................................................................................................ 100§35.2
Members' salaries .................................................................................................. 100§35.2

Boone, Town of
Appalachian State University—see University of North Carolina
Extraterritorial jurisdiction authority repealed .................................................... 33

Boys and Girls Clubs—see Youth Organizations

Bridges—see Roads and Highways

Brunswick County
Bald Head Island, Village of—see that heading
Ocean Isle Beach, Town of—see that heading
Shallotte, Town of—see that heading

Budget and Management, Office of State
APA exemptions for oil and gas exploration rules ................................................. 4§2(e)
Appropriations and allocations
Current Operations .............................................................................................. 100§2.1
Museum of Waxhaw amphitheater ........................................................................ 100§24.1
Commerce Administration transfers from certain funds .................................... 100§15.5(a)-(c)
Budget and Management, Office of State—continued

Handling grants to non-State agencies statutory changes ....................... 100§6.5(a)-(b)
Housing programs study ................................................................. 100§14.3(a)-(b)
Improve budgeting of General Fund Pilot Program ............................... 100§6.7(a)-(g)
Indigent Defense Services fee transparency ......................................... 100§18A.1
Information Technology Fund appropriations ................................. 100§7.1(a)-(g)
Information Technology Reserve Fund appropriations ........................ 100§7.3(a)-(b)
Reports—see that heading
Restoration of certain underfunded accounts in DCR ....................... 100§19.7
State Retirement System funds uses ................................................. 100§35.15(a)-(c)
Use of legislative mandated salary increase funds ................................ 100§35.8(a)-(c)

Budgeting and Budget Process—see also

Appropriations; (particular agency, entity, subject)
Base budget starting point for agency budgeting ............................... 100§6.4(a)-(h)
Budget and Reporting Information
Technology Expenditures (BRITE) tool ........................................... 100§7.18
Cash balances to meet temporary cash needs .................................... 100§6.14
Commerce Administration transfers from certain funds ................. 100§15.5(a)-(c)
DHHS, MH, DD, SAS budget shortfall plan ........................................ 100§12F.4
DPI budget reductions ........................................................................ 100§8.6
Expenditures of funds in reserves limited .......................................... 100§6.3
Improve budgeting of General Fund pilot program ......................... 100§6.7(a)-(g)
Increasing fees pursuant to budget act ................................................ 100§6.2(a)-(b)
Medicaid contingency reserve .......................................................... 100§12H.38(a)-(d)
National Guard capital projects flexibility ......................................... 100§36.8(a)-(c)
Order of appropriations bills ................................................................ 100§6.8
Restoration of certain underfunded accounts in DCR ....................... 100§19.7
Settlement funds disposition statutory changes ................................. 100§6.6(a)-(c)
State Board of Education budget reductions ..................................... 100§8.6
UNC capital projects funds carried forward ....................................... 100§36.5
UNC reversions ............................................................................. 100§35.8(a)-(c)
Use of legislatively mandated salary increase funds .......................... 100§35.8(a)-(c)

Building and Infrastructure Needs of the State,
Blue Ribbon Commission to Study the—created ................................ 42§8(a)-(f)

Building Code Council
ADA requirements for private pools rules ......................................... 120§13(a)-(c)
Amend rules to conform to H201 ...................................................... 90§7
Carbon monoxide alarm requirements in hotels and motels ............ 120§22(a)-(e)
State Construction Office responsible for reviewing
endorsements of buildings near military bases ................................ 79§2-5

Building Codes
ADA requirements for private pools .................................................. 120§13(a)-(c)
Carbon monoxide alarm requirements in hotels and motels .......... 120§22(a)-(e)
Energy Conservation Code application to certain buildings .......... 90§1
Security grilles permitted at exits ...................................................... 103§14(a)-(c)

Building Commission, State—appointments and membership ........ 116§§1.28, 2.7

Buildings
Broughton Hospital facilities future use study .................................. 100§15.20(a)-(d)
Disposal of community college property includes demolition ............ 115§51.5
Buildings—continued
Energy audit requirements .................................................................................. 120§55
Energy Conservation Code application to certain buildings ......................... 90§1
Jail dormitories minimum standards ................................................................. 22
Loans/grants to demolish/reuse buildings/properties ....................................... 100§15.10
REDD building reuse funds access .................................................................. 90§6
Security grilles permitted at exits ..................................................................... 103§14(a)-(c)
SEPA exemption for reoccupation .................................................................... 90§§4-5
Technical corrections, clarifications, and conforming changes ....................... 115§15(a)-(b)

Buncombe County
Asheville, City of—see that heading
Culture and Recreation Authority repealed ..................................................... 26§4
Greater Asheville Regional Airport Authority
  Appointments clarification .............................................................................. 52§§1-3
  Eminent domain clarification ........................................................................ 52§4
Weaverville, Town of—see that heading
Zoning area size requirement removed ........................................................... 26§3(a)-(b)

Burke County
Broughton Hospital facilities future use study ................................................. 100§15.20(a)-(d)
Morganton, City of—see that heading

Burlington, City of—charter revised and consolidated ....................................... 74

Buses
Passenger bus size for Charlotte ....................................................................... 71
School—see Education

Cabarrus County
Concord, City of—see that heading
County Commissioner vacancies ........................................................................ 92§2
Harrisburg, Town of—see that heading
Kannapolis, City of—see that heading
CAMA (Coastal Area Management Act)—
  contested cases for permits ........................................................................... 120§23
Campaign Finance (see also Elections; Political Parties)—electronic filing of reports ................................................................................. 111§18.5(a)-(b)
Capital Planning Commission—powers and duties ........................................... 115§56.7A
Capitol Police, State—see Law Enforcement
Carbon Monoxide Detectors—see Alarm Systems
Carteret County
  Harkers Island, Town of—see that heading
  Morehead City, Town of—see that heading
Casswell County
  Yanceyville, Town of—see that heading
Catawba County
  Conover, City of—see that heading
  Hickory, City of—see that heading
  Newton, City of—see that heading
Cellular Phones—see Mobile Phones and Devices; Telecommunications
### Cemeteries—columbarium on private retirement community land continuation
115§39.3(a)-(b)

### Cemetery Commission—appointments and membership
116§1.5

### Center for Nursing, Board of Directors
Repealed 120§1(h)

### Center for the Advancement of Teaching, Board of Trustees—Umstead Act exemption
115§39.4

### Chapel Hill, City of
UNC-Chapel Hill—see University of North Carolina

### Charlotte, City of
Airport Commission clarification 10
Discovery Place Grassroots Science Program grant-in-aid 100§15.19
Passenger bus size 71
UNC-Charlotte—see University of North Carolina

### Charlotte Douglas International Airport Commission—clarification as city agency 10

### Charlotte Douglas International Airport Oversight Committee—extension 10§2(a)-(b)

### Charter School Advisory Board—appointments and membership 116§1.39(a)-(b)

### Charters
Burlington revised and consolidated 74
Charlotte Douglas International Airport Commission clarifications 10
Columbus technical correction 115§16(a)-(b)
Elections by plurality method for Morganton 12
Elections schedule for Elkin 35
Hire city attorney and technical corrections for High Point 38
Official map for Lake Lure 81
Recall of officers for Morganton 12
Supervision of city attorney for Monroe 92§1
Town council staggered terms for Bakersville 56

### Chatham County
Accept and remove certain land from State nature and historic preserve 62
County membership on Central Carolina Community College Board 115§51(a)-(c)

### Chief Information Officer, State—see State Chief Information Officer

### Child Abuse and Neglect—Erin's Law (sexual abuse of children) study 119§4(a)-(b)

### Child Care—see Day Care

### Child Custody and Support
Technical corrections, clarifications, and conforming changes 115§37
Uniform Deployed Parents Custody and Visitation Act technical corrections 115§38(a)-(d)
Uniform statewide guidelines for retroactive support obligations 77§8
Withholding address information due to domestic violence 115§44.5

### Child Support—see Child Custody and Support

### Children—see Minors
Civil Actions (see also Civil Procedure; Courts)
Groundwater contamination not subject
to 10-year statute of repose ................................................................. 17; 44
Inpatient commitment hearings video-conferencing .................................. 107§6.1
Moratorium on funding sufficiency actions by
Union County Board of Education .............................................................. 8; 9
Personal representative substitution .......................................................... 107§4.1
Repeal unnecessary forms ........................................................................ 107§3.1-3.2
Settlement funds disposition statutory changes ......................................... 100§6.6(a)-(b)
Shareholder assent to exclusive forum ...................................................... 110§3
Statute of repose clarification .................................................................... 44
Successor asbestos-related liabilities limited ............................................. 110§§4.1-4.2
Three-judge panel to hear challenges to
General Assembly acts ............................................................................. 100§18B.16(a)-(f)
Civil Procedure (see also Criminal Procedure)
Groundwater contamination not subject
to 10-year statute of repose ................................................................. 17; 44
Judicial standing of leadership in challenging legislative acts.................... 115§18
Rule 8
Claims for relief ...................................................................................... 115§18.5
Pleadings .............................................................................................. 102§7
Statute of repose clarification .................................................................... 44
Technical corrections, clarifications, and conforming changes ..................... 115§§1, 18
Clay County—opossum exemption ........................................................... 7
Clean Water Management Trust Fund Advisory Council—
technical corrections, clarifications, and conforming changes .................. 100§14.8(f)
Clean Water Management Trust Fund, Board of Trustees
Appointments and membership ................................................................. 116§§1.18, 2.8
Technical corrections, clarifications, and conforming changes ............... 100§14.8(a)-(f)
Cleveland County
Accept and remove certain land from
State nature and historic preserve .......................................................... 62
Air rifles and BB guns not "dangerous firearms" ........................................ 119§10(a)-(b)
Delay correctional facility transfer .......................................................... 19
Earl Scruggs Center funds ................................................................. 100§15.20(a)-(b)
Kings Mountain, City of—see that heading ............................................ 36
Shelby, City of—see that heading ..............................................................
Coal Ash Management Act ........................................................................ 122§3(a)-(f)
Coal Ash Management Commission
Appointments and membership ............................................................... 116§§1.6(a)-(c), 2.42(a)-(b); 122§3(a), (e)
Beneficial use of coal ash study ............................................................... 122§13(c)
Coal ash impoundment fee ..................................................................... 122§15(a)-(e)
Created .................................................................................................... 122§3(a)
Low-risk coal ash impoundment study ..................................................... 122§13(a)
Coastal Area Management Act (CAMA)—
see CAMA (Coastal Area Management Act)
<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Coastal Resources Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>100§14.10</td>
<td>Amend rules to conform to H201</td>
</tr>
<tr>
<td>100§14.5(a)-(b)</td>
<td>Appointments and membership</td>
</tr>
<tr>
<td>100§14.4(a)-(b)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.10</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.5(a)-(b)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.9(a)-(j)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.11(a)-(b)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.12</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>120§35(a)-(f)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>120§35(a)-(f)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.7(a)-(m)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.25(c)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.25(b)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>120§44(a)-(c)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§14.18(a)-(d)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>120§25(a)-(e)</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>120§26</td>
<td>Inlet hazard areas</td>
</tr>
<tr>
<td>100§36.2(a)-(e)</td>
<td>Inlet hazard areas</td>
</tr>
</tbody>
</table>

**Coastal Resources**

- Advance sale of Commercial Fishing Licenses ............................................. 100§14.10
- Carolina Beach State Park marina RFI .................................................. 100§14.5(a)-(b)
- Coastal and Estuarine Water Beach Access Program transfer from Parks and Recreation Trust Fund 100§14.4(a)-(b)
- Commercial Fishing License fees ........................................................... 100§14.9(a)-(j)
- Commercial shellfish leasing study .................................................... 100§14.12
- Division of Marine Fisheries joint enforcement agreements 100§14.11(a)-(b)
- Eminent Domain for beach erosion control and flood and hurricane works for Duck ........................................... 120§35(a)-(f)
- Oregon Inlet federal property acquisition ............................................. 100§14.7(a)-(m)
- Queen Anne's Revenge Project Special Fund created ..................................... 100§19.4
- Recreational Commercial Gear License ................................................ 100§14.25(c)
- Recreational Fishing License .............................................................. 100§14.25(b)
- Senator Jean Preston Marine Shellfish Sanctuary ................................. 120§44(a)-(c)
- Shallow draft navigation channel and lake dredging funding .............. 100§14.18(a)-(d)
- Stormwater grandfather ............................................................................ 120§25(a)-(e)
- Transplanting of oysters and clams ..................................................... 120§26
- Water Resources Development Projects capital appropriation ............. 100§36.2(a)-(e)

**Colleges and Universities**

- ABC permits for schools and colleges .................................................. 120§14
- Aid to private institutions appropriations ............................................. 100§2.1
- Detention officer may carry weapon on educational property ............ 119§9(a)-(b)
- GED technical correction ........................................................................ 115§28(a)-(i)
- New optometry schools study ................................................................. 100§11.21(b)

**Columbarium**—see Cemeteries

**Columbus County**

- Fair Bluff, Town of—see that heading
- NC-SC Rail Compact ............................................................................. 121
- Nonacceptance of deed transfer due to delinquent taxes ......................... 29
- Tabor City, Town of—see that heading
- Whiteville, Town of—see that heading

**Columbus, Town of**—technical corrections, clarifications, and conforming changes ........................................ 115§16(a)-(b)

**Commerce**

- Business Court changes ........................................................................... 102§1
- Collaboration for Prosperity Zones ......................................................... 18§§3.1-5
- JMAC eligibility criteria expansion ......................................................... 118
- LNG export terminal siting study ........................................................... 4§22(a)-(b)
- NC-SC Rail Compact ............................................................................. 121
- Prevent abuse of patents .......................................................................... 110§§2.1-2.2
- Southern Dairy Compact repealed............................................................ 115§43

1201
Commerce, Department of
ABC Commission Fund use ........................................................................ 100§15.1
Alcoholic Beverage Control Commission
transfer to Department of Public Safety .................................................. 100§15.2A(a)-(f)
Appropriations and allocations
Access NC and Demand Driven Data Delivery merger ..................... 100§15.7(a)-(b)
Base realignment and closure activities funds .................................. 100§15.4(a)-(b)
Community Development Block Grant matching funds .................. 100§15.9(a)-(d)
Current Operations .................................................................................. 100§2.1
Division of Employment Security—
Employment Security Reserve Fund ...................................................... 100§15.15
Economic Development Competitive Grant Program
for Underserved and Limited Resource Communities .............................. 100§15.8
Grassroots Science Program appropriations ........................................ 100§15.19
Rural Economic Development Division—
nonrecurring funds for grants only .................................................. 100§15.10A
Transfer of funds to offset apprenticeship fees .................................. 100§10.6(a)-(b)
Use of deobligated Community Development Block Grants .......... 100§15.9A
Broughton Hospital facilities future use study ...................................... 100§15.20(a)-(d)
Common follow-up/costs shared by agencies plan ......................... 100§15.6(a)-(c)
Corporation definition .......................................................................... 115§56(a)-(b)
Development factors in making development
tier designations study ...................................................................... 100§15.10B(a)-(b)
Division of Employment Security
Board of Review—see that heading
Confidentiality of unemployment compensation records .................. 117
Division of Tourism, Film, and Sports Development
Film and Entertainment Grant Fund created ................................ 100§15.14B(a)-(c)
Division of Workforce Solutions
Common follow-up/costs shared by agencies plan .................... 100§15.6(a)-(c)
DOT signage ...................................................................................... 100§34.14(a)-(b)
Economic development functions contracting authorized ............. 18; 115§57
Film and Entertainment Grant Fund created ................................ 100§15.14B(a)-(c)
JMAC eligibility criteria expansion .................................................. 118
LNG export terminal siting study ..................................................... 4§22(a)-(b)
NER facilities and administrative fees ........................................... 100§14.2
Pharmacy benefit management company regulation study ............ 120§20(b)
Reports—see that heading
Rural Economic Development Division
Loans/grants to demolish/reuse buildings/properties ....................... 100§15.10
State Energy Office
Energy research sharing from Research Triangle Institute .............. 100§15.18
Commercial Resource Fishing Fund
Funding Committee—created .............................................................. 100§14.9(i)
Commission for Mental Health,
Developmental Disabilities, and Substance Abuse
Services—see Mental Health, Developmental Disabilities, and
Substance Abuse Services, Commission for
Commission for Public Health—see Public Health, Commission for
Commission on Workforce Development—
   see Workforce Development, Commission on
Commissioner of Banks—see Banking Commission, State
Committee on Dropout Prevention—see Dropout Prevention, Committee on
Committees, Commissions, Councils, and Boards
   Acupuncture Licensing Board—see that heading
   African-American Heritage Commission—see that heading
   Appraisal Board—see that heading
   Arboretum, Board of Directors—see that heading
   Athletic Trainer Examiners, Board of—see that heading
   Battleship Commission, North Carolina—see that heading
   Board of Review—see that heading
   Building and Infrastructure Needs of the State, Blue Ribbon
      Commission to Study the—see that heading
   Building Code Council—see that heading
   Building Commission, State—see that heading
   Business Court Modernization, Subcommittee
      on—see Economic Development and Global Engagement
   Oversight Committee, Joint Legislative
   Capital Planning Commission—see that heading
   Cemetery Commission—see that heading
   Center for Nursing, Board of Directors—see that heading
   Charlotte Douglas International Airport
      Commission—see that heading
   Charlotte Douglas International Airport
      Oversight Committee—see that heading
   Charter School Advisory Board—see that heading
   Clean Water Management Trust Fund
      Advisory Council—see that heading
   Clean Water Management Trust Fund,
      Board of Trustees—see that heading
   Coal Ash Management Commission—see that heading
   Code Officials Qualification Board—see that heading
   Commercial Resource Fishing Fund Funding
      Committee—see that heading
   Community Corrections Advisory Board—see that heading
   Correction, Board of—see that heading
   Dietetics/Nutrition, Board of—see that heading
   Dispute Resolution Commission—see that heading
   Domestic Violence Commission—see that heading
   Dropout Prevention, Committee on—see that heading
   Economic Development Accountability & Standards Committee—see that heading
   Economic Development Board—see that heading
   Economic Investment Committee—see that heading
   Education Commission, State—see that heading
   Education Oversight Committee, Joint
      Legislative—see that heading

1203
Committees, Commissions, Councils, and Boards—continued

Electrolysis Examiners, Board of—see that heading
Emergency Medical Services Advisory Council—see that heading
Energy Policy, Joint Legislative Commission on—see that heading
Environmental Management Commission—see that heading
Funeral Service, Board of—see that heading
General Government, Joint Legislative Committee on—see that heading
Governmental Operations, Joint Legislative Commission on—see that heading
Health Care Oversight Committee, Joint Legislative—see that heading
Home Inspector Licensure Board—see that heading
Housing Coordination and Policy Council—see that heading
Housing Finance Agency, Board of Directors—see that heading
Human Trafficking Commission—see that heading
Indian Affairs, State Commission of—see that heading
Interpreter and Transliterator Licensing Board—see that heading
Irrigation Contractors' Licensing Board—see that heading
Justice and Public Safety, Joint Legislative Oversight Committee on—see that heading
Lottery, Joint Legislative Oversight Committee on the North Carolina—see that heading
Massage and Bodywork Therapy, Board of—see that heading
Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for—see that heading
Mining and Energy Commission—see that heading
Mining Commission—see that heading
Museum of Art, Board of Trustees—see that heading
National Heritage Area Designation Commission—see that heading
911 Board—see that heading
Oil and Gas Commission—see that heading
On-Site Wastewater Contractors and Inspectors Certification Board—see that heading
Partnership for Children, Inc., Board of Directors—see that heading
Permanency Innovation Initiative Oversight Committee—see that heading
Pesticide Board—see that heading
Pharmacy, Board of—see that heading
Post-Release Supervision and Parole Commission—see that heading
Committees, Commissions, Councils, and Boards—continued

Private Protective Services Board—see that heading
Public Health, Commission for—see that heading
Real Estate Commission—see that heading
Recreational Therapy Licensure Board—see that heading
Roanoke Island Commission—see that heading
Rules Review Commission—see that heading
Science, Technology, and Innovation, Board of—see that heading
Soil Scientists, Board for Licensing of—see that heading
Southern Dairy Compact Commission—see that heading
State Health Plan for Teachers and State Employees, Board of Trustees—see that heading
Structural Pest Control Committee—see that heading
Substance Abuse Professionals Practice Board—see that heading
Supplemental Retirement Board of Trustees—see that heading
Teaching Fellows Commission—see that heading
TIMS (Tax Information Management System) Oversight Committee—see that heading
Traumatic Brain Injury Advisory Council—see that heading
Traumatic Brain Injury Subcommittee—see Health and Human Services, Joint Legislative Oversight Committee on
Tryon Palace Commission—see that heading
Urban Search and Rescue Team Advisory Committee—see that heading
Workforce Development, Commission on—see that heading

Community College System Office
Common follow-up/costs shared by agencies plan ........................................ 100§15.6(a)-(c)
Disposal of community college property includes demolition .......................................................... 115§51.5
Personnel salaries ................................................................................................................................. 100§35.5
Reorganization authority extended ........................................................................................................ 100§10.5
Reports—see that heading

Community Colleges
Bilateral agreements regarding transfer process study .................................. 100§10.7(a)-(b)
Brewing course waiver .......................................................................................... 120§17(a)-(d)
Building and infrastructure needs ................................................................................................. 42§8(c)
Catawba Valley Community College
Revenues/expenditures/fees collected/assessed by Manufacturing Technology Center report ........................................... 100§10.3
Central Carolina Community College
County representation on Board ............................................................. 115§51(a)-(c)
Disposal of property includes demolition .......................................................... 115§51.5
Durham Technical Community College
Two county commissioners on board .......................................................... 73
Financial aid payment schedule study ......................................................... 100§11.8

1205
Community Colleges—continued

Gaston College
Revenues/expenditures/fees collected/assessed by Textile Technology Center report......................................................... 100§10.3

Guilford Technical Community College
Appropriations and allocations—nursing program facilities construction .......................................................... 100§11.14
GTCC Innovative Resources Corporation lease.................................................................................. 100§10.9(a)-(b)
Oil and gas industry vocational programs study .................................................................. 4§24(a)-(b)
Revising enrollment tiers process .................................................................................. 100§10.2

Stanly Community College
May jointly erect buildings with county .................................................................................. 82
Student organization rights and recognition ............................................................................. 28
Tuition assistance to veterans and families in Yellow Ribbon Program ........................................ 100§11.12(a)-(d)
Unpublished research data not public record ............................................................................. 115§52
Vocational training for persons with intellectual disabilities study .................................................. 100§10.4(a)-(b)

Community Colleges, State Board of
Appropriations and allocations—transfer of funds to offset apprenticeship fees .................................................. 100§10.6(a)-(b)
Bilateral agreements regarding transfer process study .................................................................. 100§10.7(a)-(b)
College credit for military training plan .................................................................................. 67§3
Military training and experience "knowledge gap fulfillment," job development, and college credit study .......................................................................................... 67§4
Oil and gas industry vocational programs study .................................................................. 4§24(a)-(b)
Reports—see that heading
Revising enrollment tiers process .................................................................................. 100§10.2

Community Corrections Advisory Board—appointments and membership .......................................................... 100§16C.12; 115§57.7(a)-(b)

Concord, City of—public-private reimbursement agreements for infrastructure .................................................. 31

Conference of Chief District Judges—uniform statewide guidelines for retroactive support obligations .......................................................................................... 77§8

Confidentiality—see Privacy

Conover, City of—raise dropout age pilot program enforcement provisions .......................................................... 115§64

Constitution, NC
General Assembly outside counsel in constitutionality lawsuits .................................................. 100§17.3A(a)-(c)
Three-judge panel to hear challenges to General Assembly acts .......................................................... 100§18B.16(a)-(f)

Constitution, US
General Assembly outside counsel in constitutionality lawsuits .................................................. 100§17.3A(a)-(e)
Three-judge panel to hear challenges to General Assembly acts .......................................................... 100§18B.16(a)-(f)
Construction

Building and infrastructure needs ............................................................... 42§8(c)
Coal ash use in road/bridge construction study ................................................. 122§14
Construction/demolition landfills exempt from minimum financial responsibility requirement ................................................................. 120§27
Moratorium on coal ash as structural fill ........................................................ 122§4(a)-(c)
No stormwater permit modification for USPS cluster box units ....................... 120§46(a)-(b)
Prequalification clarification ...................................................................................... 42
SEPA exemption for reoccupation of existing building .................................... 90§§4-5
Stanly County may jointly erect buildings with Community College ................................................................. 82
State Construction Office responsible for reviewing endorsements of buildings near military bases ................................................................. 79§§2-5
Stormwater best management practices use by certain entities ......................... 1
Stormwater impervious surface calculations for redevelopment .......................... 90§§2-3
Temporary health care structures zoning ........................................................... 94
UNC nonappropriated capital projects ............................................................... 60

Construction Industry—retailer contractors sales tax ........................................ 3§§7.1-7.3

Contracts and Purchasing (see also Privatization)

Any fuel option in school bus contracts ............................................................... 4§28(a)-(b)
Carolina Beach State Park marina RFI .............................................................. 100§14.5(a)-(b)
Coal ash products specifications for public procurement ................................... 122§16
Competitive bid process for assumption of a failing charter school ....................... 101§6
Contingency fee agreements in third party contracts between AG and private attorneys ................................................................. 110§§1.1-1.3
Data center equipment purchasing ................................................................ 100§7.4(a)
Disadvantaged minority/women business program sunset ................................ 108§7(a)-(b)
E-Verify application to local government contracts clarification .............................. 119§13(a)-(c)
Economic development functions contracting authorized for Commerce Department ................................................................. 18; 115§57
Energy savings contracts .................................................................................... 115§56.7
Fees, sponsorship, privatization of DOT services study ...................................... 100§34.17(a)-(c)
Imaging utilization management services contract RFP .................................... 100§12H.30(a)-(b)
Indigent Defense Services RFP for private/nonprofit representation of indigents RFP for private/nonprofit ............................................................. 100§18B.1(k)
Inmate labor contracts ...................................................................................... 100§16C.3
IT contract professionals career path ................................................................ 100§7.7
Lease purchase or installment purchase for athletic lighting .............................. 100§8.38
Legal services by DOT ...................................................................................... 100§34.24(a)-(e)
License plate agent compensation ..................................................................... 3§§13.1-13.5
Option to cancel Medicaid contracts ................................................................. 100§12H.20A(a)-(b)
Outsourcing of preconstruction activity by DOT ............................................. 100§34.13(a)-(d)
Pavement Preservation Program .......................................................................... 100§34.11(f)-(l)
Personal care services management study by contractor ................................... 100§12H.10(c)
Prequalification clarification ...................................................................................... 42
Contracts and Purchasing—continued
Prison maintenance services contracts study.................................................. 100§16C.5
Private audit of pension fund........................................................................... 100§25.1(a)-(d)
Public-private reimbursement agreements for infrastructure for certain cities ................................................. 31
RFP for drug dispensing fee study ........................................................... 100§12H.8(b)
Sponsorships authorized.................................................................................. 58§13
Technical corrections, clarifications, and conforming changes ........................... 115§11.1
Third-party Workers’ Compensation administrator........................................... 64§2(d)
Urban search and rescue program .................................................................. 27§§3-5

Controlled Substances (see also Narcotics; Pharmaceuticals)
Excise tax........................................................................................................... 3§14.25
Pseudoephedrine possession offense technical correction .............................. 115§41(a)-(b)
Reporting requirement waived in certain instances ........................................... 115§41.5

Controller, State—see State Controller, Office of
Cornelius, Town of—regulation of vacation rentals ........................................... 91

Corporations, For-Profit
Captive insurance............................................................................................. 65
Insurance regulatory charge................................................................................. 100§20.2(a)-(c)
Licensing boards rules for professional corporations ........................................ 120§3
Mergers and reorganization ................................................................................. 102§6(a)-(b)
Pharmacy benefit management company regulation study ................................ 120§20(b)
Representation of small business entities in appeals ......................................... 120§7(a)-(c)
Rule 8 pleadings ................................................................................................ 102§7
Shareholder assent to exclusive forum ................................................................. 110§3
Successor asbestos-related liabilities limited .................................................... 110§§4.1-4.2
Taxes and assessments—see that heading

Corporations, Nonprofit
Andrew Jackson Historical Foundation, Inc., Museum of Waxhaw Amphitheater funds ........................................... 100§24.1
DHHS nonprofit organization funds ............................................................... 100§12A.1
Economic development functions contracting authorized for Commerce Department ........................................... 18; 109; 115§§56.1. 57
GTCC Innovative Resources Corporation lease ............................................. 100§10.9(a)-(b)
Handling grants to non-State agencies statutory changes ................................ 100§6.5(a)-(b)
HIE Network....................................................................................................... 100§12A.2(a)-(c)
Insurance regulatory charge................................................................................. 100§20.2(a)-(c)
Legal Aid of North Carolina quarterly reports ................................................. 100§18B.17
Permanent license plate for charter school corporation .................................. 101§6.6(a)-(b)
Traumatic brain injury services funding ........................................................... 100§12F.1
Women's shelter for Macon and Jackson County ............................................ 100§24.2

Correction, Board of—repealed ................................................................. 120§1(i)-(j)

Correctional Institutions
340B drug pricing opportunities study ........................................................... 100§16C.13
Adult and juvenile inmate medical costs ......................................................... 100§16C.6(a)-(b)
Assault/threat/solicitation by inmate of a legislative, executive, or court officer ........................................... 119§6(a)-(c)
Index to Session Laws

Correctional Institutions—continued
Closed facilities use ................................................................. 100§16C.10
Confinement in response to violations ........................................ 100§16C.8(a)-(b)
Delay Cleveland County facility transfer ........................................ 19
Inmate labor
  Community work crew fee limitation removed ......................... 100§16C.2
  Contracts ................................................................................. 100§16C.3
Jail dormitories minimum standards ................................................ 22
Juvenile facilities projects ............................................................... 100§36.4(a)-(b)
Local confinement for misdemeanants ........................................... 100§16C.1(a)-(g)
Prison maintenance services contracts study ..................................... 100§16C.5
Prison security technology to combat
  cell phone smuggling funds .......................................................... 100§16C.9
Providing mobile phone to inmate increased penalties .................. 119§5(a)-(b)
Sales tax refunds for regional jails ................................................... 20
Vapor products prohibited in jails ..................................................... 3§15.2(a)-(c);
  115§23(a)-(b)

Counseling—see Mental Health

Counties (see also Local Government; particular County)
  Air rifles and BB guns not "dangerous
    firearms" in certain counties ...................................................... 119§10(a)-(b)
  Food and lodging aid to counties funds retained by State ............... 100§12E.8
  Investing in Innovation Grant
    participation by certain counties ................................................. 100§8.27
  Planning and zoning—see that heading
  Probated will filing clarification .................................................... 107§§2.1-2.3
  Standardize local well programs .................................................. 120§43(a)-(e)

County Commissioners—see Local Government; particular County

Courts
  Administrative Hearings, Office of—see that heading
  Administrative Office of the Courts (AOC)
    Administrator’s salary ............................................................... 100§35.3(a)
    Assistant district attorneys allocation ....................................... 100§18B.7(a)-(b)
    Concealed handgun permits forms ........................................... 115§24(a)-(b)
    Court reporters compensation study ....................................... 100§18B.3
    Main trial court administrator .................................................. 100§18B.13
    Public guardianship system improvement ................................ 100§12D.3(a)-(d)
    Repeal unnecessary forms ....................................................... 107§§3.1-3.2
    Reports—see that heading
    Subpoena relating to exploitation of
      disabled or older adults clarification ...................................... 115§44(a)-(e)
    Superior and district court judge training ................................. 100§18B.5
  Assault/threat/solicitation by inmate of a
    legislative, executive, or court officer ...................................... 119§6(a)-(c)
  Attorneys—see that heading
  Business Court
    Direct appeal of judgments to Supreme Court ............................. 102§1
    Filing fees .................................................................................. 102§3
    Final disposition written opinion ............................................. 102§2

1209
Courts—continued

Mandatory complex business cases .......................................................... 102§3
Semiannual reports ...................................................................................... 102§5
Tax cases must be designated mandatory complex business cases .............. 102§3

Child Protective Services pilot program .................................................. 100§12C.1(e)

Civil actions—see that heading

Civil procedure—see that heading

Clerks of Court

Incompetent ward guardian status reports ............................................ 100§12D.4(a)-(c)
Pistol permit issuance ............................................................................... 115§23.5(a)-(e)
Probated will filing clarification .............................................................. 107§2.1-2.3
Removal of certain information report .................................................. 100§18B.1(e)
Salaries ..................................................................................................... 100§35.3(d)-(e), (h)

Conflict of interest in public guardianship and Child Protective Services study ..... 100§12C.1(g)

Court costs and fees

Business Court filing fees ...................................................................... 102§4
Criminal court cost waivers report ......................................................... 100§18B.2
Guardian ad litem fees authority ............................................................ 115§21

Court of Appeals

Judges’ salaries ....................................................................................... 100§35.3(a)
Judicial standing of leadership in proceeding challenging legislative acts ......... 115§18

Criminal procedure—see that heading

Disposition of seized firearms ............................................................... 115§24.5

District attorneys—see that heading

District Court

Inpatient commitment hearings video-conferencing .................................. 107§6.1
Judges’ salaries ........................................................................................ 100§35.3(a)

Evidence

Remote testimony for forensic analysts ...................................................... 119§8(a)-(c)
Toxicological testing by private hospital fee for costs ............................ 100§18B.14(a)-(b)

Family court programs report ................................................................. 100§18B.4

Judges and Magistrates

Abolish special superior court judgeships ................................................. 100§18B.6
Additional Business Court judges ............................................................ 100§18B.6
Consolidated Judicial Retirement System (CJRS)—see Retirement
Judges’ salaries ....................................................................................... 100§35.3(a)
Magistrates’ salaries ............................................................................... 100§35.3(f)-(g)
Superior and district court judge training .............................................. 100§18B.5

Juvenile Code—see that heading

Magistrates—see Judges and Magistrates, this heading

Sentencing—see that heading

Superior Court

Abolish special judgeships ................................................................. 100§18B.6
Judges’ salaries ........................................................................................ 100§35.3(a)
Special superior court judges nomination/confirmation ......................... 100§18B.6
<table>
<thead>
<tr>
<th>Index to Session Laws</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courts—continued</td>
<td></td>
</tr>
<tr>
<td>Subpoena relating to exploitation of disabled or older adults clarification</td>
<td>115§44(a)-(e)</td>
</tr>
<tr>
<td>Three-judge panel to hear challenges to General Assembly acts</td>
<td>100§18B.16(a)-(f)</td>
</tr>
<tr>
<td>Supreme Court</td>
<td></td>
</tr>
<tr>
<td>Direct appeal of Business Court judgments</td>
<td>102§1</td>
</tr>
<tr>
<td>Justices’ salaries</td>
<td>100§35.3(a)</td>
</tr>
<tr>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>115§14</td>
</tr>
<tr>
<td>Uniform statewide guidelines for retroactive support obligations</td>
<td>77§8</td>
</tr>
<tr>
<td>Verification/jurisdiction in juvenile cases</td>
<td>16</td>
</tr>
<tr>
<td>Witnesses—see Evidence, this heading</td>
<td></td>
</tr>
<tr>
<td>Craven County—First Craven Sanitary District absentee voting</td>
<td>54</td>
</tr>
<tr>
<td>Credit Unions—see Financial Services and Institutions</td>
<td></td>
</tr>
<tr>
<td>Crime Commission, Governor’s Reports—see that heading</td>
<td></td>
</tr>
<tr>
<td>Crimes</td>
<td></td>
</tr>
<tr>
<td>ABC permit suspension for certain criminal charges</td>
<td>100§15.2A1(a)-(b)</td>
</tr>
<tr>
<td>Assault/threat/solicitation by inmate of a legislative, executive, or court officer</td>
<td>119§6(a)-(c)</td>
</tr>
<tr>
<td>Carrying a concealed weapons second offense penalty</td>
<td>119§12(a)-(b)</td>
</tr>
<tr>
<td>Conditional discharge</td>
<td>119§2(a)-(h)</td>
</tr>
<tr>
<td>Criminal records—see Records</td>
<td></td>
</tr>
<tr>
<td>DWI (Driving While Impaired)—see that heading</td>
<td></td>
</tr>
<tr>
<td>First degree trespass for agricultural facilities</td>
<td>103§10(a)-(b)</td>
</tr>
<tr>
<td>Fracking fluids trade secrets disclosure</td>
<td>4§8(a)</td>
</tr>
<tr>
<td>Marijuana paraphernalia possession</td>
<td>119§3(a)-(c)</td>
</tr>
<tr>
<td>Prison security technology to combat cell phone smuggling funds</td>
<td>100§16C.9</td>
</tr>
<tr>
<td>Providing mobile phone to inmate increased penalties</td>
<td>119§5(a)-(b)</td>
</tr>
<tr>
<td>Pseudoephedrine possession offense technical correction</td>
<td>115§41(a)-(b)</td>
</tr>
<tr>
<td>Regulation of unmanned aircraft systems</td>
<td>100§34.30(a)-(l)</td>
</tr>
<tr>
<td>Sentencing—see that heading</td>
<td></td>
</tr>
<tr>
<td>Sex offenses—see that heading</td>
<td></td>
</tr>
<tr>
<td>Slayer statute modification</td>
<td>107§§1.1-1.2</td>
</tr>
<tr>
<td>State Auditor evidence of criminal misconduct reporting</td>
<td>100§25.3</td>
</tr>
<tr>
<td>Traffic offenses—see that heading</td>
<td></td>
</tr>
<tr>
<td>Vapor products prohibited in jails</td>
<td>3§15.2(b); 115§23(a)-(b)</td>
</tr>
<tr>
<td>Venus flytrap taking penalties</td>
<td>120§52(a)-(c)</td>
</tr>
<tr>
<td>Victims’ rights and compensation—see that heading</td>
<td></td>
</tr>
<tr>
<td>Criminal Justice Education and Training Standards Commission Experience and education credit for members of the State Highway Patrol with prior law enforcement or military experience study</td>
<td>100§35.11A</td>
</tr>
</tbody>
</table>

1211
Criminal Procedure
Conditional discharge ................................................................. 119§2(a)-(h)
Motion to dismiss ........................................................................ 115§19(a)-(b)
Open burning offenses written appearances ............................... 115§20
Remote testimony for forensic analysts ................................. 119§8(a)-(c)

Cullowhee, Town of
Western Carolina University—see University of North Carolina

Cultural Resources—see Arts; Historic
Sites and Monuments; Museums

Cultural Resources, Department of
Appropriations and allocations
Current Operations ........................................................................ 100§2.1
NC History Museum capital appropriation ............................. 100§36.1
Restoration of certain underfunded accounts ......................... 100§19.7
State Aid to Libraries Fund grants capped ............................. 100§19.2
USS North Carolina hull repairs ............................................. 100§36.10

Division of History Museums
Mountain Gateway Museum closure prohibited ....................... 100§19.6
Exempt from certain operating rules for
historic sites and museums ......................................................... 100§19.5(a)-(c)
Food services at aquariums and museums technical correction 115§7(a)-(b)
Management of Roanoke Island Festival Park ..................... 100§19.8(a)-(b)
Office of Archives and History
Queen Anne's Revenge Project Special Fund created .......... 100§19.4
Umstead exemption for certain events ................................. 100§19.9

Cumberland County—red light cameras
in Fayetteville cost-sharing .............................................................. 84§3

D

Dam Safety Act of 1967 .............................................................. 122§7.1

Dams—see Lakes and Rivers

Dare County
Accept and remove certain land from
State nature and historic preserve ............................................. 62
Management of Roanoke Island Festival Park ..................... 100§19.8(a)-(b)

Data Systems
CJIS data security standards compliance ................................ 100§16B.1
Geographic Information System
Data consolidation and feasibility ............................................. 100§7.16(a)
Feasibility of selling data ......................................................... 100§7.16(b)
Health Information Exchange data disclosure .................... 100§121.1(a)-(c)
Student records privacy and security ...................................... 50

Davidson County
Lexington, City of—see that heading

Day Care
Child care
Allocation formula ................................................................. 100§12B.4
Day Care—continued
Market rate adjustments .................................................................................. 100§12B.5
Subsidy for 11- and 12-year-olds study ........................................ 100§12B.3(a)-(b)
Subsidy rates/copayments/eligibility ......................................................... 100§12B.1

Debt-State Government
Two-Thirds Bond Act .............................................................................. 100§36.12(a)-(k)
UNC nonappropriated capital projects ....................................................... 60

Debtor and Creditor
Attachment and garnishment for county ambulance services in Union County ........................................ 72
Cape Fear Public Utility Authority unpaid sewer fees collection ........................................................................ 98§§3-5
DMV electronic lien system implementation ............................................. 115§29(a)-(b)
Erroneous tax lien release document renamed ........................................ ... 3§14.17
Lien agent notice form changes ............................................................... 115§35(a)-(b)
Repeal unnecessary forms ....................................................................... 107§§3.1-3.2
Unpaid bills collection for Turnpike Authority ......................................... 115§58
Unpaid sewer fees collection for Spindale .................................................... 98§§1-2

Deeds of Trust—see Mortgages and Deeds of Trust

Department of Administration—see Administration, Department of

Department of Commerce—see Commerce, Department of

Department of Environment and Natural Resources (DENR)—see Environment and Natural Resources, Department of (DENR)

Department of Health and Human Services (DHHS)—see Health and Human Services, Department of (DHHS)

Department of Public Instruction—see Public Instruction, Department of

Department of Revenue—see Revenue, Department of

Department of State Auditor—see State Auditor, Department of

Department of State Treasurer—see State Treasurer, Department of

Department of Transportation—see Transportation, Department of

Developmentally Disabled—see Disabled Persons; Mental Health

Dietetics/Nutrition, Board of—appointments and membership ............. 116§§1.15, 2.10

Disabled Persons
ADA requirements for private pools ............................................................... 120§13(a)-(c)
Children with disabilities allocations .......................................................... 100§8.1
MH, DD, SAS strategies report ................................................................. 100§12F.3(a)-(b)
Special Education Scholarship Grants clarifying changes ..................... 49; 101§7.3
Subpoena relating to exploitation of disabled or older adults clarification ........................................................................ 115§44(a)-(e)
Vocational training for persons with intellectual disabilities study .................. 100§10.4(a)-(b)

Disasters and Emergencies—eminent domain for beach erosion control and flood and hurricane works for Duck ........................................... 86

Diseases—see Health Services; Public Health
Dispute Resolution Commission—
appointments and membership ................................................................. 116§1.9

District Attorneys
Assistant district attorneys allocation ................................................. 100§18B.7(a)-(b)
Salaries .................................................................................................. 100§35.3(a), (c)
State Auditor evidence of criminal misconduct reporting ........................................ 100§25.3
Toxicological testing by private hospital fee for costs.................................................. 100§18B.14(a)-(b)

Divorce
Child custody and support—see that heading
Domestic relations orders dividing interest under TSERS and LGERS ........................................ 112§5(a)-(b)

Domestic Animals—hunting trials .................................................. 120§36(a)-(b)

Domestic Violence
Withholding address information in certain child support cases ............................................. 115§44.5
Women's shelter for Macon and Jackson County ...................................................................... 100§24.2

Domestic Violence Commission—
appointments and membership ................................................................. 116§§1.10, 2.11

Drivers Licenses
Commercial drivers license
Issuance .................................................................................................. 115§28.5(a)-(b)
Learner's permit ....................................................................................... 115§28.5(b)
Habitual impaired driving restoration of license sunset ............................................. 115§61.5
Information technology modernization ........................................................................... 100§7.14(a)-(d)
Material technical standard ............................................................................................. 58§5
Remote license renewal ........................................................................ 100§34.8(a)-(b)

Drones (Unmanned Aircraft)—see Aviation

Drug Testing—see Testing

Duck, Town of—eminent domain for beach erosion control and flood and hurricane works ........................................ 86

Duplin County
Change County Commissioners and Board of Education .............................................. 6§§1-4

Kenansville, Town of—see that heading

Durham, City of
Annexation .................................................................................................. 47§§1(c)-(d), 2-4
Municipal services for annexed property .......................................................................... 47§2
Science Program grant-in-aid .......................................................................................... 100§15.19
North Carolina Central University—see University of North Carolina
North Carolina School of Science and Mathematics—see University of North Carolina
On-street parking payment and fees use ........................................................................... 34
Durham County
Durham, City of—see that heading
Firearms registration repealed .............................................. 11
Two county commissioners on Durham
Technical Community College Board .................................. 73

DWI (Driving While Impaired)
Habitual impaired driving restoration of license sunset .... 115§61.5
Ignition interlock system violations
hearing site ............................................................................. 108§1(a)-(b)
Vehicle forfeiture technical correction ................................ 115§2.2

Economic Development
Collaboration for Prosperity Zones ................................. 18§§3.1-5
Community Development Block Grant
matching funds ...................................................................... 100§15.9(a)-(d)
Development factors in making development tier designations study 100§15.10B(a)-(b)
Economic Development Competitive Grant Program for Underserved and Limited Resource Communities .................................................... 100§15.8
Economic development functions contracting
authorized for Commerce Department .................................. 18; 115§57
Economic Development Program funds .......................... 100§34.29
Education and Workforce Innovation Program .............. 100§23.1(a)-(f)
Film and Entertainment Grant Fund created .................. 100§15.14B(a)-(c)
JMAC eligibility criteria expansion ...................................... 118
Job Development Investment Grants funds ..................... 100§2.1
Long-range State energy policy study ................................. 4§27
Midstream infrastructure development study .................... 4§26
REDD building reuse funds access ................................... 90§6
Site infrastructure land tax deferral ................................. 392(a)-(b)
Use of deobligated Community Development Block Grants ................................. 100§15.9A

Economic Development Accountability & Standards Committee—created ........................................ 18§1.1(a)

Economic Development and Global Engagement Oversight Committee, Joint Legislative
Business Court Modernization, Subcommittee on
Created ................................................................................. 102§8(a)-(i)
Study .................................................................................. 102§8(c)

Economic Development Board—repealed ......................... 18§1.2(a)

Economic Investment Committee—
appointments and membership ........................................ 116§2.12

Edgecombe County
Main trial court administrator ........................................... 100§18B.13
Rocky Mount, City of—see that heading

1215
<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Index to Session Laws</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC permits for schools and colleges</td>
<td>§14 120</td>
</tr>
<tr>
<td>Academic Summer Bridge Programs report</td>
<td>§11.5 100</td>
</tr>
<tr>
<td>Academically gifted children allocations</td>
<td>§8.2 100</td>
</tr>
<tr>
<td>Achievement score methodology</td>
<td>§§11-15 5</td>
</tr>
<tr>
<td>Administrators—see Teachers and Education Administrators</td>
<td></td>
</tr>
<tr>
<td>Advanced Placement/International Baccalaureate courses funding</td>
<td>§8.17 100</td>
</tr>
<tr>
<td>After-school services competitive grants</td>
<td>§8.19(a)-(e) 100</td>
</tr>
<tr>
<td>Alternative assessments</td>
<td>§1 5</td>
</tr>
<tr>
<td><strong>Buses</strong></td>
<td></td>
</tr>
<tr>
<td>Any fuel option in contracts</td>
<td>28(a)-(b) 4</td>
</tr>
<tr>
<td>Natural gas-fueled bus infrastructure study</td>
<td>28(c) 4</td>
</tr>
<tr>
<td>School transportation fleet manual review</td>
<td>13(a)-(b) 8.13</td>
</tr>
<tr>
<td>Central office salaries</td>
<td>12 8.10</td>
</tr>
<tr>
<td><strong>Charter schools</strong></td>
<td></td>
</tr>
<tr>
<td>Allow single-sex schools</td>
<td>§§3-4 101</td>
</tr>
<tr>
<td>Closure funds</td>
<td>34(a)-(d) 8.34</td>
</tr>
<tr>
<td>Competitive bid process for assumption of a failing charter</td>
<td>6 §6.1</td>
</tr>
<tr>
<td>Cyber-bullying policy</td>
<td>32(a)-(d) 8.32</td>
</tr>
<tr>
<td>Dropout Prevention and Recovery Pilot Program created</td>
<td>104</td>
</tr>
<tr>
<td>Emergency epinephrine auto-injectors in schools</td>
<td>23(a)-(e) 8.23</td>
</tr>
<tr>
<td>Fast-track replication process</td>
<td>6.5 101</td>
</tr>
<tr>
<td>Final decisions on applications requirement</td>
<td>1.5 101</td>
</tr>
<tr>
<td>Judgment in per-pupil share lawsuit payment</td>
<td>5.6 101</td>
</tr>
<tr>
<td>LEAs to provide information for per-pupil share</td>
<td>5.2 101</td>
</tr>
<tr>
<td>Permanent license plate for charter school corporation</td>
<td>6.6(a)-(b) 101</td>
</tr>
<tr>
<td>Priority enrollment of board of directors' families</td>
<td>4.5 101</td>
</tr>
<tr>
<td>Property insurance system</td>
<td>8.10 100</td>
</tr>
<tr>
<td>Reading proficiency</td>
<td>§9 5</td>
</tr>
<tr>
<td>Requirements for expansion</td>
<td>2.5(a)-(b) 101</td>
</tr>
<tr>
<td>Subject to Public Records Act and Open Meetings Laws</td>
<td>§5 101</td>
</tr>
<tr>
<td>Teacher on Board of Directors</td>
<td>§1 101</td>
</tr>
<tr>
<td>Term of renewal</td>
<td>§2 101</td>
</tr>
<tr>
<td>Virtual Charter School pilot program</td>
<td>35(a)-(g) 8.35</td>
</tr>
<tr>
<td>Children in private psychiatric facilities</td>
<td>39(a)-(j) 8.39</td>
</tr>
<tr>
<td>Children with disabilities allocations</td>
<td>8.1 100</td>
</tr>
<tr>
<td>Civil Penalty and Forfeiture Fund appropriation</td>
<td>5.3(a)-(b) 100</td>
</tr>
<tr>
<td>Collaboration for Prosperity Zones</td>
<td>§3.1-5 18</td>
</tr>
<tr>
<td>Common Core replacement</td>
<td></td>
</tr>
<tr>
<td>Cooperative Innovative High Schools application clarification</td>
<td>36(a)-(b) 8.36</td>
</tr>
<tr>
<td>Counselors work duties</td>
<td>33(a)-(b) 8.33</td>
</tr>
<tr>
<td>Cyber-bullying policy</td>
<td>32(a)-(d) 8.32</td>
</tr>
<tr>
<td>Detention officer may carry weapon on educational property</td>
<td>9(a)-(b) 119</td>
</tr>
<tr>
<td>Developmental screening implementation</td>
<td>§10 5</td>
</tr>
<tr>
<td>Differentiated pay for highly effective teachers</td>
<td>41(a)-(b) 8.41</td>
</tr>
<tr>
<td>Driver education funding</td>
<td>15(a)-(c) 8.15</td>
</tr>
<tr>
<td>Session Law Number</td>
<td>Index to Session Laws</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>§23.1(a)-(f)</td>
<td>Education and Workforce Innovation Program</td>
</tr>
<tr>
<td>§5.2(c), (d)</td>
<td>Education Lottery Fund for digital learning</td>
</tr>
<tr>
<td>§8.23(a)-(e)</td>
<td>Emergency epinephrine auto-injectors in schools</td>
</tr>
<tr>
<td>§2(c)</td>
<td>English Language Arts and Mathematics standards review</td>
</tr>
<tr>
<td>§5.1</td>
<td>Indian Gaming Education Revenue Fund to School Technology Fund appropriation</td>
</tr>
<tr>
<td>§8.21</td>
<td>Instructional coaches in Title I schools</td>
</tr>
<tr>
<td>§8.27</td>
<td>Investing in Innovation Grant participation by certain counties</td>
</tr>
<tr>
<td>§5§5</td>
<td>Military-connected student identifier</td>
</tr>
<tr>
<td>§5§5</td>
<td>Moratorium on funding sufficiency actions by Union County Board of Education</td>
</tr>
<tr>
<td>§8; 9</td>
<td>NC Virtual Public School Program revenue study</td>
</tr>
<tr>
<td>§8.18(a)-(b)</td>
<td>Noncertified school personnel salaries</td>
</tr>
<tr>
<td>§9.13</td>
<td>North Carolina School of Science and Mathematics—see University of North Carolina</td>
</tr>
<tr>
<td>§8.36(b)</td>
<td>Northeast Regional School of Biology and Agriscience a Cooperative Innovative High School</td>
</tr>
<tr>
<td>§8.25(a)-(m)</td>
<td>Opportunity scholarship grant clarification</td>
</tr>
<tr>
<td>§8.8(a)-(b)</td>
<td>Panic alarm carryforward clarification</td>
</tr>
<tr>
<td>§8.35.15A</td>
<td>Public School Teachers' and Professional Educators' Investment Plan funding</td>
</tr>
<tr>
<td>§64</td>
<td>Raise dropout age pilot program enforcement provisions</td>
</tr>
<tr>
<td>§8.22(a)-(b)</td>
<td>Diagnostic reading assessments study</td>
</tr>
<tr>
<td>§3, 8</td>
<td>Program clarifications</td>
</tr>
<tr>
<td>§3, 8</td>
<td>Reading camps</td>
</tr>
<tr>
<td>§8.7(a)-(b)</td>
<td>Carryforward clarification</td>
</tr>
<tr>
<td>§5§5</td>
<td>Generally</td>
</tr>
<tr>
<td>§6-8</td>
<td>Reading development for retained students</td>
</tr>
<tr>
<td>§5§2</td>
<td>Reading portfolio time frame</td>
</tr>
<tr>
<td>§8.20(a)-(c)</td>
<td>Schematic designs for emergency access to schools</td>
</tr>
<tr>
<td>§8.4</td>
<td>School-based administrators—see Teachers and Education Administrators</td>
</tr>
<tr>
<td>§7.3; 115§68</td>
<td>Special Education Scholarship Grants clarifying changes</td>
</tr>
<tr>
<td>§78§3</td>
<td>Standard Course of Study update</td>
</tr>
<tr>
<td>§13</td>
<td>Student prayer/religious activities rights in school</td>
</tr>
<tr>
<td>§50</td>
<td>Student records privacy and security</td>
</tr>
<tr>
<td>§12E.9(a)-(b)</td>
<td>Summer Food Service Program transferred to DPI</td>
</tr>
<tr>
<td>§7.12</td>
<td>Teachers—see Teachers and Education Administrators</td>
</tr>
<tr>
<td>§9</td>
<td>Technical corrections, clarifications, and conforming changes</td>
</tr>
</tbody>
</table>
Education—continued
Tests not public record................................................................. 115§49.2
TVA Settlement funds for lighting......................................................... 100§13.15
Waiver for additional testing days......................................................... 5§16

Education and Workforce Innovation Commission
Appointments and membership......................................................... 100§23.1(e)
Modifications.................................................................................. 100§23.1(a)-(f)

Education and Workforce Innovation Program—grants clarification........................................ 115§48

Education Assistance Authority, State
College Foundation of North Carolina sustainability........................................ 100§11.11
Financial aid payment schedule study..................................................... 100§11.8
Opportunity scholarship grant clarification........................................... 100§8.25(a)-(m)
Special Education Scholarship grants clarifying changes.......................... 49; 101§7.3;
115§68
Teaching Fellows Program Scholarship loans authority.......................... 100§11.10(a)-(g)

Education, Boards of (Local)
ABC permits for schools and colleges .................................................. 120§14
Academy Heights property conveyance
by Moore County Board of Education.................................................. 70
After-school services competitive grants ............................................. 100§8.19(a)-(e)
Alternative assessments........................................................................ 5§1
Cyber-bullying policy............................................................................. 100§8.32(a)-(d)
Developmental screening implementation............................................. 5§10
Differentiated pay for highly effective teachers..................................... 100§8.41(a)-(b)
DPI response time................................................................................ 100§8.28
Driver education funding...................................................................... 100§8.15(a)-(c)
Duplin County changes......................................................................... 6§§1-4
Education Endowment Fund appropriations........................................... 100§8.11(i)
Emergency epinephrine auto-injectors in schools.................................... 100§8.23(a)-(e)
Injury prevention and return to work
programs implementation...................................................................... 100§8.26
Investing in Innovation Grant
participation by certain counties......................................................... 100§8.27
Lease purchase or installment purchase for athletic lighting................. 100§8.38
Military-connected student identifier................................................... 15
Moratorium on funding sufficiency actions by Union County................. 8; 9
Provide charter schools information for
per-pupil share..................................................................................... 101§5.2
Raise dropout age pilot program enforcement provisions....................... 115§64
Reading camps..................................................................................... 5§§3, 8
Reading development for retained students.......................................... 5§§6-8
Red light cameras in Fayetteville cost-sharing........................................ 84§3
Renewal of charter schools................................................................... 101§2
Requirements for expansion of charter schools........................................ 101§2.5(a)-(b)
Schematic designs for emergency access to schools............................ 100§8.20(a)-(c)
Small school supplemental funding schedule........................................ 100§8.4
Student prayer/religious activities rights in school.................................. 13
Student records privacy and security.................................................... 50

1218
Education, Boards of (Local)—continued
Teacher contracts .......................................................... 115§65
Unanimous vote for Harnett County School Superintendent .................................. 6§6(a)-(b)
Union County education expense and capital outlay appropriation requirement ........................................ 8; 9
Waiver for additional testing days ........................................................................ 5§16

Education Commission, State—repealed ..................................................... 120§1(c)-(d)

Education Oversight Committee, Joint Legislative
ECSU financial and enrollment concerns study ........................................... 100§11.24(a)-(c)
NC Virtual Public School Program revenue study ........................................... 100§8.18(a)-(b)
Read to Achieve diagnostic reading assessments study ................................ 100§8.22(a)-(b)
School employee education-based salary supplements study ................ 100§8.3(b)-(c)
UNC tuition study ................................................................................ 100§11.15(a)-(b)
Vocational training for persons with intellectual disabilities study .................. 100§10.4(a)-(b)

Education, State Board of
Agency teachers' salaries ........................................................................... 100§35.6A
Alternative assessments ................................................................................... 5§1
Appropriations and allocations
Academically gifted children allocations ................................................ 100§8.2
Budget reductions ...................................................................................... 100§8.6
Children with disabilities ............................................................................ 100§8.1
Charter school closure funds ........................................................................ 100§8.34(a)-(d)
Common Core replacement ........................................................................... 78
Competitive bid process for assumption of a failing charter school .................. 101§6
Cooperative Innovative High Schools
application clarification ............................................................................. 100§8.36(a)-(b)
Developmental screening implementation .................................................. 5§10
Dropout Prevention and Recovery Pilot Program created ................................ 104
Education of children in private psychiatric facilities ................................ 100§8.39(a)-(j)
Emergency epinephrine auto-injectors in schools ....................................... 100§8.23(a)-(e)
Fast-track replication process for high-quality charter schools .................... 101§6.5
Final decisions on charter school applications requirement ....................... 101§1.5
Injury prevention and return to work programs implementation .................. 100§8.26
Military-connected student identifier ............................................................ 15
Property insurance system for charter schools ............................................. 100§8.10
Raise dropout age pilot program enforcement provisions ................................ 115§64
Reports—see that heading
School achievement score methodology ...................................................... 5§§11-15
Special Education Scholarship Grants clarifying changes ........................ 49; 101§7.3;
115§68
Standard Course of Study update ................................................................. 78§3
Technical corrections, clarifications, and conforming changes .................. 115§9
Tests and testing materials not public record .............................................. 115§49.2
Virtual charter school pilot program ............................................................. 100§8.35(a)-(g)

Educational Testing—see Education; Testing

1219
Elections (see also Political Parties)

Absentee ballot witness clarification ......................................................... 111§11
Arrangement of candidates on ballot .......................................................... 111§2
Duplin County Commissioners and Board of Education ................................ 6§§1-4
First Craven Sanitary District absentee voting .............................................. 54
Mayor and aldermen terms for certain cities ............................................. 24; 25
One-stop early voting hours ........................................................................ 111§3
Party affiliation for primary ........................................................................ 111§1(a)-(b)
Plurality method for Morganton ................................................................. 12
Recall of officers for Morganton ................................................................. 12
Schedule for Elkin ......................................................................................... 35
Special election date clarification ............................................................... 111§18
Statement of economic interest (SEI) filing ................................................ 111§13(a)-(b)
Technical corrections, clarifications, and conforming changes .................. 111§§5-6, 10, 15(a)-(d); 115§15.1
Town council staggered terms for Bakersville ............................................ 56
Vacancies in Harnett County Commissioners and Board of Education .......... 6§5(a)-(c)
Voter Guide repeal clarification ............................................................... 111§8
Voter ID clarification ................................................................................... 111§7
Voter registration—see that heading
  Voting by registered voter moving between precincts ............................. 111§12(a)-(c)
  Voting by voter who moved between primaries .................................... 111§17.5(a)-(b)

Elections, Boards of (Local)

Arrangement of candidates on ballot .......................................................... 111§2
One-stop early voting hours ........................................................................ 111§3
Technical corrections, clarifications, and conforming changes .................. 111§§4-6
Voter ID clarification ................................................................................... 111§7
Written complaint filing notification ......................................................... 111§9

Elections, State Board of

Appropriations and allocations—Current Operations .................................. 100§2.1
Electronic filing of campaign finance reports ........................................... 111§18.5(a)-(b)
One-stop early voting hours ........................................................................ 111§3
Voter registration list maintenance ............................................................ 111§16

Electrolysis Examiners, Board of—appointments and membership ............ 116§1.16

Electronic Cigarettes—see Tobacco and Tobacco products

Electronic Government

Conversion of paper titles .......................................................................... 100§34.7(a)-(c)
DMV electronic lien system implementation ............................................. 115§29(a)-(b)
E-filing system for corporate clients modernization progress report .......... 100§26.4
E-Verify application to local government contracts clarification ............... 119§13(a)-(c)
Electronic filing of campaign finance reports ......................................... 111§18.5(a)-(b)
Electronic transmission of commercial fishing rules ................................ 100§14.13
Electronic Government—continued

Natural Heritage Program online access fees ........................................ 100§14.13A(a)-(b)
OAH electronic filing .................................................................................... 120§5(a)-(b)
Remote license renewal ................................................................................. 100§34.8(a)-(b)
State Portal costs report ................................................................................ 100§7.13

Elizabeth City, City of

Elizabeth City State University—see University of North Carolina
Port Discover Grassroots Science
Program grant-in-aid ........................................................................................ 100§15.19

Elizabethtown, Town of

authorize to enroll employees in State Health Plan ........................................ 75

Elk Park, Town of

—no recordation of deeds for delinquent taxpayer .......................................... 69

Elkin, Town of

—elections schedule ...................................................................................... 35

Emergency Medical Services Advisory Council

appointments and membership ....................................................................... 116§2.13

Emergency Services

Attachment and garnishment for county ambulance services in Union County ........................................ 72
Back-up Public Safety Answering Points (PSAP) and plans ......................................................... 66
Criminal history checks for firefighters and EMS personnel
Generally .......................................................................................................... 27§§1-2
Study ................................................................................................................. 27§2

Fire districts petition and election requirements for Henderson County ........................................ 26§5(a)-(c)
Firefighters' and Rescue Squad Workers' Pension Fund supplemental payments .................................. 64§3(a)-(d)
Hazmat response team ..................................................................................... 100§16B.3(a),(c)-(d)
Inactive member in Firefighters' and Rescue Squad Workers' Pension Fund .......................................... 97§1

Mebane Firemen's Supplemental Retirement repealed .................................................. 64§1(i)
Relief Funds ........................................................................................................ 64§1

Rescue squad workers same retirement option as firefighters .................................................. 112§7
Schematic designs for emergency access to schools ........................................ 100§8.20(a)-(c)

Urban search and rescue program
Costs study ...................................................................................................... 27§5
Established ........................................................................................................ 27§§3-5
Workers' Compensation Fund for certain safety workers ........................................ 64§2(a)-(d)

Eminent Domain

Authority for beach erosion control and flood and hurricane works for Duck ........................................ 86
Greater Asheville Regional Airport
Authority eminent domain clarification ............................................................ 52§4

Employment

Criminal history checks for firefighters and EMS personnel .................................. 27§§1-2
Employment—continued
Discontinue use of automatic scoring of State job applications ........ 100§22A.1(a)-(b)
Education and Workforce Innovation Program ................................. 100§23.1(a)-(f)
GED technical correction ....................................................................... 115§28(a)-(i)
Licensure of persons with military training .............................................. 67 §§ 1-2
Oil and gas industry vocational programs study .................................... 4§24(a)-(b)

Energy Policy Council—legal support from DENR attorneys ............... 4§29(a)-(b)

Energy Policy, Joint Legislative
Commission on—oil and gas industry
effect on property tax study ................................................................. 4§21

Engineering and Land Surveying Act ................................................. 120§11(a)-(b)

Engineers and Surveyors
Agency review of engineering work reform ......................................... 120§29(a)-(k)
Professional engineer exemption clarification ..................................... 120§11(a)-(b)
State involvement in surveying drilling
disputes repealed ................................................................. 4§9

Engineers and Surveyors, State Board of
Examiners for—Pretreatment, Emergency Response
and Collection System (PERCS) permitting
program pilot study ......................................................................... 120§29(f)-(g)

Entertainment Industry
Earl Scruggs Center funds ................................................................. 100§15.20(a)-(b)
Sales tax on admissions ..................................................................... 3§5.1(a)-(g)

Environment
Agriculture environmental complaints procedure .............................. 103§1(b)
Coal ash cost recovery moratorium ..................................................... 122§2(a)-(b)
Coal ash management ....................................................................... 122§3(a)-(f)
Compliance boundary
Boundary and corrective action provisions review ......................... 122§12(c)
Provisions .................................................................................. 122§12(a)-(c)
Confidentiality of agricultural operations
environmental investigations ......................................................... 103§1(a)
Contaminated property use study ....................................................... 120§56(a)-(b)
Contested cases for CAMA permits ................................................. 120§23
Disapprove riparian buffer mitigation rules ....................................... 95§1
Discharge of waste definition effective date ...................................... 120§51(a)-(b)
Energy audit requirements ............................................................... 120§55
Energy Conservation Code application to certain buildings ............... 90§1
Energy savings contracts ................................................................. 115§56.7
Groundwater contamination not subject
to 10-year statute of repose .............................................................. 17; 44
Hardison Amendment clarification .................................................... 120§57
New riparian buffer mitigation program requirements rules ............... 95§2
Open burning .................................................................................... 120§24(a)-(h)
Outdated air quality reporting requirements repealed ...................... 120§38(a)-(c)
Present-use value program land under conservation easement .......... 3§14.14(a)-(f)
Recovery of costs for unlawful discharge
of coal ash prohibited ....................................................................... 122§1(a)-(b)
Statute of repose clarification .............................................................. 44

1222
Environment—continued
Stormwater best management practices
  use by certain entities ................................................................. 100§13.15
TVA Settlement funds for conservation easements .................................................... 120§52(a)-(c)
Venus flytrap taking penalties .................................................................................. 122§6(a)-(c)
Wastewater discharges reporting and notification strengthened .......................... 122§6(a)-(c)
Wastewater disposal system requirements ......................................................... 95§3

Environment and Natural Resources,
Department of (DENR)
Agency review of engineering work reform .................................................. 120§29(a)-(k)
Agriculture environmental complaints procedure .............................................. 103§1(b)
Amend rules to conform to H201 ................................................................. 90§7
Appropriations and allocations
Aquariums Fund fees transfer ........................................................................ 100§14.2C
Current Operations ....................................................................................... 100§2.1
Forest City water line extension ........................................................................ 100§14.28
Low-income Home Energy Assistance Block Grant ........................................ 100§12J.1
Management flexibility for reductions ............................................................. 100§14.24B(a)-(b)
Water Resources Development
Projects capital appropriation ........................................................................ 100§36.1, 36.2(a)-(e)
Approved wastewater systems modification ................................................. 120§47(a)-(e)
Camp Sertoma/Moore Springs property reallocation ....................................... 100§11.7(d)
CDBG infrastructure eligible activities clarification ........................................ 100§14.15
Coal ash
  As structural fill study .................................................................................. 122§4(d)-(e)
  Impoundments closure ................................................................................ 122§7.1
  Impoundments closure deadlines review ...................................................... 122§13(b)
  Impoundments emergency dam repairs notification .................................... 122§7
  Impoundments inspections .......................................................................... 122§10
  Landfills evaluation ..................................................................................... 122§5(b)
  Management ............................................................................................... 122§3(a)-(f)
Confidentiality of agricultural operations environmental investigations ................. 103§1(a)
Construction/demolition landfills exempt from minimum financial responsibility requirement ............................................ 120§27
Contaminated property use study .................................................................. 120§56(a)-(b)
Daily flow design exemption for low-flow fixtures .............................................. 120§53
Division of Air Quality
  I & M Air Pollution Control Account remaining funds use ................................ 100§14.22
  Water and Air Quality Account cash balance use ....................................... 100§14.23
Division of Marine Fisheries
  Advance sale of Commercial Fishing Licenses .............................................. 100§14.10
  Commercial Fishing License fees ................................................................ 100§14.9(a)-(j)
  Joint enforcement agreements ...................................................................... 100§14.11(a)-(b)
Division of Parks and Recreation
  Aquatic weed control ................................................................................. 100§14.19(a)-(c)
  Carolina Beach State Park marina RFI ..................................................... 100§14.5(a)-(b)
Environment and Natural Resources,  
Department of (DENR)—continued

Division of Water Infrastructure
- Loan and grant applications ......................................................... 100§14.17  
- Water infrastructure grant priority ............................................. 100§14.16  
- Dormant mineral statutes study .................................................. 4§25(a)-(b)  
- Drilling application fee reduced .................................................. 4§11  
- Energy audit requirements .......................................................... 120§55  
- Fracking fluids trade secrets ....................................................... 4§8(a)-(c); 115§67  
- Gravel definition prohibited ........................................................ 90§3  
- High-hazard dams emergency action plans ............................... 122§7(a)-(c)  
- Inlet hazard areas ..................................................................... 120§35(a)-(f)  
- Interbasin transfer process for certain reservoirs ...................... 120§37  
- Interstate Chemicals Clearinghouse authorization .................... 100§14.27  
- Isolated wetlands regulation ...................................................... 120§54(a)-(e)  
- LNG export terminal siting study .............................................. 4§22(a)-(b)  
- Midstream infrastructure development study ......................... 4§26  
- Mining and Energy Commission rules study .......................... 4§25(a)-(b)  
- Natural Heritage Program online access fees ......................... 100§14.13A(a)-(b)  
- NER facilities and administrative fees ..................................... 100§14.2

Oil and gas exploration
- Environmental compliance review ............................................. 4§15(a)-(b)  
- Permits ...................................................................................... 4§3(a)-(c)  
- On-site wastewater approval clarification ............................... 120§28(a)-(c)  
- Oregon Inlet federal property acquisition .............................. 100§14.7(a)-(m)  
- Pre-drilling testing of water supplies ....................................... 4§13(b)  
- Pretreatment, Emergency Response and Collection
  System (PERCS) permitting program pilot study ...................... 120§29(f)-(g)  
- Private well-water testing fee waiver study ........................... 100§12E.3(c)  
- Reports—see that heading
- Scope of local authority for ordinances ..................................... 120§32(c)-(d)  
- SEPA exemption for reoccupation of existing building ............. 90§§4-5  
- Speed limit waiver in State parks and forests ......................... 120§31(a)-(b)  
- State Energy Office
  - Long-range State energy policy study ................................ 4§27  
- State Geologist
  - Fracking fluids certificate of compliance .............................. 4§8(b)  
  - Waste management fee cap repealed ................................. 100§14.24A  
  - Wastewater discharges reporting and notification strengthened .... 122§6(a)-(c)  
- Water infrastructure improvements grants to municipalities .... 100§14.17A

Environmental Management Commission
- Amend rules to conform to H201 .............................................. 90§7  
- APA exemptions for oil and gas exploration rules .................. 4§2(e)-(g)  
- Appointments and membership ............................................... 116§1.11  
- Coal ash
  - As structural fill study .............................................................. 122§4(d)-(e)  
  - Impoundments inspections ...................................................... 122§10  
- Management ........................................................................... 122§3(a)  
- Coastal stormwater grandfather .............................................. 120§25(a)-(e)
Environmental Management Commission—continued

Compliance boundary and corrective action provisions review .............................................. 122§12(c)
Contaminated property use study ......................................................................................... 120§56(a)-(b)
Disapprove riparian buffer mitigation rules ........................................................................ 95§1
Gravel definition prohibited ................................................................................................. 90§3
Interbasin transfer process for certain reservoirs ............................................................... 120§37
New riparian buffer mitigation program requirements rules ................................................ 95§2
Open burning ......................................................................................................................... 120§24(a)-(h)
Reclaimed water use as drinking water .............................................................................. 113
Stormwater impervious surface calculations for redevelopment ........................................ 90§2-3
Transfer solid waste rule-making authority
from Public Health Commission ......................................................................................... 122§11(a)-(m)
Wastewater disposal system requirements ........................................................................ 95§3
Water quality remediation funds ........................................................................................ 100§14.8A

Environmental Review Commission—outdated air quality reporting requirements repealed ............................................. 120§38(a)-(c)
Erosion—eminent domain for beach erosion control
and flood and hurricane works for Duck ................................................................................. 86
Erosion Control Structures—see Beach Nourishment and Replenishment

Escheats—see Property

Estates and Trusts

Common law rule against accumulations no longer applies .................................................. 107§5.1
Personal representative substitution ...................................................................................... 107§4.1
Probated will filing clarification ......................................................................................... 107§2.1-2.3
Rule Against Accumulations application ............................................................................ 115§34
Slayer statute modification .................................................................................................. 107§1.1-1.2
Taxation statutory reference update .................................................................................... 3§2.3(a)-(b)
Technical corrections, clarifications, and conforming changes ........................................... 115§2.3, 2.4, 32.5
Transfer of real property held by spouses as tenants by the entireties .................................. 115§33(a)-(b)

Ethics

MPO/RPO ethics fines .......................................................................................................... 58§12(a)-(c); 115§56.6A(a)-(c)
P3 ethics reporting ................................................................................................................ 109

Ethics Commission, State

MPO/RPO ethics fines .......................................................................................................... 58§12(a)-(c); 115§56.6A(a)-(c)

Statement of economic interest (SEI) filing by candidates and nominees for office ............ 111§13(a)-(b)

Evidence—see Courts

Extraterritoriality—see Planning and Zoning

F

Fair Bluff, Town of—NC-SC Rail Compact ............................................................................ 121
Fairs and Exhibitions
State Fair admissions fees
  Exempt from rulemaking ................................................................. 103§17
  Schedule posting .............................................................................. 100§13.2(a)-(b)
Family Planning—Paragard reimbursement .................................. 100§12H.33(a)-(b)
Farm Act of 2014 .................................................................................. 103
Fayetteville, City of
  Fascinate-U Grassroots Science Program grant-in-aid................. 100§15.19
  Fayetteville State University—see University of North Carolina
  Red light cameras .............................................................................. 84
Fees
  ABC permit fee increase ................................................................. 100§16B.2(a)-(b)
  Aquariums Fund fees transfer ......................................................... 100§14.2C
  Business Court filing fees ............................................................ 102§4
  Cape Fear Public Utility Authority
    unpaid sewer fees collection ......................................................... §§3-5
  Commercial Fishing License fees ................................................... 100§14.9(a)-(j)
  Community work crew fee limitation removed ......................... 100§16C.2
  Conversion of paper titles ............................................................... 100§34.7(a)-(c)
  County solid waste fees use .......................................................... 115§60
  DCR exempt from certain operating rules for historic sites museums ........................................................................ 100§19.5(a)-(c)
  Dealer fee disclosure requirements ............................................... 108§4(a)-(b)
  DMV hearing fees ........................................................................... 100§34.9(a)-(c)
  DOT signage ................................................................................ 100§34.14(a)-(b)
  Driver education funding ................................................................. 100§8.15(a)-(c)
  Drug dispensing fee study ............................................................... 100§12H.8(b)
  Fees, sponsorship, privatization of DOT services study ............. 100§34.17(a)-(c)
  Forest management plans fees ......................................................... 100§13.13(a)-(b)
  Forestry fees correction ................................................................. 120§58
  Hazardous materials facility fee ..................................................... 100§16B.3(b)
  Increasing fees pursuant to budget act .......................................... 100§6.2(a)-(b)
  Indigent Defense Services fee transparency .................................. 100§18A.1
  Industrial Commission ..................................................................... 100§15.16B(a)-(b)
  Landscape contractors rewrite ......................................................... 103§3(a)-(f)
  National Poultry Improvement Plan fees ...................................... 100§13.11(a)-(b)
  Natural Heritage Program online access fees ............................ 100§14.13A(a)-(b)
  No fixing fees by insurance plans for optometry services .......... 43
  Oyster permits under private docks fee rollback ......................... 120§33(a)-(b)
  Private well-water testing
    Fee waiver study ........................................................................... 100§12E.3(c)
    Testing fee .................................................................................. 100§12E.3(a)-(c)
    Reading camps ............................................................................. §8
    Registration of mopeds .................................................................. 114
  Revenues/expenditures/fees collected/assessed by Manufacturing Technology
    Center and Textile Technology Center report ............................. 100§10.3

1226
<table>
<thead>
<tr>
<th>Fees</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Fair admissions fee schedule posting</td>
<td>100§13.2(a)-(b)</td>
</tr>
<tr>
<td>Stormwater management fees uses</td>
<td>14</td>
</tr>
<tr>
<td>Tax locator services cap modification</td>
<td>100§26.1</td>
</tr>
<tr>
<td>Toxicological testing by private hospital fee for costs</td>
<td>100§18B.14(a)-(b)</td>
</tr>
<tr>
<td>Unpaid sewer fees collection for Spindale</td>
<td>98§§1-2</td>
</tr>
<tr>
<td>Utilities regulatory fees</td>
<td>59</td>
</tr>
<tr>
<td>Stormwater management fees uses</td>
<td>100§15.2B</td>
</tr>
<tr>
<td>Utilities regulatory fees</td>
<td>63</td>
</tr>
<tr>
<td>Waste management fee cap repealed</td>
<td>100§14.24A</td>
</tr>
<tr>
<td>Ferries</td>
<td></td>
</tr>
<tr>
<td>Advertising and naming rights</td>
<td>58§1(a)-(b)</td>
</tr>
<tr>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>115§56.5</td>
</tr>
<tr>
<td>Fertilizers (see also Agriculture)</td>
<td>103§2(a)-(b)</td>
</tr>
<tr>
<td>Film Industry</td>
<td></td>
</tr>
<tr>
<td>Economic development functions contracting</td>
<td>18; 115§§56.1, 57</td>
</tr>
<tr>
<td>Film and Entertainment Grant Fund created</td>
<td>100§15.14B(a)-(c)</td>
</tr>
<tr>
<td>Financial Services and Institutions</td>
<td></td>
</tr>
<tr>
<td>Conform pledge of joint accounts</td>
<td>61</td>
</tr>
<tr>
<td>Loan originators technical correction</td>
<td>115§39</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td></td>
</tr>
<tr>
<td>Criminal penalties—see Crimes</td>
<td>58§12(a)-(c); 115§56.6A(a)-(c)</td>
</tr>
<tr>
<td>Red light cameras in Fayetteville</td>
<td>84</td>
</tr>
<tr>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>115§13</td>
</tr>
<tr>
<td>Venus flytrap taking penalties</td>
<td>120§52(a)-(c)</td>
</tr>
<tr>
<td>Fire Alarms</td>
<td>64§2(d)</td>
</tr>
<tr>
<td>Fire and Rescue Commission, State</td>
<td></td>
</tr>
<tr>
<td>third-party administrator contract</td>
<td></td>
</tr>
<tr>
<td>Firefighters and Firefighting</td>
<td></td>
</tr>
<tr>
<td>Fish and Wildlife</td>
<td></td>
</tr>
<tr>
<td>Euthanasia of certain seized venomous reptiles</td>
<td>120§39</td>
</tr>
<tr>
<td>Opossum exemption for Clay County</td>
<td>7</td>
</tr>
<tr>
<td>Oversight of cervids</td>
<td>100§14.26(a)-(f)</td>
</tr>
<tr>
<td>Fisheries</td>
<td></td>
</tr>
<tr>
<td>Advance sale of Commercial Fishing Licenses</td>
<td>100§14.10</td>
</tr>
<tr>
<td>Commercial Fishing License fees</td>
<td>100§14.9(a)-(j)</td>
</tr>
<tr>
<td>Commercial Fishing Resource Fund created</td>
<td>100§14.9(i)</td>
</tr>
<tr>
<td>Commercial shellfish leasing study</td>
<td>100§14.12</td>
</tr>
<tr>
<td>Division of Marine Fisheries joint enforcement agreements</td>
<td>100§14.11(a)-(b)</td>
</tr>
<tr>
<td>Oyster permits under private docks fee rollback</td>
<td>120§33(a)-(b)</td>
</tr>
<tr>
<td>Recreational fishing—see Hunting and Fishing</td>
<td></td>
</tr>
<tr>
<td>Senator Jean Preston Marine Shellfish Sanctuary</td>
<td>120§44(a)-(c)</td>
</tr>
<tr>
<td>Transplanting of oysters and clams</td>
<td>120§26</td>
</tr>
</tbody>
</table>
### Index to Session Laws

**Flooding**—see Disasters and Emergencies  
**Floodplains**—see Lakes and Rivers  

#### Food Services

| Topic | Session Law  
|-------|-------------  
| Limited food services at lodging facilities | §120§21(a)-(c)  
| Prepaid meal plans sales tax | §3§4.1(a)-(g)  

#### Forensic Science Advisory Board

| Topic | Session Law  
|-------|-------------  
| Appointments and membership | §115§46  
| Meetings | §115§46  

#### Forensic Sciences—remote testimony for forensic analysts

| Topic | Session Law  
|-------|-------------  
| | §119§8(a)-(c)  

#### Forest City, Town of

| Topic | Session Law  
|-------|-------------  
| Water line extension grant | §100§14.28  

#### Forestry

- Forest management plans fees | §100§13.13(a)-(b)  
- Forestry fees correction | §120§58  
- Law enforcement officers appointment | §103§7  
- Museum of Forestry Challenge Grant | §100§14.20A  
- Speed limit waiver in State parks and forests | §120§31(a)-(b)  

#### Forsyth County

- Winston-Salem, City of—see that heading

#### Foster Care

- DHHS Block Grants | §100§12J.1  

#### 4-H

- see Youth Organizations

#### Foxfire Village, Town of

- Satellite annexation restrictions removed | §30§1(a)-(b)  

#### Franklin County

- Nonacceptance of deed transfer due to delinquent taxes | §29  

#### Fuels

- Any fuel option in school bus contracts | §4§28(a)-(b)  
- Biodiesel tax | §3§9.7(a)-(c)  
- Excise tax changes | §100§34.6(a)-(b)  
- Gas per gallon equivalent for CNG | §4§30(a)-(d)  

#### Funds and Accounts

- ABC Commission Fund  
  - Use of credited funds | §100§15.1  
- Agricultural Development and Farmland Preservation Trust Fund  
  - Military buffers matching funds | §100§13.2A  
- Agriculture Gas Expansion Fund | §100§15.13(a)-(c)  
- Aquariums Fund  
  - Fees transfer | §100§14.2C  
- Bedding Law Account  
  - Funds transfer to General Fund | §100§2.2(i)  
  - Use for IT needs in Structural Pest Control and Pesticides Division | §100§13.1A  
- Bernard Allen Drinking Water Fund  
  - Interest redirected to General Fund | §100§2.2(d)  
  - Redirect interest on certain environmental funds | §100§14.21(e)  
- Brownfields Property Reuse Act Implementation Account  
  - Redirect interest on certain environmental funds | §100§14.21(j)  
- Brownfields Superfund Fund  
  - Interest redirected to General Fund | §100§2.2(d)  

---

**1228**
**Funds and Accounts—continued**

<table>
<thead>
<tr>
<th>Fund or Program</th>
<th>Action</th>
<th>Section(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Penalty and Forfeiture Fund</td>
<td>Appropriations and allocations</td>
<td>100§5.3(a)-(b)</td>
</tr>
<tr>
<td>Clean Water Management Trust Fund</td>
<td>Interest redirected to General Fund</td>
<td>100§2.2(d)</td>
</tr>
<tr>
<td></td>
<td>Loan and grant applications</td>
<td>100§14.17</td>
</tr>
<tr>
<td>Natural Heritage Program online access fees</td>
<td>Redirect interest on certain environmental funds</td>
<td>100§14.21(b)</td>
</tr>
<tr>
<td></td>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>100§14.8(a)-(f)</td>
</tr>
<tr>
<td>Water quality remediation funds</td>
<td></td>
<td>100§14.8A</td>
</tr>
<tr>
<td>Coastal and Estuarine Water Beach Access Program</td>
<td>Parks and Recreation Trust Fund transfer</td>
<td>100§14.4(a)-(b)</td>
</tr>
<tr>
<td>Collection Assistance Fund use for scanners at DOR</td>
<td></td>
<td>100§26.3</td>
</tr>
<tr>
<td>Commercial Fishing Resource Fund</td>
<td>Created</td>
<td>100§14.9(i)</td>
</tr>
<tr>
<td>Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund</td>
<td>Interest redirected to General Fund</td>
<td>100§2.2(d)</td>
</tr>
<tr>
<td></td>
<td>Redirect interest on certain environmental funds</td>
<td>100§14.21(g)</td>
</tr>
<tr>
<td>Compensation Reserve</td>
<td>Investment Division compensation</td>
<td>100§33.2(a)-(b)</td>
</tr>
<tr>
<td>Conservation Fund</td>
<td>Redirect interest on certain environmental funds</td>
<td>100§14.21(d)</td>
</tr>
<tr>
<td>Contingency and Emergency Fund</td>
<td>Litigation expenses</td>
<td>100§6.12</td>
</tr>
<tr>
<td>Cotton Warehouse Fund</td>
<td>Funds transfer to General Fund</td>
<td>100§2.2(j)</td>
</tr>
<tr>
<td>Court Information Technology Fund</td>
<td>Report</td>
<td>100§18B.1(b)</td>
</tr>
<tr>
<td>Disaster Relief Fund, Small Business Loans</td>
<td>Transfer to LiDAR Reserve</td>
<td>100§15.12(b)</td>
</tr>
<tr>
<td>Distinguished Professor Endowment Trust Fund</td>
<td>Funds use</td>
<td>100§11.1(a)-(b)</td>
</tr>
<tr>
<td>Drinking Water Reserve</td>
<td>Loan and grant applications</td>
<td>100§14.17</td>
</tr>
<tr>
<td>Drinking Water State Revolving Fund</td>
<td>Loan and grant applications</td>
<td>100§14.17</td>
</tr>
<tr>
<td>Dry Cleaning Solvent Cleanup Fund</td>
<td>Interest redirected to General Fund</td>
<td>100§2.2(d)</td>
</tr>
<tr>
<td></td>
<td>Redirect interest on certain environmental funds</td>
<td>100§14.21(c)</td>
</tr>
<tr>
<td>Education Endowment Fund</td>
<td>Created</td>
<td>100§8.11(a)-(j)</td>
</tr>
<tr>
<td>Education Lottery Fund</td>
<td>Appropriations and allocations</td>
<td>100§5.2(a)-(j)</td>
</tr>
<tr>
<td>Education Lottery Reserve Fund</td>
<td>Appropriations</td>
<td>100§5.2(b)</td>
</tr>
<tr>
<td>Employment Security Reserve Fund</td>
<td>Appropriation</td>
<td>100§15.15</td>
</tr>
</tbody>
</table>

---

1229
Funds and Accounts—continued

Energy Research Grants
Transfer to Commerce Administration .................................................. 100§15.5(a)-(c)

Escheat Fund
UNC Need-Based Financial Aid
Forward Funding Reserve appropriation ................................................ 100§11.26

Escheat Savings Bond Trust Fund
Created ................................................................................................................... 93

Film and Entertainment Grant Fund
Created ................................................................................................................... 100§15.14B(a)-(c)

Firefighters' and Rescue Squad Workers'
Pension Fund—see Retirement

Highway Fund
Credit reserve ...................................................................................................... 100§34.19(a)-(b)
DMV positions funding .................................................................................. 100§34.22
DOT cash management ................................................................................. 100§34.23(a)-(d)
State Aid to Municipalities baseline .............................................................. 100§34.1

Highway Trust Fund
DOT cash management ................................................................................. 100§34.23(a)-(d)

Housing Trust Fund
Workforce Housing Loan Program ................................................................. 100§31.1(a)-(d)

I & M Air Pollution Control Account
Remaining funds use ........................................................................................ 100§14.22

I & M Air Pollution Control Account
Fees redirected to General Fund ........................................................................ 100§2.2(e)

Inactive Hazardous Sites Cleanup Fund
Redirect interest on certain environmental funds .............................................. 100§14.21(i)
Solid waste disposal tax use ............................................................................. 100§14.24(a)-(b)

Inactive Hazardous Sites Fund
Interest redirected to General Fund ................................................................. 100§2.2(d)

Indian Gaming Education Revenue Fund
Appropriation to School Technology Fund ...................................................... 100§5.1

Industrial Development Fund Utility Account
Transfer to Main Street Solutions Fund ............................................................. 100§15.14A

Information Technology Fund
Appropriations .................................................................................................. 100§7.1(a)-(b)
CJLEADS appropriation ................................................................................... 100§7.1(a)-(b)
Criminal Justice Law Enforcement
Automated Data System ................................................................................... 100§7.6(b)
Current Operations .......................................................................................... 100§2.1
Enterprise resource planning appropriation ..................................................... 100§7.6(b)
Government Data Analytics Center ................................................................. 100§7.1(a)-(b)
Government Data Analytics Center/business intelligence ................................ 100§7.6(b)
Longitudinal Data System Board ..................................................................... 100§7.1(a)-(b)

Information Technology Reserve Fund
Appropriations..................................................................................................... 100§7.3(a)-(b)
Current Operations .......................................................................................... 100§2.1

Job Maintenance and Capital Development Fund
Eligibility criteria expansion ............................................................................. 118
Funds and Accounts—continued

LiDAR Reserve
Created ................................................................. 100§15.12(a)
Transfers ....................................................... 100§15.12(b)

Local Firefighters' Relief Fund
Created ............................................................................. 64§1(a)-(d)

Lottery Fund
UNC Need-Based Financial Aid
Forward Funding Reserve transfer ........................................... 100§11.26

Main Street Solutions Fund
Transfer from Industrial Development
Fund Utility Account ........................................ 100§15.14A
Transfer to Commerce Administration .......................... 100§15.5(a)-(c)

Marine Conservation Fund
Interest redirected to General Fund .......................... 100§2.2(c)

Mebane Firemens' Supplemental Retirement
Repealed .......................................................... 64§1(i)

Medicaid Contingency Reserve
Funds not "appropriation made by law" 100§2.2(k)

NC Green Business Fund
Transfer to Commerce Administration ............. 100§15.5(a)-(c)

NC Small Business Fund
Transfers ......................................................... 100§15.14

Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund
Interest redirected to General Fund .................. 100§2.2(b)
Redirect interest on certain environmental funds ........ 100§14.21(h)

One North Carolina Fund
Current Operations ........................................... 100§2.1

One North Carolina Small Business Fund
Transfer to Commerce Administration ............. 100§15.5(a)-(c)

Parks and Recreation Trust Fund
Coastal and Estuarine Water Beach
Access Program transfer ........................................ 100§14.4(a)-(b)
Interest redirected to General Fund .................. 100§2.2(b)
Redirect interest on certain environmental funds ........ 100§14.21(d)

Project Reserve Account
Unspent capital funds transfer ....................... 100§36.14

Queen Anne's Revenge Project Special Fund
Created ................................................................. 100§19.4

Rescue Squad Workers' Relief Fund ....................... 64§1(g)-(h)

Research Stations Fund
Excess to General Fund .......................................... 100§13.8

School Technology Fund
Appropriation from Indian Gaming
Education Revenue Fund ...................................... 100§5.1
Civil Penalty and Forfeiture Fund appropriation .... 100§5.3(a)-(b)

State Aid to Libraries Fund
Grants capped ......................................................... 100§19.2
Funds and Accounts—continued
State Public School Fund
Civil Penalty and Forfeiture Fund appropriation ........................................ 100§5.3(a)-(b)
Statewide Firefighters' Relief Fund
Created ........................................................................................................ 64§1(e)-(f)
Superfund Cost Share Fund
Interest redirected to General Fund ............................................................. 100§2.2(d)
Teaching Fellows Trust Fund
Program authority transferred .................................................................... 100§11.10(a)-(g)
Wastewater Reserve
Loan and grant applications ....................................................................... 100§14.17
Water and Air quality Account
Cash balance use ....................................................................................... 100§14.23
Water Pollution Control System Account
Interest redirected to General Fund ............................................................. 100§2.2(d)
Redirect interest on certain environmental funds ...................................... 100§14.21(f)
Wildlife Resources Fund
Aquatic weed control .............................................................................. 100§14.19(a)-(c)
Shallow draft navigation channel and lake dredging funding ...................... 100§14.18(a)-(d)
Workers' Compensation Fund
Certain safety workers .............................................................................. 64§2(a)-(d)
Youth Advocacy and Involvement Fund
Students Against Destructive Decisions Program discontinued ................... 100§30.3
Funeral Service, Board of—appointments
and membership ......................................................................................... 116§2.14
Funeral Services
Cemeteries—see that heading

G
Gaming—lottery appropriation .................................................................... 100§5.2(a)-(e)
Gangs—see Organized Crime and Gangs
Garner, Town of—closure of certain
Division of Veterans Affairs offices prohibited ........................................... 100§30.2
Gaston County
Accept and remove certain land from State nature and historic preserve .......... 62
Bessemer City, City of—see that heading
Gastonia, City of—see that heading
Moratorium on funding sufficiency actions by Board of Education ............... 9
Gastonia, City of—Schiele Museum of Natural History and Planetarium Grassroots Science Program grant-in-aid ........................................ 100§15.19
General Assembly
Appropriations and allocations—Current Operations .................................... 100§2.1
Assault/threat/solicitation by inmate of a legislative, executive, or court officer .................................................................................. 119§6(a)-(c)
### General Assembly—continued

#### Bill Drafting Division
- Health Information Exchange data disclosure ............................................. §12I.1(a)-(c)
- Collaboration for Prosperity Zones review of reports ................................... §18

#### Fiscal Research Division
- Experience and education credit for Highway Patrol members with prior law enforcement or military experience study ..................... §35.11A
- Health Information Exchange data disclosure ............................................. §12I.1(a)-(c)
- Improve budgeting of General Fund pilot program ................................. §6.7(a)-(g)

#### Judicial standing of leadership in proceeding challenging legislative acts .............................................................. §115§18

#### Legislative committees and commissions—
- see particular committee or commission

#### Legislative Retirement System (LRS)—see Retirement

#### Legislative Services Commission
- Quorum change ............................................................................................ §115§53
- Order of appropriations bills ........................................................................... §6.8
- Outside counsel in constitutionality lawsuits ............................................. §17.3A(a)-(e)

#### Program Evaluation Division
- Alcohol and substance abuse education and prevention initiative study .................................................... §12I.3(a)-(b)
- Chief Medical Examiner's Office study ....................................................... §12E.5
- Health Information Exchange data disclosure ............................................. §12I.1(a)-(c)
- Salaries ................................................................................................... §35.4(a)-(d)
- Special superior court judges nomination/confirmation ......................... §18B.6
- Three-judge panel to hear challenges to General Assembly acts .............. §18B.16(a)-(f)
- Transfers for closed Legislative Retirement Fund .......................................... §7

#### General Government, Joint Legislative Committee on
- Created ............................................................................................................. §22.1
- Temporary Solutions staffing review ............................................................... §22A.2(a)-(b)

#### Geography
- Geographic Information System data consolidation and feasibility ............. §7.16(a)
- LiDAR topographic mapping of State ............................................................ §15.12(a)-(b)
- Official map for Lake Lure ............................................................................ 81
- State Construction Office shall maintain maps of military installations ................................................. §1

#### Girls Clubs—see Youth Organizations

#### Global TransPark Authority—appointments and membership .................. §2.15

#### Government Data Analytics Center—technical corrections, clarifications, and conforming changes ............................................. §56.8(a)-(e)

#### Governmental Operations, Joint Legislative Commission on—increasing fees pursuant to budget act ................................................. §6.2(a)-(b)

#### Governor, Office of the
- Appointments—see that heading
- Appropriations and allocations
  - Current Operations .................................................................................. §2.1

---

1233
Governor, Office of—continued
Education and Workforce Innovation
  Program technical assistance .............................................................. 100§23.1(a)-(f)
Oregon Inlet federal property acquisition ............................................. 100§14.7(a)-(m)
Salary ........................................................................................................... 100§35.1(a)
Special superior court judges nomination/confirmation ..................... 100§18B.6

Governor's Crime Commission—see
Crime Commission, Governor's

Governor's Management Council—repealed ........................................ 120§1(g)

Grants
  After-school services competitive grants ............................................. 100§8.19(a)-(e)
  Appropriation of encumbered funds returned to State ......................... 100§6.1
  Community Development Block Grant matching funds ....................... 100§15.9(a)-(d)
  Forest City water line extension ............................................................. 100§14.28
  Handling grants to non-State agencies statutory changes .................. 100§6.5(a)-(b)
  Museum of Forestry Challenge Grant ..................................................... 100§14.20A
  State Board of Education notification of federal grant applications ......... 100§8.9
  Use of deobligated Community Development Block Grants .................. 100§15.9A
  Water infrastructure grants
    Improvements grants to municipalities .................................................. 100§14.17A
    Priority ..................................................................................................... 100§14.16

Granville County
  Oxford, City of—see that heading

Greensboro, City of
  Greensboro Children's Museum Grassroots Science Program grant-in-aid ........................................................................ 100§15.19
  Nature Science Center of Greensboro, Inc., Grassroots Science Program grant-in-aid ............................................................. 100§15.19
  North Carolina Agricultural and Technical State University—see University of North Carolina UNC-Greensboro—see University of North Carolina

Greenville, City of
  East Carolina University—see University of North Carolina
  Eastern NC Regional Science Center
    Grassroots Science Program grant-in-aid .................................................. 100§15.19
  Gas cities PNG tax phase-in ...................................................................... 39§1(a)-(e)
  Property conveyance ................................................................................ 37

Guardianship
  Conflict of interest in public guardianship and Child Protective Services ........................................................................ 100§12C.1(g)
  Incompetent ward guardian status reports ............................................ 100§12D.4(a)-(c)
  Public guardianship system improvement ............................................. 100§12D.3(a)-(d)

Guilford County
  High Point, City of—see that heading
  Pleasant Garden, Town of—see that heading
Halifax County
Scotland Neck, Town of—see that heading

Harkers Island, Town of—Core Sound Waterfowl Museum Grassroots Science Program grant-in-aid ........................................... 100§15.19

Harnett County
Air rifles and BB guns not "dangerous firearms" ........................................ 119§10(a)-(b)
Averasboro Township Tourism Development Authority changes ................................. 83
Confiscation and disposal of deadly weapons statewide uniformity ........................................ 115§61
County membership on Central Carolina Community College Board ........................................ 115§51(a)-(c)
Unanimous vote for County Manager and School Superintendent .................. 6§6(a)-(b)
Vacancies in County Commissioners and Board of Education ........................................ 6§5(a)-(c)

Harrisburg, Town of—satellite annexation restrictions removed .................................................. 30§2(a)-(b)

Hazardous Substances
Fracking fluids certificate of compliance ................................................................. 4§8(b)
Groundwater contamination not subject to 10-year statute of repose .................. 17; 44
Hazardous materials facility fee .............................................................................. 100§16B.3(b)
Hazmat response team ........................................................................ 100§16B.3(a),(c)-(d)
 Interstate Chemicals Clearinghouse authorization ................................................. 100§14.27
Statute of repose clarification ..................................................................................... 44
Successor asbestos-related liabilities limited .................................................. 110§§4.1-4.2
Technical corrections, clarifications, and conforming changes ............................... 115§10

Hazardous Waste—see Hazardous Substances; Waste Management

Health and Human Services, Department of (DHHS)
Adult care homes cost reporting ........................................................................ 100§12H.11
Agency review of engineering work reform .................................................. 120§29(a)-(k)
Agency teachers' salaries .............................................................................. 100§35.6A
Appropriations and allocations
Current Operations .................................................................................. 100§2.1
Health service regulation .............................................................................. 100§2.1
NC Health Choice ..................................................................................... 100§2.1
Division of Aging and Adult Services
Current Operations .................................................................................. 100§2.1
DHHS Block Grants .................................................................................. 100§12J.1
Division of Central Management Services
HIE Network ...................................................................................... 100§12A.2(a)-(c)
Nonprofit organization funds ........................................................................... 100§12A.1
Division of Child Development and Early Education
DHHS Block Grants .................................................................................. 100§12J.1

1235
Health and Human Services, Department of (DHHS)—continued

Division of Medical Assistance
Current Operations................................................................. 100§2.1
Medicaid contingency reserve ................................................. 100§12H.38(a)-(d)

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
Behavioral health crisis services ............................................. 100§12F.5(a)-(b)
Current Operations................................................................. 100§2.1
Traumatic brain injury services .............................................. 100§12F.1

Division of Public Health
Chief Medical Examiner's Office oversight .............................. 100§12E.6(c)
Current Operations................................................................. 100§2.1

Division of Services for the Blind, Deaf, and Hard of Hearing
Current Operations................................................................. 100§2.1

Division of Social Services
Child Protective Services .......................................................... 100§12C.1(b)
Child Protective Services pilot program .................................. 100§12C.1(e)
Child Protective Services statewide evaluation ....................... 100§12C.1(f)
Child welfare services oversight ........................................... 100§12C.1(d)
Current Operations................................................................. 100§2.1

DHHS Block Grants ................................................................. 100§12J.1

In-home services ................................................................. 100§12C.1(c)

Division of Vocational Rehabilitation Services
Current Operations................................................................. 100§2.1

Food and lodging aid to counties retained by State .................... 100§12E.8
Maternal and Child Health Block Grant .................................. 100§12J.1
Medicaid Management Information System replacement ........ 100§12A.5
NCFAST technology ............................................................. 100§12A.6
Substance abuse prevention and treatment block grant .......... 100§12J.1

Broughton Hospital facilities future use study ......................... 100§15.20(a)-(d)
Competitive grants process revisions .................................... 100§12A.1

Division of Aging and Adult Services
Alzheimer's disease strategic plan ............................................ 100§12D.5
Appropriations—see Appropriations and allocations, this heading
Incompetent ward guardian status reports .............................. 100§12D.4(a)-(c)
Public guardianship system improvement ............................... 100§12D.3(a)-(d)
State-county share of costs for Special Assistance Program ........ 100§12D.2
State-county special assistance program eligibility .................. 100§12D.1(a)-(h)

Volunteer Development Program reinstatement under Home and Community Care Black Grant ................. 100§12D.6

Division of Central Management Services
Appropriations and allocations—see that heading
HIE Network ........................................................................ 100§12A.2(a)-(c)

Division of Child Development and Early Education
Child care
Allocation formula ............................................................. 100§12B.4

1236
<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>§12B.5</td>
<td>Market rate adjustments.</td>
</tr>
<tr>
<td>§12B.3(a)-(b)</td>
<td>Subsidy for 11- and 12-year-olds study.</td>
</tr>
<tr>
<td>§12B.1</td>
<td>Subsidy rates/co-payments/eligibility.</td>
</tr>
<tr>
<td>§12B.2(a)</td>
<td>Early childhood education and development initiatives Fundraising.</td>
</tr>
<tr>
<td>§12B.2(b)</td>
<td>Local partnership spending.</td>
</tr>
<tr>
<td>§12B.6</td>
<td>NC Pre-K audits.</td>
</tr>
<tr>
<td>§12G.1(a)-(b)</td>
<td>Certificate of Need for replacement of approved equipment clarification.</td>
</tr>
<tr>
<td>§12H.5</td>
<td>1915(c) waiver study.</td>
</tr>
<tr>
<td>§12H.21(a)-(d)</td>
<td>Additional notice on SPAs.</td>
</tr>
<tr>
<td>§16C.6(a)-(b)</td>
<td>Adult and juvenile inmate medical costs.</td>
</tr>
<tr>
<td>§12H.32</td>
<td>Ambulance transports to crisis centers study.</td>
</tr>
<tr>
<td>§12H.1(a)-(b)</td>
<td>Appropriations—see Appropriations and allocations, this heading.</td>
</tr>
<tr>
<td>§12H.33A</td>
<td>Botox reimbursement.</td>
</tr>
<tr>
<td>§12H.14B</td>
<td>Case-weighted factor reduction.</td>
</tr>
<tr>
<td>§12H.22(a)-(e)</td>
<td>Comprehensive program integrity contract.</td>
</tr>
<tr>
<td>§12H.7</td>
<td>Freeze nursing home case mix index.</td>
</tr>
<tr>
<td>§12H.8A</td>
<td>Generic drug substitution.</td>
</tr>
<tr>
<td>§12H.30(a)-(b)</td>
<td>Imaging utilization management services contract RFP.</td>
</tr>
<tr>
<td>§12H.17(a)-(b)</td>
<td>Increase hospital assessment retention.</td>
</tr>
<tr>
<td>§12H.19</td>
<td>Intensive in-home service definition.</td>
</tr>
<tr>
<td>§12H.2</td>
<td>Medicaid (see also Medicaid and NC Health Choice).</td>
</tr>
<tr>
<td>§12H.27(a)-(d)</td>
<td>Mental health drug management.</td>
</tr>
<tr>
<td>§12H.35(a)-(b)</td>
<td>Notice of extrapolated overpayments clarified.</td>
</tr>
<tr>
<td>§12H.33(a)-(b)</td>
<td>Option to cancel contracts.</td>
</tr>
<tr>
<td>§12H.10(a)-(c)</td>
<td>Paragard reimbursement.</td>
</tr>
<tr>
<td>§12H.19</td>
<td>Planned Community Care of NC payment of PNPM.</td>
</tr>
<tr>
<td>§12H.20(a)-(b)</td>
<td>Primary care case management draft waivers for dual eligibles.</td>
</tr>
<tr>
<td>§12H.14A</td>
<td>Provider rate reduction.</td>
</tr>
</tbody>
</table>
Health and Human Services, Department of (DHHS)—continued

Publish payments to providers .......................................................... 100§12H.15(a)-(b)
RFP for drug dispensing fee study ...................................................... 100§12H.8(b)
Shared savings program repealed rate
reductions maintained ...................................................................... 100§12H.14(a)-(d)
Supplemental payments to eligible providers ................................. 100§12H.13(a)-(c)
Traumatic brain injury waiver ......................................................... 100§12H.6

Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

Appropriations—see Appropriations and allocations, this heading
Budget shortfall plan ........................................................................ 100§12F.4
Group home supplemental short-term assistance ............................ 100§12A.7(a)-(h)
Traumatic brain injury waiver ......................................................... 100§12H.6

Division of Public Health

Appropriations—see Appropriations and allocations, this heading
Chief Medical Examiner's Office study ......................................... 100§§12E.5, 12E.6(b)
Children's Development Services
Agency reduction in funds ............................................................... 100§12E.1(a)-(b)
Private well-water testing fee ......................................................... 100§12E.3(a)-(c)
Summer Food Service Program transferred to DPI ....................... 100§12E.9(a)-(b)

Division of Services for the Blind, Deaf, and Hard of Hearing

Appropriations—see Appropriations and allocations, this heading
Common follow-up/costs shared by agencies plan ....................... 100§15.6(a)-(c)

Division of Social Services

Appropriations—see Appropriations and allocations, this heading
Child Protective Services
Improvement initiative ...................................................................... 100§12C.1(a)-(g)
Pilot program .................................................................................. 100§12C.1(e)
Statewide evaluation ......................................................................... 100§12C.1(f)
Common follow-up/costs shared by agencies plan ....................... 100§15.6(a)-(c)
Conflict of interest in public guardianship and Child Protective Services study ................................................. 100§12C.1(g)
Eastern Band of the Cherokee assumption of various human services ......................................................... 100§12C.3(a)-(e)
Work First family assistance income levels clarified ..................... 100§12C.2

Division of Vocational Rehabilitation Services

Appropriations—see Appropriations and allocations, this heading
Common follow-up/costs shared by agencies plan ....................... 100§15.6(a)-(c)
Drug screening of Work First applicants delayed ......................... 115§66(a)-(c)
Early Childhood Education and Development Initiatives
Fundraising ...................................................................................... 100§12B.2(a)
Local partnership spending ............................................................ 100§12B.2(b)
Education of children in private psychiatric facilities .................... 100§8.39(a)-(j)

1238
Health and Human Services, Department of (DHHS)—continued

Health Care Cost Reduction and Transparency Act
  Expansion study ....................................................... 100§12G.3
  Revisions ............................................................... 100§12G.2

Health Information Exchange administration transfer plan ...................... 100§12I.1(c)

Hemp oil epilepsy treatment study ..................................................... 53

Home care agency offering in-home aide
  licensure moratorium .............................................. 100§12G.4(a)-(b)

Medicaid—see Division of Medical Assistance, this heading; Medicaid and NC Health Choice

Smart Start—see Early Childhood Education and Development Initiatives, this heading

Special care unit licenses moratorium ............................................... 100§12G.5

Statewide hospital base rate ......................................................... 100§12H.12(a)-(b)

Health and Human Services, Joint Legislative Oversight Committee on

State Crime Laboratory/State Medical Examiner Office merger study ............ 100§17.3

Traumatic Brain Injury Subcommittee created .................................... 100§12I.2(a)-(c)

Health Care Cost Reduction and Transparency Act ................................ 100§§12G.2-3

Health Care Oversight Committee, Joint Legislative—
  personal care services management study ...................................... 100§12H.10(c)

Health, Departments of (County)

  Carbon monoxide alarm requirements in hotels and motels .................... 120§22(a)-(e)
  On-site wastewater regulation reformed ............................................ 120§40(a)-(c)

  Private well-water testing
    Fee ............................................................... 100§12E.3(a)-(c)
    Fee waiver study .................................................. 100§12E.3(c)

  Standardize local well programs ................................................. 120§43(a)-(e)

  Technical corrections, clarifications, and conforming changes ............ 115§10.1

Health Services

  Adult and juvenile inmate medical costs ........................................ 100§16C.6(a)-(b)
  Ambulance transports to crisis centers study ................................... 100§12H.32
  Antineoplastic agents health worker safety ........................................ 76

  Certificate of Need for replacement of approved equipment clarification .................................. 100§12G.1(a)-(b)
  Corporation definition ......................................................... 115§56(a)-(b)

  Drugs—see Pharmaceuticals
  Emergency epinephrine auto-injectors in schools ................................ 100§8.23(a)-(e)
  Hemp oil epilepsy treatment study ............................................. 53

  Home care agency offering in-home aide
  licensure moratorium ...................................................... 100§12G.4(a)-(b)

  Hospital setoff debt collection against tax refunds and lottery prizes reinstated .................................. 100§12I.4(a)-(d)

  Medical schools funding report .................................................. 100§11.20

  MH, DD, SAS strategies report .................................................. 100§12F.3(a)-(b)

  New optometry schools study .................................................. 100§11.21(a)-(c)
Health Services—continued
No fixing fees by insurance plans for optometry services ......................... 43
Pharmaceuticals—see that heading
Pharmacist immunizing authority technical correction .................................. 115§40
Special care unit licenses moratorium .......................................................... 100§12G.5
Traumatic brain injury services funding ....................................................... 100§12F.1

Hearing Aid Dealers and Fitters Board—
technical corrections, clarifications, and conforming changes ........... 115§42.3(a)-(c)

Henderson County
Brevard Road site transfer by Asheville ......................................................... 51
Fire districts petition and election requirements ........................................... 26§5(a)-(c)
Greater Asheville Regional Airport Authority
Appointments clarification ........................................................................ 52§§1-3
Eminent domain clarification .................................................................. 52§4
Hendersonville, Town of—see that heading

Hendersonville, Town of—Hands On! - A Child's
Gallery Grassroots Science Program grant-in-aid ....................................... 100§15.19

Hickory, City of
Catawba Science Center Grassroots Science
Program grant-in-aid ...................................................................................... 100§15.19
Raise Dropout Age Pilot Program enforcement provisions ...................... 115§64

High Point, City of—hire city attorney and technical corrections ................ 38

Highlands, Town of—Highlands Nature Center
Grassroots Science Program grant-in-aid .................................................... 100§15.19

Highway Patrol, State—see Law Enforcement

Historic Preservation
Historic Bridge Preservation Program clarification ...................................... 100§34.27
SEPA exemption for reoccupation of existing building .............................. 90§§4-5

Historic Sites and Monuments
DCR exempt from certain operating rules ................................................... 100§19.5(a)-(c)
Food services at aquariums and museums technical correction ............... 115§7(a)-(b)
Queen Anne's Revenge Project Special Fund created ............................... 100§19.4
USS North Carolina hull repairs authorized ............................................. 100§36.10

Hoke County—nonacceptance of deed transfer
due to delinquent taxes ................................................................................ 29

Holidays—opossum exemption for Clay County ............................................ 7

Home Inspector Licensure Board
Appointments and membership ................................................................. 116§1.20
Technical corrections, clarifications, and
conforming changes .................................................................................... 115§12

Homicide—see Crimes

Horses and Mules—horse industry promotion ............................................. 103§8

Horticulture—pesticide use for moles .......................................................... 103§9

Hospitals and Clinics (see also Health Services)
Broughton Hospital facilities future use study ............................................ 100§15.20(a)-(d)
Cost settlement at UNC Hospitals and Vident Medical Center ............... 100§12H.13A
Education of children in private psychiatric facilities ............................. 100§8.39(a)-(j)
Hospital setoff debt collection against tax
refunds and lottery prizes reinstated ............................................................ 100§12I.4(a)-(d)
### Hospitals and Clinics
- Increase hospital assessment retention ............................................. 100§12H.17(a)-(b)
- Medical schools funding report ............................................................... 100§11.20
- Statewide hospital base rate .............................................................. 100§12H.12(a)-(b)
- Toxicological testing by private hospital fee for costs ..................... 100§18B.14(a)-(b)

### Hotels and Motels
- Carbon monoxide alarm requirements ..................................................... 120§22(a)-(e)
- Limited food services at lodging facilities ........................................... 120§21(a)-(c)

### Housing
- Housing programs study ........................................................................ 100§14.3(a)-(b)
- Planned Community Act transfer of declarant rights ............................... 57
- Regulation of vacation rentals by Cornelius ............................................. 91
- Temporary health care structures zoning ............................................... 94
- Time-shares exempt from perpetuities .................................................... 99
- Workforce Housing Loan Program ..................................................... 100§31.1(a)-(d)
- Housing Coordination and Policy Council—repealed ..................... 115§55(a)-(b)

### Housing Finance Agency, Board of Directors
- Appropriations and allocations
  - Current Operations ........................................................................... 100§2.1
  - Workforce Housing Loan Program .................................................... 100§31.1(a)-(d)
  - Home Foreclosure Prevention Project technical correction ............. 115§4
- Periodic inspection authority clarified .................................................. 103§13(a)-(b)
- Housing Partnership, North Carolina—
  - appointments and membership ....................................................... 116§1.21

### Human Resources Act
- Human Resources, Office of State
  - Discontinue use of automatic scoring of applications .................... 100§22A.1(a)-(b)
  - IT employees exempt from State Human Resources Act .................. 100§7.17(a)-(b)
  - Reorganization through reduction program extended ................... 100§22A.3(a)-(b)
  - Staffing analysis of State agency business functions
  - and redeployment of resources repealed ........................................ 100§24.3
- Temporary Solutions staffing review ................................................... 100§22A.2(a)-(b)

### Human Trafficking Commission
- Appointments and membership ............................................................... 115§47
- Erin's Law (sexual abuse of children) study ........................................... 119§4(a)-(b)

### Hunting and Fishing
- Bear management stamp ...................................................................... 100§14.25(a)
- Coastal Recreational Fishing License ..................................................... 100§14.25(b)
- Hunting trials ....................................................................................... 120§36(a)-(b)
- Recreational Commercial Gear License ................................................ 100§14.25(c)
- Sportsman licenses ............................................................................. 100§14.25(e)
- Unified hunting and fishing licenses ..................................................... 100§14.25(d)

### Identification Systems
- Drivers licenses material technical standard ........................................... 58§5

---

1241
Identification Systems—continued
Selective Service Act clarification ............................................................. 111§14
Technical corrections, clarifications, and conforming changes .................. 111§5
Voter ID clarification .................................................................................... 111§7

Indian Affairs, State Commission of—appointments and membership .......... 116§2.16

Indigent Defense Services, Office of
Appropriations and allocations—Current Operations ................................... 100§2.1
Criminal case information system final report ......................................... 100§18A.2
Director's salary ......................................................................................... 100§35.3(a)
Fee transparency .......................................................................................... 100§18A.1
Guardian ad litem fees authority .............................................................. 115§21

Reports—see that heading

Industrial Commission
Appointments and membership ................................................................. 100§15.16(a)-(e)
Certain rules disapproved .......................................................................... 77§§1-3
Eugenics Program amendments ................................................................. 100§6.13(a)-(f)
Fees .......................................................................................................... 100§15.16B(a)-(b)
Insurance regulatory charge ...................................................................... 100§20.2(a)-(c)
Medical compensation requests reporting .................................................. 77§5
Medical treatment and supplies procedures for motions ................................ 77§4
Replacement of disapproved rules .............................................................. 77§§6-7

Technical corrections, clarifications, and conforming changes .................. 115§17

Industrial Waste—see Waste Management

Information Technology
Access NC and Demand Driven Data Delivery merger ........................... 100§15.7(a)-(b)
Budget and Reporting Information
Technology Expenditures (BRITE) tool ....................................................... 100§7.18
Collection Assistance Fund use for scanners ........................................... 100§26.3
Contract professionals career path ............................................................ 100§7.7
Criminal case information system final report ......................................... 100§18A.2
Cyber-bullying policy ............................................................................... 100§8.32(a)-(d)
Data center equipment purchasing ............................................................ 100§7.4(a)
DOT modernization .................................................................................... 100§7.7
E-filing system for corporate clients
modernization progress report .................................................................... 100§26.4

Electrical device/equipment evaluation for
Division of Adult Correction ..................................................................... 100§16C.4
Employees exempt from State Human Resources Act ............................ 100§7.17(a)-(b)
Government Data Analytics Center ............................................................ 100§7.1(a)-(b)
Inpatient commitment hearings video-conferencing ................................ 107§6.1
Internal Service Fund rate setting .............................................................. 100§7.2
Medicaid Management Information System replacement funds .......... 100§12A.5
NCFAST technology funds ........................................................................ 100§12A.6

Next Generation Power Electronics
Innovation Institute matching funds ............................................................ 100§11.25
Regulation of unmanned aircraft systems ................................................. 100§34.30(a)-(l)
Restructuring plan ...................................................................................... 100§7.4(b)

Single information technology system
for Medicaid claim adjudication LMEs/HMOs .......................................... 100§12A.4(a)-(c)
Index to Session Laws

Session Law Number

Information Technology—continued
State Portal costs report .................................................. 100§7.13
TIMS changes ................................................................. 100§7.5(a)-(c)

Information Technology Services, Office of (see also State Chief Information Officer)
Data center equipment purchasing ........................................ 100§7.4(a)
IT employees exempt from State Human Resources Act ............ 100§7.17(a)-(b)
IT Internal Service Fund rate setting .................................... 100§7.2
Restructuring plan ............................................................. 100§7.4(b)

Infrastructure
Building and infrastructure needs ...................................... 42§8(c)
Midstream infrastructure development study ......................... 4§26
Public-private reimbursement agreements for infrastructure for certain cities .................................................. 31
Water infrastructure grant priority ..................................... 100§14.16

Inmate Labor—see Correctional Institutions

Inmates—see Correctional Institutions

Innocence Inquiry Commission
Reports—see that heading

Inspections
Coal ash impoundments inspections .................................. 122§10
Commercial Vehicle Safety Alliance North American Standard Inspection Program participation study ............. 103§4
Initial Barber Board inspections ........................................ 115§39.7
Inspection station case continuances .................................. 58§1

Insurance
Captive
Generally ................................................................. 65
Tax return due date ..................................................... 3§14.11

Health
Health Care Cost Reduction and Transparency Act
Expansion study .......................................................... 100§12G.3
Revisions ................................................................. 100§12G.2
Health Information Exchange data disclosure ......................... 100§12I.1(a)-(c)
HIE Network .......................................................... 100§12A.2(a)-(c)
Medicaid and NC Health Choice—see that heading
Medicare—see that heading
No fixing fees by insurance plans for optometry services ............. 43
Pharmacy benefit management
Company regulation study ............................................ 120§20(b)
Generally ............................................................. 120§20(a)-(c)
Separate benefits for law enforcement ................................ 100§35.17

State Health Plan for Teachers and State Employees
Alternative health coverage for nonpermanent full-time State employees ........................................ 100§35.16(a)-(e)
Authorize certain cities to enroll employees ......................... 75
Current Operations ....................................................... 100§2.1
Eligible firefighter ......................................................... 97§5(a)
Montgomery County participation ..................................... 105

1243
Index to Session Laws

Session Law Number

Insurance—continued

Re-hired retirees ........................................... 100§35.16A(a)-(b)
Technical corrections, clarifications, and conforming changes ........................................ 115§4.1

Property

System for charter schools ........................................... 100§8.10
Windstorm requirement repealed ........................................... 115§39.2

Regulatory charge ........................................... 100§20.2(a)-(c)
Separate Insurance Benefits Plan for law enforcement technical correction ............................ 97§9

Unemployment

Confidentiality of unemployment compensation records ........................................... 117

Workers’ Compensation

Higher risk Workers’ Compensation salary continuation for certain law enforcement .......... 100§35.12(a)-(b)
Medical compensation requests reporting ........................................... 77§5
Medical treatment and supplies procedures for motions ........................................... 77§4
Reimbursement for drugs and pharmaceutical services ........................................... 100§15.16A(a)-(b)
Workers’ Compensation Fund for certain safety workers ........................................... 64§2(a)-(d)

Insurance, Department of

Appropriations and allocations—Current Operations ........................................... 100§2.1
Captive insurance ........................................... 65
Commissioner

Salary ........................................... 100§35.1(b)
Technical corrections, clarifications, and conforming changes ........................................... 115§13

Criminal history checks for firefighters and EMS personnel study ........................................... 27§2
Local Firefighters’ Relief Fund ........................................... 64§1(a)-(d)

Pharmacy benefit management company regulation study ........................................... 120§20(b)

Regulatory charge ........................................... 100§20.2(a)-(c)

Reports—see that heading

Intellectual Disabilities—see Disabled Persons

Intellectual Property

Fracking fluids trade secrets ........................................... 4§8(a)-(c)
Prevent abuse of patents ........................................... 110§2.1-2.2
Unpublished research data from State institutions not public record ........................................... 115§52

Interest—redirect interest on certain environmental funds ........................................... 100§14.21(a)-(j)

Interpreter and Transliterator Licensing

Board—appointments and membership ........................................... 115§42(a)-(c); 116§2.17

Interstate Cooperation

Commercial Vehicle Safety Alliance North American Standard Inspection Program participation study ........................................... 103§4
NC-SC Rail Compact ........................................... 121
Southern Dairy Compact repealed ........................................... 115§43

Investigations—confidentiality of agricultural operations environmental investigations ........................................... 103§1(a)

1244
Investments
Anti-pension-spiking contribution-based benefit cap for TSERS and LGERS ................................................................. 87
Investment Division compensation .......................................................... 100§33.2(a)-(d)
Section 179 expense correction ................................................................ 3§2.1(a)-(d)

Iredell County
Iredell Museums Grassroots Science
Program grant-in-aid ........................................................................... 100§15.19
Statesville, City of—see that heading

Irrigation Contractors' Licensing Board—
appointments and membership .............................................................. 116§2.18

J

Jackson County
Cullowhee, Town of—see that heading
Eastern Band of the Cherokee assumption
of various human services ..................................................................... 100§12C.3(a)-(e)
Women's shelter ................................................................................... 100§24.2

Jails and Detention Facilities—see Correctional Institutions

Jamesville, Town of
Cooperative Innovative High Schools
application clarification .......................................................................... 100§8.36(a)-(b)
Northeast Regional School of Biology and Agriscience a Cooperative Innovative High School ........................................ 100§8.36(b)

Joint Legislative Commission on Energy
Policy—see Energy Policy, Joint Legislative Commission on

Joint Legislative Commission on Governmental Operations—
see Governmental Operations, Joint Legislative Commission on

Joint Legislative Committee on General Government—see General Government, Joint Legislative Committee on

Joint Legislative Education Oversight Committee—
see Education Oversight Committee, Joint Legislative

Joint Legislative Health Care Oversight Committee—
see Health Care Oversight Committee, Joint Legislative

Joint Legislative Oversight Committee on Justice and Public Safety—see Justice and Public Safety, Joint Legislative Oversight Committee on

Joint Legislative Oversight Committee on the North Carolina Lottery—see Lottery, Joint Legislative Oversight Committee on the North Carolina Lottery

Judicial Department
Appropriations and allocations—Current Operations .............................. 100§2.1
Indigent Defense Services, Office of—see that heading
Salaries.................................................................................................... 100§35.3(b)
Justice and Public Safety, Joint Legislative
Oversight Committee on
Criminal history checks for firefighters and
EMS personnel study ......................................................... 27§2
State Crime Laboratory/State Medical
Examiner Office merger study ........................................... 100§17.3

Justice, Department of
Alarm Systems Licensing Board transferred
to Department of Public Safety ........................................ 100§17.5(e)-(g)
Alcohol Law Enforcement
Transfer to Department of Public Safety ................................ 100§17.1(uuu)-
(hhhh)
Appropriations and allocations
Contingency and Emergency Fund litigation expenses ........ 100§6.12
Current Operations ............................................................ 100§2.1
Management flexibility reductions ..................................... 100§17.6(a)-(b)
State Crime Laboratory
No reduction in funding to meet
management flexibility reductions ................................... 100§17.6(a)
Attorney General—see that heading
Private Protective Services Board
transferred to Department of Public Safety Department .......... 100§17.5(a)-(d)
SBI transfer to Department of Public Safety ....................... 100§17.1(a)-(ttt)
State Crime Laboratory
Appropriations—see Appropriations
and allocations, this heading
Personnel ........................................................................... 100§17.7(a)-(b)
State Crime Laboratory/State Medical
Examiner Office merger study ......................................... 100§17.3

Justice Reinvestment Act ................................................. 100§16C.11

Juvenile Code—verification/jurisdiction in juvenile cases .......... 16

K

Kannapolis, City of
North Carolina Research Campus—see
University of North Carolina
Public-private reimbursement agreements for infrastructure .......... 31

Kenansville, Town of—Cowan Museum of History
and Science Grassroots Science Program grant-in-aid ................. 100§15.19

Kings Mountain, City of—Gas cities PNG tax phase-in ............... 39§1(a)-(e)

L

Labor, Department of
Antineoplastic agents health worker safety .......................... 76
Appropriations and allocations—Current Operations ............ 100§2.1
Commissioner
Salary ........................................................................... 100§35.1(b)
### Labor, Department of—continued
Technical corrections, clarifications, and conforming changes ........................................... 115§§5-6
Technical corrections, clarifications, and conforming changes ........................................ 115§§5-6

### Laboratories
Chief Medical Examiner's Office study ................................................................. 100§12E.5
State Crime Laboratory—see Justice, Department of
Toxicological testing by private hospital fee for costs .............................................. 100§18.14
(a)-(b)

### Lake Lure, Town of—official map ........................................................................ 81

### Lakes and Rivers (see also Water Resources)
Accept and remove certain land from
State nature and historic preserve .................................................................. 62
Aquatic weed control .................................................................................... 100§14.19(a)-(c)
Coal ash impoundments closure ..................................................................... 122§7.1
Compliance boundary and corrective action provisions review ......................... 122§12(c)
Disapprove riparian buffer mitigation rules ................................................. 95§1
Drainage district maintenance of ditches in buffer zones .............................. 103§12
High-hazard dams emergency action plans ............................................... 122§7(a)-(c)
Interbasin transfer process for certain reservoirs ............................................ 120§37
Isolated wetlands regulation ........................................................................ 120§54(a)-(c)
Municipal flood plain ordinance enforcement in ETJ .................................... 120§15
New riparian buffer mitigation program requirements rules ......................... 95§2
Shallow draft navigation channel and lake dredging funding ...................... 100§14.18
(a)-(d)
Special assessments for dam repair ................................................................. 89
Wastewater discharges reporting and notification strengthened ................... 122§6(a)-(c)
Water Resources Development Projects capital appropriation .................... 100§36.2(a)-(e)

### Landowners
Driller advance notice to landowners of entry to property ............................... 4§12
Right-of-way transfers notification ................................................................ 108§8(a)-(b)
Written consent necessary to operate ATVs on private property .................. 103§11(a)-(b)

### Landscape Contractors' Licensing Board
Created ........................................................................................................... 103§3(a)-(f)
Licensing rewrite ............................................................................................ 103§3(a)-(f)

### Landscape Contractors' Registration Board—name change
.......................................................................................................................... 103§3(a)-(f)

### Law Enforcement
Agriculture law enforcement officers appointment ........................................... 103§7
Alcohol Law Enforcement
Transfer from Justice Department ................................................................. 100§17.1

Child Protective Services pilot program ......................................................... 100§12C.1(e)
CJIS data security standards compliance .................................................... 100§16B.1
CJLEADS appropriation .................................................................................. 100§7.1(a)-(b)
Confiscation and disposal of deadly weapons statewide uniformity .................. 115§61

---

**Session Law Number:** 1247
### Session Law Number

#### Law Enforcement—continued

- Detention officer may carry weapon on educational property .......... 119§9(a)-(b)
- Disposition of seized firearms ........................................................... 115§24.5
- Division of Marine Fisheries joint enforcement agreements .......... 100§14.11(a)-(b)
- Higher risk Workers' Compensation salary continuation for certain law enforcement .................................................. 100§35.12(a)-(b)
- Highway Patrol, State—see State Highway Patrol, this heading
- IT Internal Service Fund rate setting for CJLEADS .......................... 100§7.2
- Retired correctional officer firearms safety exemption ..................... 119§7(a)-(c)
- Revenue law enforcement officers jurisdiction for tax zapper software .................................................. 3§14.12
- SBI (State Bureau of Investigation)—see State Bureau of Investigation (SBI), this heading
- Schematic designs for emergency access to schools ......................... 97§9; 100§8.20(a)-(c)
- Separate health benefits plan for law enforcement .......................... 100§35.17
- Sheriffs
  - Concealed handgun permits forms ............................................... 115§24(a)-(b)
- State Bureau of Investigation (SBI)
  - Concealed handgun permits forms ............................................... 115§24(a)-(b)
  - MPO/RPO ethics violations .......................................................... 115§56.6A(a)-(c)
  - Reporting of violations involving State property ......................... 115§45(a)-(b)
- State Auditor evidence of criminal misconduct reporting ............... 100§25.3
- Transfer from Justice Dept. to Dept. of Public Safety ..................... 100§17.1(a)-(ttt)
- Transmittal of order of expunction requirements ........................... 115§27(a)-(b)
- State Capitol Police
  - Receipt-supported positions ....................................................... 100§16B.6(a)-(b)
- State Crime Laboratory/State Medical Examiner Office merger study .................................................. 100§17.3
- State Highway Patrol
  - Experience and education credit for members with prior law enforcement or military experience study .................. 100§35.11A
  - Salaries ................................................................. 100§35.6B
  - VIPER radios funds .............................................................. 100§16B.5

#### Traffic control systems—see that heading

### Laws Amended or Repealed

- 1895 Private Laws
  - Chapter 254 ............................................................................. 115§16(a)-(b)
- 1911 Public Laws
  - Chapter 443 ........................................................................... 24
- 1913 Private Laws
  - Chapter 369 ........................................................................... 25
- 1935 Public-Local Laws
  - Chapter 157 ............................................................................ 11
- 1955 Session Laws
  - Chapter 317 ............................................................................ 71
- 1961 Session Laws
  - Chapter 119 ........................................................................... 74§4
  - Chapter 765 ........................................................................... 74§4
<table>
<thead>
<tr>
<th>Year</th>
<th>Session Laws</th>
<th>Chapter</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 305</td>
<td></td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Chapter 306</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Chapter 828</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td>1965</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 954</td>
<td></td>
<td>115§61</td>
</tr>
<tr>
<td>1967</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 362</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td></td>
<td>Chapter 400</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td></td>
<td>Chapter 479</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td>1969</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 642</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td>1975</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 180</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>1979</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 183</td>
<td></td>
<td>64§1(i)</td>
</tr>
<tr>
<td></td>
<td>Chapter 501</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>Chapter 679</td>
<td></td>
<td>74§4</td>
</tr>
<tr>
<td>1987</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 194</td>
<td></td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Chapter 740</td>
<td></td>
<td>35(1)</td>
</tr>
<tr>
<td>1987</td>
<td>Session Laws (Regular Session 1988)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 966</td>
<td></td>
<td>6§§1-4</td>
</tr>
<tr>
<td>1989</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 639</td>
<td></td>
<td>68§2(a)-(b)</td>
</tr>
<tr>
<td>1991</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 16</td>
<td></td>
<td>23§2</td>
</tr>
<tr>
<td></td>
<td>Chapter 350</td>
<td></td>
<td>23§§1-2</td>
</tr>
<tr>
<td></td>
<td>Chapter 555</td>
<td></td>
<td>3§14.23</td>
</tr>
<tr>
<td>1993</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 631</td>
<td></td>
<td>23§2</td>
</tr>
<tr>
<td>1995</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 27</td>
<td></td>
<td>120§10(g)</td>
</tr>
<tr>
<td>1997</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 410</td>
<td></td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>Chapter 447</td>
<td></td>
<td>3§14.23</td>
</tr>
<tr>
<td>1999</td>
<td>Session Laws (Regular Session 2000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 26</td>
<td></td>
<td>10§§3-11</td>
</tr>
<tr>
<td></td>
<td>Chapter 35</td>
<td></td>
<td>92§1</td>
</tr>
<tr>
<td>2001</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 491</td>
<td></td>
<td>120§1(f)</td>
</tr>
<tr>
<td>2001</td>
<td>Session Laws (Regular Session 2002)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 4</td>
<td></td>
<td>120§§10(e), 38(b)</td>
</tr>
<tr>
<td></td>
<td>Chapter 129</td>
<td></td>
<td>68§2(a)-(b)</td>
</tr>
<tr>
<td>2003</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chapter 323</td>
<td></td>
<td>115§86</td>
</tr>
<tr>
<td></td>
<td>Chapter 404</td>
<td></td>
<td>100§30.5(a)-(b)</td>
</tr>
<tr>
<td>2005</td>
<td>Session Laws</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1249
Laws Amended or Repealed—continued

Chapter 30 .......................................................................................................... 74§4
Chapter 43 ........................................................................................................... 56

2005 Session Laws (Regular Session 2006)
Chapter 79 ..................................................................................................... 120§38(b)
Chapter 167 ................................................................................................... 87
Chapter 246 ..................................................................................................... 1; 90§3

2007 Session Laws
Chapter 232 ................................................................................................. 100§24.3
Chapter 323 .................................................................................................... 115§87
Chapter 341 .................................................................................................... 84
Chapter 397 .................................................................................................... 120§10(f)

2007 Session Laws (Regular Session 2008)
Chapter 198 .................................................................................................... 1

2009 Session Laws
Chapter 235 .................................................................................................. 58§7
Chapter 369 ..................................................................................................... 115§61.5
Chapter 390 .................................................................................................... 122§9
Chapter 451 .................................................................................................... 100§18B.1(d)
Chapter 521 .................................................................................................. 115§61.7

2009 Session Laws (Regular Session 2010)
Chapter 25 ...................................................................................................... 74§4
Chapter 51 ........................................................................................................ 69
Chapter 53 ........................................................................................................ 74§4
Chapter 142 .................................................................................................... 120§38(b)

2011 Session Laws
Chapter 84 ................................................................................................... 115§16.1
Chapter 122 .................................................................................................... 66§2.2
Chapter 145 .................................................................................................... 100§18B.2; 115§88
Chapter 153 .................................................................................................... 100§10.9(a)-(b)
Chapter 259 .................................................................................................... 104§1
Chapter 266 .................................................................................................... 100§11.10(f)
Chapter 326 .................................................................................................. 115§61.7
Chapter 412 .................................................................................................. 100§16C.5

2011 Session Laws (Regular Session 2012)
Chapter 1 ........................................................................................................ 115§62(a)
Chapter 121 .................................................................................................... 52
Chapter 142 .................................................................................................... 100§36.7(b)
Chapter 143 .................................................................................................... 4§§1, 3(b)
Chapter 177 .................................................................................................... 19
Chapter 187 .................................................................................................... 120§51(a)-(b)
Chapter 194 .................................................................................................. 115§61.7

2013 Session Laws
Chapter 1 ........................................................................................................ 115§89
Chapter 8 ........................................................................................................ 9
Chapter 18 ........................................................................................................ 115§90
Chapter 30 ...................................................................................................... 26§2
Chapter 82 ...................................................................................................... 120§50
Chapter 100 .................................................................................................. 120§58

1250
Laws Amended or Repealed—continued

Chapter 262 ........................................................................................................ 26§4
Chapter 316 ........................................................................................................ 3§5.1(f)
Chapter 320 ....................................................................................................... 6§4
Chapter 324 .................................................................................................... 100§35.16(a)
Chapter 358 .................................................................................................... 10§§2(a)-(b), 3-11
Chapter 360 ..................................................................................................... 3§§14.15; 13.4; 18§1.5; 39§3; 100§2.2(b)-(c), 3.2, 4.1, 5.1, 5.2(a)-(c), 5.3(a)-(b), 6.1, 6.12, 6.13(e), 7.2, 7.3(a)-(b), 7.4(a)-(b), 7.6(a), 7.7, 7.11(a)-(b), 7.12(b), 7.13, 8.3(a), 8.7(a), 8.27, 8.30, 8.33(b), 9.1(h), 9.12, 9.13, 10.5, 11.8, 11.19, 12A.1, 12A.4(a)-(b), 12A.5-6, 12B.4, 12B.6, 12G.5, 12H.7, 12H.9(a), 12H.12(a), 12H.14(a)-(c), 12H.19, 12J.1, 13.15, 14.15, 15.8, 15.15, 15.17, 15.2B, 16C.7(a), 16C.10-11, 18A.2, 18B.1(i), 18B.3, 18B.4, 34.29, 35.1(b)-(c), 35.2, 35.4(a), 35.5, 35.6(a), 35.7, 35.13(a)-(c), 36.1, 36.7(b), 36.8(b); 115§§64-65, 91-93
Chapter 363 ..................................................................................................... 39§3; 100§§6.12, 7.13, 12H.9(a), 14.15, 36.7(b)
Chapter 364 ..................................................................................................... 100§§8.40
Chapter 365 ..................................................................................................... 4§2(f), §5(c)
Chapter 369 .................................................................................................... 115§23.5(a)-(c)-d)
Chapter 372 .................................................................................................... 3§13.1(a)
Chapter 381 .................................................................................................... 111§§5, 8
Chapter 382 .................................................................................................... 100§22A.3(a)-(b); 115§55.3(g)
Chapter 386 .................................................................................................... 47§3
Chapter 410 .................................................................................................... 115§89
Chapter 413 .................................................................................................... 90§3; 115§17; 120§14.15, 22(a)-(b), 32(a), 53
Chapter 414 .................................................................................................... 3§14.23; 66§2.2
Chapter 417 .................................................................................................... 115§66(a)-(c)

2013 Session Laws (Regular Session 2014)
Chapter 3 ........................................................................................................ 115§23(a)-(b)
Chapter 4 ........................................................................................................ 115§67
Chapter 17 ........................................................................................................ 44
Laws Amended or Repealed—continued

Chapter 18 ........................................................................................................... 109; 115§14.15, 56.1, 57
Chapter 49 ........................................................................................................... 115§68
Chapter 58 ........................................................................................................... 115§56.6A(a)-(c)
Chapter 75 ........................................................................................................... 105

Leasing and Rentals (see also Sales and Conveyances)

GTCC Innovative Resources Corporation lease ...................................................... 100§10.9(a)-(b)
Regulation of vacation rentals by Cornelius ........................................................................ 91
UNC leasing authority expanded ........................................................................ 100§36.7(a)-(b)

Lee County

County membership on Central Carolina Community College Board ................................. 115§51(a)-(c)
Hazmat response team ......................................................................................... 100§16B.3(a),(c)-(d)

Lexington, City of—Gas cities PNG tax phase-in ......................................................... 39§1(a)-(e)

Liability

Good Samaritan law clarification ........................................................................ 120§18
Groundwater contamination not subject to 10-year statute of repose ......................... 17
Immunity of TSERS and LGERS Board members .................................................. 112§6(a)-(b)
Presumptive liability for water contamination ......................................................... 4§13(a)
Statute of repose clarification ................................................................................... 44

Libraries—State Aid to Libraries Fund grants capped ............................................. 100§19.2

License Plates and Registration

Additional full-color plates authorized ........................................................................ 96§2
Agent compensation ......................................................................................... 3§§13.1-13.5
Dealer fee disclosure requirements ........................................................................ 108§4(a)-(b)
First in Freedom plates ......................................................................................... 100§34.28(a)-(d)
Limited registration plate ...................................................................................... 3§14.24
Moped registration ................................................................................................. 114
Motor vehicle dealer license

Probation authorized .............................................................................................. 108§5(a)-(b)
Service of hearing order ....................................................................................... 108§6(a)-(b)

Permanent plates

Charter school corporation .................................................................................. 101§6.6(a)-(b)
Study ...................................................................................................................... 96§7
Tribal government ................................................................................................. 108§3(a)-(b)
Single license plate renewal sticker ....................................................................... 108§2(a)-(b)

Special plates

Development process ............................................................................................. 96§§3-5
Development process review ............................................................................... 96§7
I Support Teachers ............................................................................................... 100§8.11(a)-(j)
Reauthorization of expired plates ........................................................................... 96§§1(a)-(b), 6

License to Give Trust Fund Commission—appointments and membership .................. 116§2.19

Licenses and Permits

ABC permits

Fee increase ........................................................................................................... 100§16B.2(a)-(b)
Schools and colleges ......................................................................................... 120§14
Licenses and Permits—continued

Suspension for certain criminal charges ........................................... 100§15.2A1(a)-(b)
Technical correction ............................................................................. 115§28.2(a)-(e)
Advance sale of Commercial Fishing Licenses .................................... 100§14.10
Bear management stamp ..................................................................... 100§14.25(a)
Capstone permitting ............................................................................. 120§48
Coal ash management .......................................................................... 122§3(a)
Coastal Recreational Fishing License .................................................. 100§14.25(b)
Commercial Fishing License fees ...................................................... 100§14.9(a)-(j)
Community college brewing course waiver ...................................... 120§17(a)-(d)
Concealed handgun permits forms .................................................... 115§24(a)-(b)
Contested cases for CAMA permits ................................................... 120§23
Drivers licenses—see that heading
Durham County firearms registration repealed ..................................... 11
Education of children in private psychiatric facilities .......................... 100§8.39(a)-(j)
Electronic transmission of commercial fishing rules ........................... 100§14.13
Home care agency offering in-home aide
licensure moratorium ........................................................................ 100§12G.4(a)-(b)
No stormwater permit modification for
USPS cluster box units ........................................................................ 120§46(a)-(b)
Oil and gas exploration ....................................................................... 4§3(a)-(c)
On-site wastewater regulation reformed ............................................. 120§40(a)-(c)
Oyster permits under private docks fee rollback ................................. 120§33(a)-(b)
Permit choice .................................................................................... 120§16(a)-(d)
Pistol permit issuance .......................................................................... 115§23.5(a)-(e)
Pretreatment, Emergency Response and Collection
System (PERCS) permitting program pilot study ................................. 120§29(f)-(g)
Recreational Commercial Gear License ............................................ 100§14.25(c)
Special care unit licenses moratorium ............................................... 100§12G.5
Sportsman licenses ........................................................................... 100§14.25(e)
Tax compliance requirement for ABC permit holders ....................... 3§10.1(a)-(e)
Technical corrections, clarifications, and conforming changes ............. 115§15(a)-(b)
Unified hunting and fishing licenses .................................................. 100§14.25(d)

Licensing and Certification (see also particular occupation)
Certification of private pesticide applicators ....................................... 100§13.10(a)-(c)
Continuing education requirements for well contractors .................. 2
Landscape contractors rewrite ............................................................... 103§3(a)-(f)
Licensing boards
Report on persons with military training ........................................... 67§2
Reporting requirements .................................................................... 120§4
Rules for professional corporations ................................................... 120§3
Licensure of persons with military training ....................................... 67§§1-2
Merchant exemption from locksmith licensing .................................. 120§9
Oil and gas well exemption ................................................................. 4§16
Private pesticide applicators certification ........................................... 103§16
Professional engineer exemption clarification ................................... 120§11(a)-(b)
Veterinary fees and license reinstatement ......................................... 63
Well contractors changes .................................................................. 120§42(a)-(c)

Liens—see Debtor and Creditor; Loans

1253
Lieutenant Governor, Office of
  Appropriations and allocations—Current Operations .................................. 100§2.1
  Salary ........................................................................................................... 100§35.1(b)

Livestock and Poultry—National Poultry Improvement Plan fees ........ 100§13.11(a)-(b)

Loans
  Loan originators technical correction ................................................................. 115§39

Mortgages and deeds of trust—see that heading

Local Education Administration (LEA)—
  see Education, Boards of (local)

Local Government (see also Counties; Municipalities; particular county/municipality)
  Annexation—see that heading
  Board of Education vacancies for certain counties .................................. 6§§1-4, 5(a)-(c)
  Central assessment of mobile telecommunications property .................. 3§11.1(a)-(h)
  Charters—see that heading
  Chief Medical Examiner’s Office
  operational efficiencies...................................................................... 100§12E.6(a)-(c)
  Collecting final judgments against members of county
  commissions and city councils ................................................................. 40
  Community Development Block Grant matching funds ....................... 100§15.9(a)-(d)
  Conveyance by certain counties ............................................................ 37; 51; 70
  County commissioner vacancies for certain counties ....................... 6§§1-4, 5(a)-(c); 92§2
  Deobligated Community Development Block Grants use .................. 100§15.9A
  Drainage district maintenance of
  ditches in buffer zones........................................................................ 103§12
  E-Verify application clarification ............................................................. 119§13(a)-(c)
  Economic Development Competitive Grant Program
  for Underserved and Limited Resource Communities ......................... 100§15.8
  Extraterritorial jurisdiction authority
  repealed for certain cities............................................................ 26§§1(a)-(c); 2; 33
  Hold harmless for repealed local taxes modified .................................. 100§37.2(a)-(d)
  Leases for renewable energy facilities......................................................... 120§34
  Limited privilege tax authority ................................................................. 3§§12.1-12.2
  Loans/grants to demolish/reuse buildings(properties .............................. 100§15.10
  Local motor fuel tax clarification ............................................................ 3§§9.6, 9.10(b)
  Local privilege tax authority repealed ....................................................... 3§12.3(a)-(f)
  Mayor and aldermen terms for certain cities ........................................... 24; 25
  Moratorium on funding sufficiency actions by certain counties .......... 8; 9
  Oil and gas exploration prohibitive ordinances invalid .......................... 4§14
  Permit choice .......................................................................................... 120§16(a)-(d)
  Private developer transportation reporting .............................................. 100§34.2
  Prohibit regulation of fertilizers ............................................................... 103§2(a)-(b)
  Public-private reimbursement agreements
  for infrastructure for certain cities......................................................... 31
  REDD building reuse funds access .......................................................... 90§6
  Right-of-way transfers notification ......................................................... 108§8(a)-(b)
  Road improvements petition for Cleveland County ................................ 36
  Sales tax refunds for soil and water
  conservation districts and regional jails ................................................. 20

1254
<table>
<thead>
<tr>
<th>Local Government—continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of local authority for ordinances ........................................................................................................... 120§32(a)-(d)</td>
</tr>
<tr>
<td>Solid waste fees use ............................................................................................................................................. 115§60</td>
</tr>
<tr>
<td>Special assessments for dam repair ....................................................................................................................... 89</td>
</tr>
<tr>
<td>Special election date clarification ....................................................................................................................... 111§18</td>
</tr>
<tr>
<td>Standardize local well programs ......................................................................................................................... 120§43(a)-(e)</td>
</tr>
<tr>
<td>State Aid to Municipalities baseline ................................................................................................................ 100§34.1</td>
</tr>
<tr>
<td>State Health Plan participation by certain cities and counties ........................................................................... 75; 105</td>
</tr>
<tr>
<td>Stormwater management fees uses ....................................................................................................................... 14</td>
</tr>
<tr>
<td>Tax refund for utilities disallowed for certain entities ....................................................................................... §8.2(a)-(c)</td>
</tr>
<tr>
<td>Technical corrections, clarifications, and conforming changes .......................................................................... 115§§8, 16(a)-(b)</td>
</tr>
<tr>
<td>Temporary health care structures zoning .......................................................................................................... 94</td>
</tr>
<tr>
<td>Veterans services programs State contribution eliminated ............................................................................. 100§30.1</td>
</tr>
<tr>
<td>Water infrastructure</td>
</tr>
<tr>
<td>Grant priority ......................................................................................................................................................... 100§14.16</td>
</tr>
<tr>
<td>Improvements grants to municipalities ............................................................................................................... 100§14.17A</td>
</tr>
<tr>
<td>Loan and grant applications ............................................................................................................................... 100§14.17</td>
</tr>
<tr>
<td>Local Government Employees—State Health Plan participation by certain cities and counties ......................... 75; 105</td>
</tr>
<tr>
<td>Local Government Employees' Retirement System (LGERS)—see Retirement ..................................................... 100§14.17</td>
</tr>
<tr>
<td>Local Government Employees' Retirement System (LGERS), Board of Trustees (see also Retirement) Immunity of Board members ........................................................................................................ h</td>
</tr>
<tr>
<td>Reports—see that heading</td>
</tr>
<tr>
<td>Local Ordinances—see Local Government............................................................................................................. 112§6(b)</td>
</tr>
<tr>
<td>Local School Administrative Units (LEAs)— see Education, Boards of (local) ..................................................... 116§2.20</td>
</tr>
<tr>
<td>Locksmith Licensing Board—appointments and membership ............................................................................... 120§9</td>
</tr>
<tr>
<td>Locksmiths—merchant exemption from licensing .......................................................................................... 116§2.20</td>
</tr>
<tr>
<td>Longitudinal Data System Board—appropriations and allocations—Information Technology Fund appropriation 100§7.1(a)-(b)</td>
</tr>
<tr>
<td>Lottery Commission, State Adjustment requirement/limit on cumulative increases ........................................ 100§35.7</td>
</tr>
<tr>
<td>Hospital setoff debt collection against tax refunds and lottery prizes reinstated ......................................... 100§121.4(a)-(d)</td>
</tr>
<tr>
<td>Limit on certain salary increases .................................................................................................................... 100§35.12A</td>
</tr>
<tr>
<td>Lottery, Joint Legislative Oversight Committee on the North Carolina—created ........................................... 100§5.2(h)</td>
</tr>
<tr>
<td>Lottery Oversight Committee—repealed .................................................................................................................. 100§5.2(f)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Macon County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highlands, Town of—see that heading................................................................................................................................</td>
</tr>
<tr>
<td>Women's shelter ........................................................................................................................................................</td>
</tr>
<tr>
<td>100§24.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manufactured Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modular/manufactured home sales tax .................................................................................................................. 100§37.3(a)-(b)</td>
</tr>
<tr>
<td>Mortgages ............................................................................................................................................................. 115§31</td>
</tr>
</tbody>
</table>

1255
<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Session Law Title</th>
<th>Index to Session Laws</th>
<th>Number</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>罂粟和大麻（另见替代医学；麻醉药物）</td>
<td>瘦小的癫痫治疗研究</td>
<td>1256</td>
<td>53</td>
<td>瘌癬 paraphernalia possession</td>
</tr>
<tr>
<td>海洋渔业委员会</td>
<td>电子传输商业捕鱼规则</td>
<td>1256</td>
<td>100§14.13</td>
<td>Redirect interest on certain environmental funds</td>
</tr>
<tr>
<td></td>
<td>移植牡蛎和蛤蜊</td>
<td>1256</td>
<td>120§26</td>
<td>Transplanting of oysters and clams</td>
</tr>
<tr>
<td>婚姻和家庭—国家预备役家庭援助中心资助</td>
<td></td>
<td>1256</td>
<td>106§2</td>
<td></td>
</tr>
<tr>
<td>马丁县</td>
<td>投资于创新计划参与</td>
<td>1256</td>
<td>100§8.27</td>
<td>Investing in Innovation Grant participation</td>
</tr>
<tr>
<td></td>
<td>约翰斯顿，镇</td>
<td></td>
<td></td>
<td>Jamesville, Town of—see that heading</td>
</tr>
<tr>
<td></td>
<td>交通</td>
<td></td>
<td>58§9</td>
<td>Mass Transit—fixed guideway system safety oversight</td>
</tr>
<tr>
<td>按摩和身体治疗委员会，委员会</td>
<td></td>
<td>1256</td>
<td>116§1.17</td>
<td>appointments and membership</td>
</tr>
<tr>
<td>麦当劳，镇</td>
<td></td>
<td>1256</td>
<td>75</td>
<td>authorize to enroll</td>
</tr>
<tr>
<td>梅班，镇</td>
<td></td>
<td>1256</td>
<td>24</td>
<td>mayor and aldermen terms</td>
</tr>
<tr>
<td>蒙茅斯县</td>
<td></td>
<td>1256</td>
<td>64§1(i)</td>
<td>Retirement repealed</td>
</tr>
<tr>
<td>梅肯堡县</td>
<td></td>
<td>1256</td>
<td>100§18B.1(g)</td>
<td>Mediation and Arbitration—Community</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.5</td>
<td>Medicaid and NC Health Choice</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.21(a)-(d)</td>
<td>1915(c) waiver study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.37(a)-(b)</td>
<td>Additional notice on SPAs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.32</td>
<td>Align annual billing to fiscal year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.38(a)-(d)</td>
<td>Ambulance transports to crisis centers study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.33A</td>
<td>Appeals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.14B</td>
<td>Appropriations and allocations—Current Operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.13A</td>
<td>Contingency reserve</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.35(a)-(b)</td>
<td>Cost settlement at UNC Hospitals and Vident Medical Center</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.8(b)</td>
<td>Drug dispensing fee study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.8A</td>
<td>Drug reimbursement using average acquisition cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12C.3(a)-(e)</td>
<td>of various human services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.7</td>
<td>Freeze nursing home case mix index</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.8A</td>
<td>Generic drug substitution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1256</td>
<td>100§12H.1(a)-(c)</td>
<td>Health Information Exchange data disclosure</td>
</tr>
</tbody>
</table>
Medicaid and NC Health Choice—continued

Hospital setoff debt collection against tax refunds and lottery prizes reinstated ........................................ 100§12I.4(a)-(d)
Imaging utilization management services contract RFP ......................................................... 100§12H.30(a)-(b)
Increase hospital assessment retention .................................................................................. 100§12H.17(a)-(b)
Intensive in-home service definition ...................................................................................... 100§12H.4
Management Information System replacement funds .......................................................... 100§12A.5
Mental health drug management ............................................................................................. 100§12H.9(a)-(c)
NCFAST technology funds .................................................................................................. 100§12A.6
Notice of extrapolated overpayments clarified ........................................................................ 100§12H.26(a)-(b)
Option to cancel contracts ..................................................................................................... 100§12H.20A(a)-(b)
PACE Program report ............................................................................................................. 100§12H.34(a)-(b)
Paragard reimbursement ........................................................................................................ 100§12H.33(a)-(b)
Personal care services management
  Generally .......................................................................................................................... 100§12H.10(a)-(c)
  Study ................................................................................................................................ 100§12H.10(c)
Personal care services management study by contractor ...................................................... 100§12H.10(c)
Planned Community Care of NC payment of PNPM ................................................................. 100§12H.19
Primary care case management draft
  waivers for dual eligibles .................................................................................................. 100§12H.20(a)-(b)
  Provider rate reduction ...................................................................................................... 100§12H.14A
Publish payments to providers ............................................................................................. 100§12H.15(a)-(b)
Reform .................................................................................................................................. 100§12H.1
Shared savings program repealed rate reductions maintained .................................................. 100§12H.14(a)-(d)
Single information technology system for claim adjudication .................................................. 100§12A.4(a)-(c)
State-county Special Assistance Program
  Eligibility .......................................................................................................................... 100§12D.1(a)-(h)
  Share of costs .................................................................................................................. 100§12D.2
Statewide hospital base rate .................................................................................................. 100§12H.12(a)-(b)
Supplemental payments to eligible providers ........................................................................ 100§12H.13(a)-(c)
Traumatic brain injury waiver ................................................................................................. 100§12H.6

Medical Care Commission—Health Care
Cost Reduction and Transparency Act revisions ........................................................................ 100§12G.2

Medical Examiners
Chief Medical Examiner's Office
  Merger with State Crime Laboratory ................................................................................. 100§12E.6(a)-(c)
  Study ................................................................................................................................. 100§12E.5, 12E.6(b)
Operational efficiencies ........................................................................................................... 100§17.3

Medicare—hospital setoff debt collection against tax refunds and lottery prizes reinstated .................. 100§12I.4(a)-(d)

Mental Health (see also Health Services)
Ambulance transports to crisis centers study ........................................................................ 100§12H.32
Behavioral health crisis services funds .................................................................................. 100§12F.5(a)-(b)
Broughton Hospital facilities future use study ........................................................................ 100§15.20(a)-(d)
Group home supplemental short-term assistance .................................................................... 100§12A.7(a)-(h)
Inpatient commitment hearings video-conferencing ................................................................ 107§6.1
Mental health drug management ............................................................................................. 100§12H.9(a)-(c)
### Mental Health—continued
- MH, DD, SAS strategies report ............................................................. 100§12F.3(a)-(b)
- School counselors work duties .............................................................. 100§8.33(a)-(b)

### Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for—
- appointments and membership ................................................................. 116§§1.8, 2.22

### Military Bases—see Armed Forces

### Mining and Energy Commission
- Administrative rules.................................................................................. 4§7(a)-(b)
- Appointments and membership ................................................................. 116§§1.22, 2.23
- Dormant mineral statutes study ................................................................. 4§25(a)-(b)
- Fracking fluids trade secrets ..................................................................... 4§8(a)-(c)
- Midstream infrastructure development study ............................................ 4§26

#### Oil and gas exploration
- APA exemptions for rules ......................................................................... 4§2(a)-(h)
- Permits ........................................................................................................ 4§3(a)-(c)

#### Oil, gas, and condensates severance tax
- 4§§17-19

### Mining and Mineral Exploration
- Dormant mineral statutes study ................................................................. 4§25(a)-(b)
- Energy minerals valuation study ............................................................... 4§20
- Energy-related traffic study ....................................................................... 4§23(a)-(b)
- Fracking fluids trade secrets ..................................................................... 115§67
- LNG export terminal siting study ............................................................... 4§22(a)-(b)
- Midstream infrastructure development study ............................................ 4§26

#### Oil and gas exploration
- Compressor station requirements .............................................................. 4§15(a)-(b)
- Driller advance notice to landowners
  - of entry to property .................................................................................. 4§12
- Drilling application fee reduced ................................................................. 4§11
- Environmental compliance ...................................................................... 4§15(a)-(b)
- Fracking fluids trade secrets ..................................................................... 4§8(a)-(c)
- Injection waste disposal prohibited .......................................................... 4§15(a)-(b)
- Permits ........................................................................................................ 4§3(a)-(c)
- Pre-drilling testing of water supplies ........................................................ 4§13(b)
- Presumptive liability for water contamination .......................................... 4§13(a)
- Prohibitive ordinances invalid ................................................................. 4§14
- Residential Property Disclosure Act ......................................................... 120§49(a)-(b)

#### State involvement in surveying drilling
- disputes repealed ....................................................................................... 4§9
- Well drilling requirement repealed ......................................................... 4§10

#### Oil and gas industry
- Effect on property tax study ....................................................................... 4§21
- Vocational programs study ......................................................................... 4§24(a)-(b)
- Oil, gas, and condensates severance tax ..................................................... 4§§17-19

### Mining Commission—reconstituted ........................................................... 4§5(a)-(c)
Minorities—natural hair specialists application to be grandfathered sunset extended ................................................. 115§61.7

Minors
- Child abuse—see Child Abuse and Neglect
- Child care—see Day Care
- Child Protective Services
  - Improvement initiative .......................................................... 100§12C.1(a)-(g)
  - Pilot program ........................................................................ 100§12C.1(e)
  - Statewide evaluation .............................................................. 100§12C.1(f)
- Children with disabilities allocations ........................................... 100§8.1
- Children's Development Services Agency reduction in funds ....... 100§12E.1(a)-(b)
- Conflict of interest in public guardianship and Child Protective Services study ......................................................... 100§12C.1(g)
- Guardian ad litem fees authority ............................................... 115§21
- Students Against Destructive Decisions Program discontinued ................................................................. 100§30.3
- Uniform statewide guidelines for retroactive support obligations ................................................................. 77§8
- Verification/jurisdiction in juvenile cases .................................. 16

Mint Hill, Town of—public-private reimbursement agreements for infrastructure ................................................. 31

Mitchell County
- Spruce Pine, Town of—see that heading

Mobile Phones and Devices
- Central assessment of mobile telecommunications property ................................................................. 3§11.1(a)-(h)
- Monitoring use by State Chief Information Officer ................................................................. 100§7.12(a)-(c)
- Prison security technology to combat cell phone smuggling funds ......................................................... 100§16C.9
- Providing mobile phone to inmate increased penalties ......................................................... 119§5(a)-(b)
- Use of mobile phone while operating motor vehicle offense ......................................................... 115§28.3

Monroe, City of
- Gas cities PNG tax phase-in ........................................................................................................ 39§1(a)-(e)
- Supervision of city attorney ........................................................................................................ 92§1

Montgomery County—State Health Plan participation ................................................................. 105

Moore County
- Academy Heights property conveyance by Board of Education ........................................................................... 70
- Foxfire Village, Town of—see that heading
- Hazmat response team ................................................................................................................ 100§16B.3(a),(c)-(d)
- Pinehurst, Village of—see that heading
- Taylortown, Town of—see that heading

Moratoriums
- Funding sufficiency actions by Union County Board of Education ........................................................................... 8; 9
- Home care agency offering in-home aide licensure ......................................................................................... 100§12G.4(a)-(b)
- Special care unit licenses ................................................................................................................ 100§12G.4(a)-(b)
- Unmanned aircraft procurement/operation ......................................................................................... 100§7.11(a)-(b)

1259
<table>
<thead>
<tr>
<th>Morehead City, Town of</th>
<th>sale of certain former NC Railroad properties</th>
<th>100§34.20(a)-(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morganton, City of</td>
<td>Broughton Hospital facilities future use study</td>
<td>100§15.20(a)-(d)</td>
</tr>
<tr>
<td></td>
<td>Children's Development Services Agency reduction in funds</td>
<td>100§12E.1(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Elections by plurality method</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Recall</td>
<td>12</td>
</tr>
<tr>
<td>Mortgages and Deeds of Trust</td>
<td>Loan originators technical correction</td>
<td>115§39</td>
</tr>
<tr>
<td></td>
<td>Manufactured homes</td>
<td>115§31</td>
</tr>
<tr>
<td></td>
<td>Mortgage deduction clarification</td>
<td>3§2.2(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Nonacceptance of transfer due to delinquent taxes for certain counties</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Settlement agent use of escrow/trust account funds</td>
<td>115§36</td>
</tr>
<tr>
<td></td>
<td>Transfer of declarant rights</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Transfer of real property held by spouses as tenants by the entireties</td>
<td>115§33(a)-(b)</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>ATVs (All Terrain Vehicles)—see Unregulated/unregistered vehicles, this heading</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commercial Vehicle Safety Alliance North American Standard Inspection Program participation study</td>
<td>103§4</td>
</tr>
<tr>
<td></td>
<td>Driver education funding</td>
<td>100§8.15(a)-(c)</td>
</tr>
<tr>
<td></td>
<td>Inspection station case continuances</td>
<td>58§1</td>
</tr>
<tr>
<td></td>
<td>Mobile phone use while operating motor vehicle offense</td>
<td>115§28.3</td>
</tr>
<tr>
<td></td>
<td>Motorcycles and mopeds—see that heading Planting and harvesting seasons definitions clarification</td>
<td>103§5</td>
</tr>
<tr>
<td></td>
<td>Unregulated/unregistered vehicles ATV use by city employees on certain highways for Yanceyville</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Written consent necessary to operate ATVs on private property</td>
<td>103§11(a)-(b)</td>
</tr>
<tr>
<td>Motor Vehicles, Division of</td>
<td>Appropriations and allocations Highway Fund</td>
<td>100§3.1</td>
</tr>
<tr>
<td></td>
<td>Information Technology Section—DMV hearing fees schedule</td>
<td>100§34.9(c)</td>
</tr>
<tr>
<td></td>
<td>Conversion of paper titles</td>
<td>100§34.7(a)-(c)</td>
</tr>
<tr>
<td></td>
<td>Drivers licenses material technical standard</td>
<td>58§5</td>
</tr>
<tr>
<td></td>
<td>Electronic lien system implementation</td>
<td>115§29(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Hearing fees</td>
<td>100§34.9(a)-(c)</td>
</tr>
<tr>
<td></td>
<td>Ignition interlock system violations hearing site</td>
<td>108§1(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Inspection station case continuances</td>
<td>58§1</td>
</tr>
<tr>
<td></td>
<td>License plate agent compensation</td>
<td>3§§13.1-13.5</td>
</tr>
<tr>
<td></td>
<td>Motor vehicle dealer license Probation authorized</td>
<td>108§5(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Service of hearing order</td>
<td>108§6(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Positions funding</td>
<td>100§34.22</td>
</tr>
<tr>
<td></td>
<td>Remote license renewal</td>
<td>100§34.8(a)-(b)</td>
</tr>
<tr>
<td></td>
<td>Special plates development process</td>
<td>96§§3-5</td>
</tr>
</tbody>
</table>

1260
Motorcycles and Mopeds
Registration of mopeds ................................. 114
Safe operation of mopeds study ....................... 114

Municipal Incorporation—see Local Government

Municipalities
Academy Heights property conveyance
by Moore County Board of Education .............. 70
Authorize certain cities to enroll
employees in State Health Plan ......................... 75
Charter revised and consolidated for Burlington ........ 74
No recordation of deeds for delinquent taxpayer in Elk Park ......... 69
Planning and zoning—see that heading
Regulation of vacation rentals by Cornelius .................. 91
Supervision of city attorney for Monroe .................. 92

Murphy, Town of—deannexation .................... 46

Museum of Art, Board of Trustees—
appointments and membership .................... 116

Museums
DCR exempt from certain operating rules
for historic sites museums ............................... 100
Food services at aquariums and museums technical correction .... 115
Grassroots Science Program appropriations ............. 100
Mountain Gateway Museum closure prohibited .......... 100
Museum of Waxhaw Amphitheater funds .................. 100
NC History Museum capital appropriation ............... 100

Narcotics (see also Controlled Substances; Pharmaceuticals)—
drug screening of Work First applicants delayed ........ 115

Nash County
Moratorium on funding sufficiency actions
by Board of Education ................................. 9
Rocky Mount, City of—see that heading

National Heritage Area Designation Commission—repealed ... 120

New Hanover County
Cape Fear Public Utility Authority unpaid sewer fees collection .... 98
Occupancy tax changes .................................. 87
Wilmington, City of—see that heading
Wrightsville Beach, Town of—see that heading

Newton, City of—Raise Dropout Age Pilot
Program enforcement provisions .................. 115

911 Board
Appointments and membership ........................ 116
Back-up Public Safety Answering Points (PSAP) and plans ........... 66

North Carolina Arboretum, Board of
Directors—see Arboretum, Board of Directors
North Carolina Biotechnology Center—see
Biotechnology Center, North Carolina

North Carolina Housing Partnership—see
Housing Partnership, North Carolina

North Carolina Lottery, Joint Legislative Oversight
Committee on the—see Lottery, Joint Legislative Oversight
Committee on the North Carolina

North Carolina Museum of Art, Board of Trustees—
see Museum of Art, Board of Trustees

Notification
Coal ash impoundments
Closure ................................................................. 122§7.1
Emergency dam repairs .................................................. 122§7
Commercial fishing rules electronic transmission .................. 100§14.13
Controlled substance reporting requirement
waived in certain instances ........................................ 115§41.5
Driller advance notice to landowners of entry to property ......... 4§12
Failure to meet medical requirements for CDL ...................... 115§28.5(a)-(b)
Lien agent notice form changes ..................................... 115§35(a)-(b)
Residential Property Disclosure Act mineral
rights modification ................................................... 120§49(a)-(b)
State Board of Education notification of
federal grant applications ............................................. 100§8.9
Violations involving State property .................................. 115§45(a)-(b)
Wastewater discharges reporting and notification strengthened........ 122§6(a)-(c)

Nursing
Chief Medical Examiner's Office operational efficiencies ........... 100§12E.6(a)-(c)
Nursing program facilities construction ................................ 100§11.14

Nursing, Center for, Board of Directors—
see Center for Nursing, Board of Directors

Nursing Homes
Adult care homes cost reporting ........................................ 100§12H.11
Freeze nursing home case mix index .................................. 100§12H.7
Personal care services management study by contractor .......... 100§12H.10(c)

O

Occupational Testing—licensing board reporting requirements .......... 120§4
Occupations (see also particular occupation)
Licensing board reporting requirements .................................. 120§4
Licensing boards rules for professional corporations ................. 120§3

Ocean Isle Beach, Town of—Museum of Coastal Carolina
Grassroots Science Program grant-in-aid ..................................... 100§15.19

Office Equipment and Technology—see Information Technology
Office of Indigent Defense Services—see
Indigent Defense Services, Office of
Office of Information Technology Services—see
Information Technology Services, Office of
Office of Lieutenant Governor—see Lieutenant Governor, Office of

1262
| **Office of State Budget and Management** —  |
| see Budget and Management, Office of State |
| **Office of State Controller** — see State Controller, Office of |
| **Office of the Governor** — see Governor, Office of the |
| **Office of the Secretary of State** — see Secretary of State, Office of the |
| **Oil** — see Fuels |
| **Oil and Gas Commission** — created from Mining and Energy Commission .............................................................. 4§4(a)-(c) |
| **Oil and Gas Exploration** — see Mining and Mineral Exploration |
| **On-Site Wastewater Contractors and Inspectors Certification Board** — appointments and membership .............................................................. 116§§1.25, 2.25 |
| **Optometry** — new optometry schools study ............................................ 100§11.21(a)-(c) |
| **Optometry and Optometrists** — no fixing fees by insurance plans ...................... 43 |
| **Orange County** |
| Chapel Hill, City of — see that heading |
| **Organized Crime and Gangs** — gang prevention reports ........................................... 100§16A.2 |
| **Oxford, City of** — Granville County Museum Commission Harris Gallery Grassroots Science Program grant-in-aid ........................................... 100§15.19 |

| **P** |
| **Pamlico County** — confiscation and disposal of deadly weapons statewide uniformity .............................................................. 115§61 |
| **Parking and Parking Structures** — on-street parking payment and fees use for Durham .............................................................. 34 |
| **Parks and Recreation Areas** |
| Accept and remove certain land from State nature and historic preserve .............................................................. 62 |
| Camp Sertoma/Moore Springs property reallocation .............................................................. 100§11.7(d) |
| Carolina Beach State Park marina RFI .............................................................. 100§14.5(a)-(b) |
| Speed limit waiver in State parks and forests .............................................................. 120§31(a)-(b) |
| State parks and trails signage usage study .............................................................. 100§34.15(a)-(b) |
| **Parks and Recreation Authority** — appointments and membership .............................................................. 116§§1.31, 2.26 |
| **Parole and Probation** |
| Conditional discharge .............................................................. 119§2(a)-(h) |
| Confinement in response to violations .............................................................. 100§16C.8(a)-(b) |
| GED technical correction .............................................................. 115§28(a)-(i) |
| **Partnership for Children, Inc., Board of Directors** |
| Appointments and membership .............................................................. 116§§1.23, 2.27, 3.1, 3.2 |
| Child care allocation formula .............................................................. 100§12B.4 |
| Early childhood education and development initiatives fundraising .............................................................. 100§12B.2(a) |
| NC Pre-K audits .............................................................. 100§12B.6 |
| **Pasquotank County** |
| Elizabeth City, City of — see that heading |
Patents—see Intellectual Property
Pembroke, Town of
UNC-Pembroke—see University of North Carolina
Pender County
Watha, Town of—see that heading
Permanency Innovation Initiative Oversight Committee
appointments and membership ........................................ 116§§1.24, 2.28
Perquimans County
confiscation and disposal of deadly weapons statewide uniformity ............................................. 115§61
Pesticide Board
Certification of private pesticide applicators................................. 100§13.10(a)-(c)
Private pesticide applicators certification ...................................... 103§16
Pests and Pesticides
Certification of private pesticide applicators................................. 100§13.10(a)-(c)
Pesticide use for moles ........................................................................ 103§9
Private pesticide applicators certification ...................................... 103§16
Pharmaceuticals (see also Controlled Substances; Narcotics)
340B drug pricing opportunities study .............................................. 100§16C.13
Botox reimbursement ........................................................................ 100§12H.33A
Drug dispensing fee study .............................................................. 100§12H.8(b)
Drug reimbursement using average acquisition cost for Medicaid ........................................ 100§12H.8(a)-(c)
Generic drug substitution ................................................................. 100§12H.8A
Mental health drug management ..................................................... 100§12H.9(a)-(c)
Pharmacy benefit management
Company regulation study ............................................................ 120§20(b)
Generally ...................................................................................... 120§20(a)-(c)
Workers’ Compensation reimbursement for drugs and pharmaceutical services .................. 100§15.16A(a)-(b)
Pharmacists and Pharmacies
Immunizing authority technical correction ....................................... 115§40
Workers’ Compensation reimbursement for drugs and pharmaceutical services .................. 100§15.16A(a)-(b)
Pharmacy, Board of
Emergency epinephrine auto-injectors in schools ......................... 100§8.23(a)-(e)
Pharmacy benefit management company regulation study .............. 120§20(b)
Photography—regulation of unmanned aircraft systems .................. 100§34.30(a)-(l)
Physicians—Chief Medical Examiner’s Office operational efficiencies ........................................ 100§12E.6(a)-(c)
Pilot Programs (see also Studies)
After-school services competitive grants ...................................... 100§8.19(a)-(e)
Child Protective Services pilot program ......................................... 100§12C.1(e)
Dropout Prevention and Recovery Pilot Program with charter school ........................................ 104
Hemp oil epilepsy treatment ............................................................. 53
Improve budgeting of General Fund .............................................. 100§6.7(a)-(g)
Raise Dropout Age Pilot Program enforcement provisions .......... 115§64
Virtual charter school pilot program .............................................. 100§8.35(a)-(g)
Pinehurst, Village of
Academy Heights property conveyance by Moore County Board of Education .............................. 70
Annexation........................................................................................................................................ 85§1
Special assessments for stormwater management............................................................................. 85§2(a)-(c)

Pitt County
Greenville, City of—see that heading

Planned Community Act .................................................................................................................. 57

Planning and Zoning (see also Local Government; particular city or county)
Annexation—see that heading
Extraterritorial jurisdiction authority repealed for certain cities ........................................ 26§§1(a)-(c), 2; 33
Municipal flood plain ordinance enforcement in ETJ ................................................................. 120§15
Temporary health care structures zoning...................................................................................... 94
Zoning area size requirement removed for Buncombe County ..................................................... 26§3(a)-(b)

Plants and Trees
Technical corrections, clarifications, and conforming changes ............................................ 115§11
Venus flytrap taking penalties ........................................................................................................ 120§52(a)-(c)

Pleasant Garden, Town of—annexation ...................................................................................... 80§1(a)-(c)

Political Parties (see also Elections)
Electronic filing of reports .............................................................................................................. 111§18.5(a)-(b)
Party affiliation for primary ........................................................................................................... 111§1(a)-(b)
Student organization rights and recognition................................................................................... 28

Polk County—technical corrections, clarifications, and conforming changes .......................... 115§8

Pollution—see Environment
Ports—LNG export terminal siting study ...................................................................................... 4§22(a)-(b)

Ports Authority, State
Appointments and membership ........................................................................................................ 116§1.29, 2.29
LNG export terminal siting study .................................................................................................... 4§22(a)-(b)

Post-Release Supervision and Parole Commission
Chair's salary...................................................................................................................................... 100§35.2
Members' salaries .......................................................................................................................... 100§35.2

Poultry—see Livestock and Poultry

Power Generation—see Utilities

Prescription Drugs—see Pharmaceuticals

Prison Labor—see Correctional Institutions

Privacy
Confidentiality of agricultural operations environmental investigations ................................. 103§1(a)
Confidentiality of unemployment compensation records.......................................................... 117
Fracking fluids trade secrets ........................................................................................................... 4§8(a)-(c); 115§67

Private Colleges and Universities—see Colleges and Universities

Private Protective Services Board
Appointments and membership ........................................................................................................ 116§1.32, 2.30
Transferred to Dept. of Public Safety from Justice Dept. .......................................................... 100§17.5(a)-(d)

1265
Privatization (see also Contracts and Purchasing)
Economic development functions contracting
authorized for Commerce Department ...................................................... 18; 115§57
Fees, sponsorship, privatization of DOT services study ................................. 100§34.17(a)-(c)
Proctorville, Town of
—mayor and aldermen terms ..................................................... 25
Professional Education (see also Licensing
and Certification; particular occupation)
Chief Medical Examiner's Office operational efficiencies ............................. 100§12E.6(a)-(c)
School employee education-based salary
supplements date extended ................................................................. 100§8.3(a)
Superior and district court judge training ...................................................... 100§18B.5
Program Evaluation Oversight Committee, Joint Legislative
Studies—see General Assembly, Program Evaluation Division
Work plan—see General Assembly, Program Evaluation Division
Property (see also Housing; Landowners)
Academy Heights property conveyance by
Moore County Board of Education .......................................................... 70
Blount Street Properties Fund closed .......................................................... 100§30.5(a)-(b)
Brevard Road site transfer by Asheville to Henderson County ....................... 51
Broughton Hospital facilities future use study ................................................... 100§15.20(a)-(d)
Contaminated property use study ............................................................... 120§56(a)-(b)
Disposal of community college property includes demolition ....................... 115§51.5
Eminent domain—see that heading
Escheats—unclaimed US savings bonds ......................................................... 93
Lien agent notice form changes ................................................................. 115§35(a)-(b)
No trespass liability for geophysical data collection ........................................ 4§15(a)-(b)
Operation and use of defunct 4-H camps ...................................................... 100§11.7(a)-(e)
Planned Community Act transfer of declarant rights .................................. 100§51.5
Present-use value program land under conservation easement ................. 3§14.14(a)-(f)
Property conveyance by Greenville ............................................................. 37
Reporting to SBI of violations involving State property ................................ 115§45(a)-(b)
Residential Property Disclosure Act mineral rights modification ................. 120§49(a)-(b)
Right-of-way transfers notification ............................................................ 108§8(a)-(b)
Rule Against Accumulations application .................................................... 115§34
Sale of certain former NC Railroad properties ........................................ 100§34.20(a)-(d)
Settlement agent use of escrow/trust account funds .................................... 115§36
Slayer statute modification ........................................................................ 107§§1.1-1.2
Taxes and assessments—see that heading
Time-shares exempt from perpetuities ......................................................... 99
Transfer of real property held by spouses as
tenants by the entireties .......................................................................... 115§33(a)-(b)
Trust accounts technical correction ............................................................. 115§3
Public Defenders—salaries ................................................................. 100§35.3(a), (c)
Public Health
Alzheimer's disease strategic plan ................................................................. 100§12D.5
Antineoplastic agents health worker safety .................................................. 76
Diabetes coordination report ................................................................. 100§12E.7
Pharmacist immunizing authority technical correction ................................. 115§40
Source water protection plan ........................................................................ 41; 115§55.5
1266
Public Health, Commission for
APA exemptions for oil and gas exploration rules........................................ 4 §2(e)-(g)
Approved wastewater systems modification ............................................... 120 §47(a)-(e)
Limited food services at lodging facilities .............................................. 120 §21(a)-(c)
On-site wastewater approval clarification ............................................. 120 §28(a)-(b)
Source water protection plan ................................................................ 41; 115 §55.5
Transfer solid waste rule-making authority to EMC .............................. 122 §11(a)-(m)

Public Instruction, Department of
After-school services competitive grants .............................................. 100 §8.19(a)-(e)
Any fuel option in school bus contracts ............................................... 4 §28(a)-(b)
Appropriations and allocations
Advanced placement/international baccalaureate courses ......................... 100 §8.17
Appropriation from Indian Gaming Education Revenue Fund to School Technology Fund .............................................. 100 §5.1
Budget reductions .................................................................................. 100 §8.6
Classroom teachers ............................................................................... 100 §5.2(a)
Digital learning .................................................................................. 100 §5.2(a), (d)
Panic alarm carryforward clarification ................................................ 100 §8.8(a)-(b)
Reading camps carryforward clarification ......................................... 100 §8.7(a)-(b)
Teacher assistants ................................................................................ 100 §5.2(a)
UNC Need-Based Financial Aid Program .............................................. 100 §5.2(a)
Common follow-up/costs shared by agencies plan ............................... 100 §15.6(a)-(c)
Education of children in private psychiatric facilities ........................................ 100 §8.39(a)-(j)
Emergency epinephrine auto-injectors in schools .................................... 100 §8.23(a)-(e)
Instructional coaches in Title I schools ................................................. 100 §8.21
Natural gas-fueled school bus infrastructure study ............................... 4 §28(c)
Reports—see that heading
Response time .................................................................................... 100 §8.28
School transportation fleet manual review ............................................ 100 §8.13(a)-(b)
Summer Food Service Program transferred to DPI ............................ 100 §12E.9(a)-(b)
Superintendent
Salary .................................................................................................. 100 §35.1(b)
Technical corrections, clarifications, and conforming changes .......... 115 §9
Vehicle forfeiture technical correction .................................................. 115 §2.2

Public Meetings (see also Records)
Charter schools subject to Open Meetings Laws........................................ 101 §5
Regarding military installations................................................................. 79 §§6-8

Public Officials
Assault/threat/solicitation by inmate of a legislative, executive, or court officer ........................................ 119 §6(a)-(c)
Boards of Education
Membership and terms for Duplin ....................................................... 6 §§1-4
Vacancies for Harnett County ................................................................. 6 §5(a)-(c)
City attorneys
Hiring and technical corrections for High Point ...................................... 38
Supervision for Monroe ......................................................................... 92 §1
City Councils
Collecting final judgments against members ......................................... 40
Public Officials—continued
Terms for certain cities................................................................. 24; 25; 56
County Commissioners
Collecting final judgments against members............................... 40
Membership and terms for Duplin............................................... 6§§1-4
Vacancies for Cabarrus................................................................. 92§2
Vacancies for Harnett................................................................. 6§§5(a)-(c)
Elections
Plurality method for Morganton.................................................... 12
Recall of officers for Morganton.................................................... 12
Schedule for Elkin.................................................................. 35
Unanimous vote for Harnett County
Manager and School Superintendent ........................................... 6§§6(a)-(b)
Mayor terms for certain cities..................................................... 24; 25
MPO/RPO ethics fines................................................................ 58§12(a)-(c);
115§56.6A(a)-(c)
Public Records—see Records
Public Safety, Department of
Adult and juvenile inmate medical costs..................................... 100§16C.6(a)-(b)
Agency teachers' salaries............................................................. 100§35.6A
Alarm Systems Licensing Board
transferred from Justice Department........................................... 100§17.5(e)-(g)
Alcohol Law Enforcement transfer............................................. 100§17.1(uuu)-(hhhh)
Alcoholic Beverage Control Commission
transfer from Commerce Department.......................................... 100§15.2A(a)-(f)
Appropriations and allocations
Current Operations..................................................................... 100§2.1
Division of Adult Correction—prison
security technology to combat cell
phone smuggling funds............................................................. 100§16C.9
Division of Law Enforcement—VIPER radios funds.................. 100§16B.5
Juvenile facilities projects.......................................................... 100§36.4(a)-(b)
Samarkand Training Facility capital appropriation..................... 100§36.1
Commercial Vehicle Safety Alliance North
American Standard Inspection Program participation study........... 103§4
Crime Commission, Governor's—see that heading
Division of Adult Correction
3408 drug pricing opportunities study......................................... 100§16C.13
Closed facilities use................................................................. 100§16C.10
Common follow-up/costs shared by agencies plan..................... 100§15.6(a)-(c)
Community work crew fee limitation removed........................ 100§16C.2
Confinement in response to violations....................................... 100§16C.8(a)-(b)
Electrical device/equipment evaluation...................................... 100§16C.4
Inmate labor contracts............................................................... 100§16C.3
Local confinement for misdemeanants..................................... 100§16C.1(a)-(g)
Division of Emergency Management
Hazardous materials facility fee.................................................. 100§16B.3(b)
Hazmat response team......................................................... 100§16B.3(a),(c)-(d)
Urban search and rescue program established......................... 27§§3-5

1268
Public Safety, Department of—continued
Division of Law Enforcement
  CJIS data security standards compliance .................................................. 100§16B.1
  State Highway Patrol—see Law Enforcement
High-hazard dams emergency action plans ............................................. 122§7(a)-(c)
LiDAR topographic mapping of State .................................................. 100§15.12(a)-(b)
Limited authority to reclassify/eliminate certain positions ......................... 100§16A.3
National Guard—see Armed Forces
Planting and harvesting seasons definitions clarification ........................... 103§5
Prison maintenance services contracts study ............................................ 100§16C.5
Private Protective Services Board
  transferred from Justice Department .................................................. 100§17.5(a)-(d)
Regulation of unmanned aircraft systems ........................................... 100§34.30(a)-(l)
Reports—see that heading
SBI transfer from Justice Department .................................................. 100§17.1(a)-(ttt)
Schematic designs for emergency access to schools ...................................... 27§5
Urban search and rescue program costs study ........................................ 100§16C.11
SBI transfer from Justice Department .................................................. 100§17.1(a)-(ttt)
Schematic designs for emergency access to schools ...................................... 27§5
Vacant position reclassification authority .............................................. 100§16C.11

Public Transportation—passenger bus size for Charlotte .......................... 71
Publishing—sales tax on newspapers .................................................... 3§8.3(a)-(c)

Railroad, North Carolina, Board of Directors
  Dividends payment date ........................................................................... 115§55.2
  Sale of certain former properties .................................................. 100§34.20(a)-(d)
Railroads
  Fixed guideway system safety oversight ........................................... 58§9
  NC-SC Rail Compact ........................................................................ 121
Raleigh, City of
  Blount Street Properties Fund closed .................................................. 100§30.5(a)-(b)
  Deannexation .................................................................................. 47§1(a)-(b)
  Marbles Kids Museum Grassroots Science Program grant-in-aid .......... 100§15.19
  North Carolina State University—see University of North Carolina
  State Capitol Police—see Law Enforcement
Real Estate—see Property
Real Estate Commission—appointments and membership ..................... 116§§1.26, 2.31
Recordation of Instruments—see Register of Deeds
Records (see also Public Meetings)
  Charter schools subject to Public Records Act ...................................... 101§5
  Criminal
    Criminal history checks for firefighters and EMS personnel ............ 27§§1-2
    Expunction laws implementation .................................................. 119§11(a)-(b)
    Expunction prohibited for certain offenses .................................. 119§1(a)-(b)
    Pistol permit issuance background checks .................................. 115§23.5(a)-(e)
    Transmittal of order of expunction requirements ........................ 115§27(a)-(b)
### Records—continued

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational tests not public record</td>
<td>115§49.2</td>
</tr>
<tr>
<td>Indigent Defense Services fee transparency</td>
<td>100§18A.1</td>
</tr>
<tr>
<td>Public records regarding military installations</td>
<td>79§§6-8</td>
</tr>
<tr>
<td>Student records privacy and security</td>
<td>50</td>
</tr>
<tr>
<td>Unpublished research data, State institutions not public record</td>
<td>115§52</td>
</tr>
</tbody>
</table>

### Recreation and Leisure—ADA

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>requirements for private pools</td>
<td>120§13(a)-(c)</td>
</tr>
</tbody>
</table>

### Recreational Therapy Licensure Board—

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>appointments and membership</td>
<td>116§§1.27, 2.32</td>
</tr>
</tbody>
</table>

### Red Light Cameras—see Traffic Control Systems

### Redistricting—three-judge panel to hear challenges to General Assembly acts.| Session Law Number |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100§18B.16(a)-(f)</td>
</tr>
</tbody>
</table>

### Referendums and Initiatives—see Elections

### Register of Deeds

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>No recordation of deeds for delinquent taxpayer in Elk Park</td>
<td>69</td>
</tr>
<tr>
<td>Nonacceptance of transfer due to delinquent taxes for certain counties</td>
<td>29</td>
</tr>
<tr>
<td>Removal of certain information report</td>
<td>100§18B.1(c)</td>
</tr>
</tbody>
</table>

### Religion

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student organization rights and recognition</td>
<td>28</td>
</tr>
<tr>
<td>Student prayer/religious activities rights in school</td>
<td>13</td>
</tr>
</tbody>
</table>

### Remote Learning—see Education

### Reports

<table>
<thead>
<tr>
<th>Description</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Standards Review Commission</td>
<td>78§2(i)</td>
</tr>
<tr>
<td>English Language Arts and Mathematics standards review</td>
<td></td>
</tr>
<tr>
<td>Administration, Department of</td>
<td>122§16</td>
</tr>
<tr>
<td>Coal ash products specifications for public procurement</td>
<td></td>
</tr>
<tr>
<td>Natural gas-fueled school bus infrastructure study</td>
<td>4§28(c)</td>
</tr>
<tr>
<td>Oregon Inlet federal property acquisition</td>
<td>100§14.7(g)</td>
</tr>
<tr>
<td>Administrative Office of the Courts (AOC)</td>
<td></td>
</tr>
<tr>
<td>Business Court</td>
<td>102§5</td>
</tr>
<tr>
<td>Business Courts activities</td>
<td>100§18B.1(d)-(e)</td>
</tr>
<tr>
<td>Court Information Technology Fund</td>
<td>100§18B.1(b)</td>
</tr>
<tr>
<td>Court reporters compensation study</td>
<td>100§18B.3</td>
</tr>
<tr>
<td>Criminal case information system final report</td>
<td>100§18A.2</td>
</tr>
<tr>
<td>Criminal court cost waivers report</td>
<td>100§18B.2</td>
</tr>
<tr>
<td>Director's duties</td>
<td>100§18B.1(a)</td>
</tr>
<tr>
<td>Family court programs</td>
<td>100§18B.4</td>
</tr>
<tr>
<td>Pistol permit issuance</td>
<td>115§23.5(b)</td>
</tr>
<tr>
<td>Removal of certain information by Clerks of Court and Registers of Deeds</td>
<td>100§18B.1(c)</td>
</tr>
<tr>
<td>Agriculture and Consumer Services, Department of</td>
<td></td>
</tr>
<tr>
<td>Federal grants report</td>
<td>100§14.1</td>
</tr>
<tr>
<td>NER agencies efficiencies reporting</td>
<td>100§14.2A(a)-(b)</td>
</tr>
<tr>
<td>Plant Sciences Research and Innovation Initiative proposal</td>
<td>100§13.1(b)</td>
</tr>
<tr>
<td>Appalachian State University</td>
<td></td>
</tr>
<tr>
<td>Health Sciences Building report</td>
<td>100§36.16(a)-(b)</td>
</tr>
</tbody>
</table>

1270
Reports—continued

Budget and Management, Office of State

Agency reorganizations and movements of positions.......................... 100§6.10
Housing programs study................................................................. 100§14.3(b)
Improve budgeting of General Fund pilot program ......................... 100§6.7(a)-(g)
Institutional trust funds.................................................................... 100§11.4
State Retirement System funds uses ............................................... 100§35.15(c)

Building and Infrastructure Needs of the State,
Blue Ribbon Commission to Study the ........................................... 42§8(f)

Charlotte Douglas International Airport Oversight Committee

Extension .................................................................................. 10§2(a)-(b)

Charter School Advisory Board

Dropout Prevention and Recovery Pilot
Program with charter school .......................................................... 104§8.5

Coal Ash Management Commission

Beneficial use of coal ash study .................................................... 122§13(c)
Low-risk coal ash impoundment study ......................................... 122§13(a)

Coastal Studies Institute

Commercial shellfish leasing study .............................................. 100§14.12

Commerce, Department of

Broughton Hospital facilities future use study ............................. 100§15.20(c)
Collaboration for Prosperity Zones ............................................... 18§3.3
Common follow-up/costs shared by agencies plan ......................... 100§15.6(c)
Community Development Block Grant matching funds .................. 100§15.9(d)
Confidentiality of unemployment compensation records .............. 117§3
Development factors in making development
tier designations study .............................................................. 100§15.10B(b)
Economic development functions contracting ............................... 18; 109; 115§56.1
Economic Development Program funds ...................................... 100§34.29
Federal grants report ................................................................. 100§14.1
LNG export terminal siting study .................................................. 4§22(b)
NC Broadband and NC Connect incorporation .............................. 100§15.7(b)
NER agencies efficiencies reporting ............................................ 100§14.2A(a)-(b)

Community Colleges, State Board of

Bilateral agreements regarding transfer process study .................. 100§10.7(b)
College credit for military training plan .......................................... 67§3
Military training and experience "knowledge gap
fulfillment," job development, and college credit study ................. 67§4
Oil and gas industry vocational programs study ............................ 4§24(b)
Revenues/expenditures/fees collected/assessed by
Manufacturing Technology
Center and Textile Technology Center ......................................... 100§10.3
Revising enrollment tiers process ................................................ 100§10.2
Tuition assistance to veterans and families in Yellow Ribbon Program .... 100§11.12(c)

Community Colleges System Office

Collaboration for Prosperity Zones ............................................... 18§3.3

Community Mediation Centers

Repealed .................................................................................. 100§18B.11(g)
Reports—continued

Crime Commission, Governor’s
  Gang prevention reports
  100§16A.2

Cultural Resources, Department of
  Queen Anne’s Revenge Project Special Fund
  100§19.4

Education Assistance Authority, State
  College Foundation of North Carolina sustainability
    100§11.11
  Financial aid payment schedule study
    100§11.8

Education Oversight Committee, Joint Legislative
  Dropout Prevention and Recovery
    Pilot Program with charter school
    104§8
  NC Virtual Public School Program revenue study
    100§8.18(b)
  Read to Achieve diagnostic reading assessments study
    100§8.22(b)
  School employee education-based salary supplements study
    100§8.3(c)
  UNC tuition study
    100§11.15(b)
  Vocational training for persons with
    intellectual disabilities study
    100§10.4(b)

Education, State Board of
  Advanced placement courses date change
    115§49.5
  Collaboration for Prosperity Zones
    18§3.3
  Dropout Prevention and Recovery Pilot
    Program with charter school
    104§§7, 8.5
  New assessment instruments
    78§5
  Notification of federal grant applications
    100§8.9
  School performance scores and grades reporting extended
    100§8.30
  Teacher education reports due date
    115§49.7
  Uniform report dates
    115§§80-93
  Virtual charter school pilot program
    100§8.35(a)-(g)

Energy Policy, Joint Legislative Commission on
  Oil and gas industry effect on property tax study
    4§21

Environment and Natural Resources,
  Department of (DENR)
  Carolina Beach State Park marina RFI
    100§14.5(b)
  Coal ash as structural fill study
    122§4(d)
  Coal ash impoundments closure deadlines review
    122§13(b)
  Coal ash landfills evaluation
    122§5(b)
  Coal ash management
    122§3(a)
  Collaboration for Prosperity Zones
    18§3.3
  Contaminated property use study
    120§56(b)
  Dormant mineral statutes study
    4§25(b)
  Federal grants report
    100§14.1
  Management flexibility for reductions
    100§14.24B(b)
  Minimum design criteria for stormwater runoff permitting
    120§50
  Mining and Energy Commission rules
    4§25(b)
  NER agencies efficiencies reporting
    100§14.2A(a)-(b)
  Pretreatment, Emergency Response and
    Collection System (PERCS) permitting
    program pilot study
    120§29(g)
  Private well-water testing fee waiver study
    100§12E.3(c)
Reports—continued

Water Resources Development Projects capital appropriation .................100§36.2(d)

Environmental Management Commission
Coal ash as structural fill study .................................................................122§4(d)
Compliance boundary and corrective action provisions review ......................122§12(c)

Fiscal Research Division
Improve budgeting of General Fund pilot program ..............................100§6.7(a)-(g)

General Government, Joint Legislative Committee on
Temporary Solutions staffing review ......................................................100§22A.2(a)-(b)

Grassroots Science Program reports by
individual museums repealed .......................................................................100§15.19

Health and Human Services, Department of (DHHS)
Align annual Medicaid billing to fiscal year .........................................100§12H.37(a)-(b)
Ambulance transports to crisis centers study ........................................100§12H.32
Chief Medical Examiner's Office study ....................................................100§12E.6(b)
Child care subsidy for 11- and 12-year-olds study ..................................100§12B.3(b)
Child Protective Services pilot program .................................................100§12C.1(e)
Comprehensive program integrity contract ..............................................100§12H.22(c)
Conflict of interest in public guardianship and Child Protective Services study ......................................................100§12C.1(g)
Diabetes coordination report ......................................................................100§12E.7
Education of children in private psychiatric facilities ................................100§8.39(e), (h)
Health Care Cost Reduction and
Transparency Act expansion study ..........................................................100§12G.3
Imaging utilization management services contract RFP ..........................100§12H.30(b)
Long-term solutions for group home funding and residents ...................100§12A.7(d)
Medicaid 1915(c) waiver study .................................................................100§12H.5
Medicaid annual report reinstated ............................................................100§12H.2
Medicaid county of origin .......................................................................100§12H.35(b)
Mental health drug management ..............................................................100§12H.9(c)
MH, DD, SAS budget shortfall plan .........................................................100§12F.4
MH, DD, SAS strategies ...........................................................................100§12F.3(a)-(b)
PACE Program .........................................................................................100§12H.34(a)-(b)
Primary care case management draft waivers for dual eligibles ...............100§12H.20(b)
Public guardianship system improvement ..............................................100§12D.3(d)
Single information technology system for Medicaid claim adjudication LMEs/HMOs .................................................................100§12A.4(a)-(c)
Traumatic brain injury waiver .................................................................100§12H.6

Health and Human Services, Joint Legislative Oversight Committee on
State Crime Laboratory/State Medical Examiner Office merger study ..........100§17.3

Health Care Oversight Committee, Joint Legislative contractor
Personal care services management study ..............................................100§12H.10(c)

HIE Network
Funds use ..................................................................................................100§12A.2(c)
Reports—continued

Housing Finance Agency, Board of Directors
  Workforce Housing Loan Program ....................................................... 100§31.1(d)

Human Trafficking Commission
  Erin's Law (sexual abuse of children) study ........................................ 119§4(b)

Indigent Defense Services, Office of
  Annual report ....................................................................................... 100§18B.1(i)-(j)
  RFP for private/nonprofit representation of indigents ............................. 100§18B.1(k)

Innocence Inquiry Commission
  Annual report ....................................................................................... 100§18B.1(f), (h)

Insurance, Department of
  Local firefighters' relief funds .............................................................. 64§1(h)
  Pharmacy benefit management company regulation study .................. 120§20(b)

Justice and Public Safety, Joint Legislative
  Oversight Committee on
    Criminal history checks for firefighters
    and EMS personnel study ................................................................. 27§2
  State Crime Laboratory/State Medical Examiner Office merger study ... 100§17.3

Justice, Department of
  Management flexibility reductions ....................................................... 100§17.6(b)

Labor, Department of
  Federal grants report ........................................................................... 100§14.1
  NER agencies efficiencies reporting .................................................... 100§14.2A(a)-(b)

Legal Aid of North Carolina
  Quarterly reports .................................................................................. 100§18B.17

Local Government Employees' Retirement System
  (LGERS), Board of Trustees
  Annual report on supplemental offerings ............................................. 112§4(b)

Lottery Commission, State
  Reporting change .................................................................................. 100§5.2(g)

Mining and Energy Commission
  Energy minerals valuation study .......................................................... 4§20
  Midstream infrastructure development study ........................................ 4§26

Motor Vehicles, Division of
  DMV hearing fees schedule ................................................................. 100§34.9(b)

NC Independent Colleges and Universities
  New optometry schools study ............................................................... 100§11.21(b)

North Carolina State University
  Plant Sciences Research and Innovation Initiative proposal ................. 100§13.1(b)

Program Evaluation Division
  Alcohol and substance abuse education
    and prevention initiative study .......................................................... 100§12I.3(b)
  Chief Medical Examiner's Office study ............................................... 100§12E.5

Public Health, Commission for
  Source water protection plan ............................................................... 41§2

Public Instruction, Department of
  After-school services competitive grants ............................................. 100§8.19(e)
  Digital learning ...................................................................................... 100§5.2(c)
Reports—continued

Education of children in private psychiatric facilities ..................... 100§8.39(e), (h)
School transportation fleet manual review ........................................... 100§8.13(b)

Public Safety, Department of
340B drug pricing opportunities study ................................................. 100§16C.13
Commercial Vehicle Safety Alliance North American
Standard Inspection Program participation study ..................................... 103§4
Prison maintenance services contracts study ........................................... 100§16C.5
Treatment for effective community supervision program .................. 100§16C.7(a)-(b)
Urban search and rescue program costs study ..................................... 27§5
Vacant position reclassification
authority for Department of Public Safety ........................................... 100§16C.11

Revenue, Department of
E-filing system for corporate clients modernization progress ................. 100§26.4

Revenue Laws Study Committee
Digital dispatching services study ......................................................... 108§9(a)-(b)
Permanent registration plates study ...................................................... 96§7

State Capitol Police
Receipt-supported positions ................................................................. 100§16B.6(b)

State Chief Information Officer
Budget and Reporting Information Technology
Expenditures (BRITE) tool ..................................................................... 100§7.18
Geographic Information System data consolidation, feasibility .......... 100§7.16(a)
Geographic Information System feasibility of selling data ................. 100§7.16(b)
Information Technology Reserve Fund appropriations .................. 100§7.3(b)
Information technology restructuring plan ....................................... 100§7.4(b)
IT contract professionals career path ................................................. 100§7.7
IT Internal Service Fund rate setting ................................................... 100§7.2
State Portal costs report ................................................................. 100§7.13

State Controller, Office of
Improve budgeting of General Fund pilot program .......................... 100§6.7(a)-(g)

State Energy Office
Long-range State energy policy study .................................................. 4§27

State Highway Patrol
Experience and education credit for members with prior law enforcement or military experience study .................. 100§35.11A

State Judicial Council
Annual reports ................................................................................. 100§18B.1(h)

State Treasurer, Department of
Diabetes coordination report ............................................................... 100§12E.7
Investment Division compensation ..................................................... 100§33.2(d)

Teachers' and State Employees' Retirement System (TSERS), Board of Trustees
Annual report on supplemental offerings ............................................. 112§4(a)

Transportation, Department of
Coal ash products specifications for public procurement ................. 122§16
Coal ash use in road/bridge construction study ............................... 122§14
Collaboration for Prosperity Zones ....................................................... 18§3.3
DOT cash management policies study .............................................. 100§34.23(b)
Index to Session Laws

Session Law Number

Reports—continued

Economic Development Program funds ................................................................. 100§34.29
Energy-related traffic study .................................................................................... 4§23(b)
Fees, sponsorship, privatization of services study ............................................. 100§34.17(c)
Information technology modernization ................................................................. 100§7.14(d)
Legal services ...................................................................................................... 100§34.24(c)
Outsourcing of preconstruction activity .............................................................. 100§34.13(d)
Pavement Preservation Program ............................................................................. 100§34.11(l)
Right turn on red report repealed ........................................................................ 58§4
Staffing of certain divisions review ..................................................................... 100§34.16(b)
State parks and trails signage usage study ........................................................... 100§34.15(b)

Transportation Oversight Committee, Joint Legislative
Safe operation of mopeds study ............................................................................. 114§4

Traumatic Brain Injury Subcommittee
Final report ............................................................................................................ 100§121.2(c)

UNC Board of Governors
Academic Summer Bridge Programs ..................................................................... 100§11.5
Bilateral agreements regarding transfer process study ......................................... 100§10.7(b)
College credit for military training plan ............................................................... 67§3
Institutional trust funds ......................................................................................... 100§11.4
Medical schools funding ....................................................................................... 100§11.20

Military training and experience "knowledge gap fulfillment," job development, and college credit study .................................................. 67§4
New optometry schools study .............................................................................. 100§11.21(b)
Tuition assistance to veterans and families in Yellow Ribbon Program .............. 100§11.12(c)

University of North Carolina
Supplemental payments to eligible providers ....................................................... 100§12H.13(b)

Wildlife Resources Commission
Federal grants report ............................................................................................. 100§14.1
NER agencies efficiencies reporting ..................................................................... 100§14.2A(a)-(b)
Oversight of cervids .............................................................................................. 100§14.26(f)

Research Triangle Institute—energy research sharing ......................................... 100§15.18

Residential Property Disclosure Act ................................................................... 120§49(a)-(b)

Restaurants and Cafes—see Food Services

Retailing
DCR Umstead exemption for certain events ......................................................... 100§19.9
Retailer contractors sales tax ............................................................................... 3§§7.1-7.3
Umstead Act exemption for Center for the Advancement of Teaching .................. 115§39.4

Retirement
Consolidated Judicial Retirement System (CJRS)
Consumer Price Index clarification ........................................................................ 97§4(c), (h)
Cost-of-living increases ......................................................................................... 100§35.14(a)-(c)
Death benefit beneficiary when not designated ..................................................... 112§3(b)-(c)
Retirement definition ............................................................................................ 97§6
Return to 5-year vesting ......................................................................................... 88§3(h)-(i)
Return of contributions and interest .................................................................... 88§2(a)-(d)
Salary-related contributions ............................................................................... 100§35.13(a)-(c)
### Retirement—continued

#### Firefighters' and Rescue Squad Workers' Pension Fund
- Grant funds ................................................................. 64§4(a)-(b)
- Inactive member .............................................................. 97§1
- Supplemental pension payments .................................... 64§3(a)-(d)

#### Legislative Retirement System (LRS)
- Cost-of-living increases .................................................. 100§35.14(a)-(c)
- Death benefit beneficiary when not designated ..................... 112§3(d)
- Return of contributions and interest .................................. 88§2(a)-(d)
- Salary-related contributions ............................................. 100§35.13(a)-(c)

#### Local Government Employees' Retirement System (LGERS)
- Annual report on supplemental offerings ............................. 112§4(b)
- Anti-pension-spiking contribution-based benefit cap ............... 88§1(b)
- Assessment of interest when payment not received ...................... 112§2(a)
- Consumer Price Index clarification .................................... 97§4(b), (e), (g)
- Contribution-based benefit cap purchase provision ................. 88§1(d)
- Death benefit beneficiary when not designated ........................ 112§3(e)-(f)
- Domestic relations orders dividing interest ............................ 112§5(b)
- Eligible firefighter .......................................................... 97§5(b)
- Employer reporting requirement changes ............................. 88§1(f)
- Return of contributions and interest .................................. 88§2(a)-(d)
- Social Security benefits clarification .................................. 112§1(b)
- Special retirement allowances .......................................... 97§3(b)

#### National Guard Pension Fund
- Enhanced benefits ......................................................... 100§35.15C

#### State Retirement System funds uses.................................. 100§35.15(a)-(c)

#### Teachers' and State Employees' Retirement System (TSERS)
- Annual report on supplemental offerings ............................. 112§4(a)
- Anti-pension-spiking contribution-based benefit cap ............... 88§1(a)
- Assessment of interest when payment not received ...................... 112§2(a)
- Consumer Price Index clarification .................................... 97§4(a), (d), (f)
- Contribution-based benefit cap purchase provision ................. 88§1(c)
- Cost-of-living increases .................................................. 100§35.14(a)-(c)
- Death benefit beneficiary when not designated ........................ 112§3(a)
- Domestic relations orders dividing interest ............................ 112§5(a)
- Employer reporting requirement changes ............................. 88§1(e)
- Rehired retirees health coverage ....................................... 100§35.16A(a)-(b)
- Receipt-supported retirement system compliance positions in State Treasurer's Office ........................................... 100§33.1
- Return to 5-year vesting .................................................. 88§3(a)-(g)
- Return of contributions and interest .................................. 88§2(a)-(d)
- Salary-related contributions ............................................. 100§35.13(a)-(c)
- Social Security benefits clarification .................................. 112§1(a)
- Technical corrections, clarifications, and conforming changes ................................................................. 97§§3(a), 8

#### Transfers for closed Legislative Retirement Fund ........................................... 97§7

1277
Index to Session Laws

Revenue, Department of
Appropriations and allocations
  Collection Assistance Fund use for scanners ............................................. 100§26.3
  Current Operations .................................................................................... 100§2.1
Erroneous tax lien release document renamed ............................................. 3§14.17
Hospital setoff debt collection against
tax refunds and lottery prizes reinstated .................................................. 100§121.4(a)-(d)
Local Government Division
  Energy minerals valuation study .............................................................. 4§20
Reports—see that heading
Rocky Mount taxpayer assistance center closure prohibited ................. 100§26.2
Secretary
  Delegation of authority to hold hearings .................................................. 3§9.4
  Waiving of civil penalties in motor fuel tax cases .................................. 3§9.8(a)-(b)
Tax Enforcement Division
  Revenue law enforcement officers
    jurisdiction for tax zapper software ..................................................... 3§14.12
  Technical corrections, clarifications, and conforming changes .......... 3§14.12
  Tax locator services cap modification ..................................................... 100§26.1
TIMS changes .......................................................................................... 100§7.5(a)-(c)
Revenue Laws Study Committee
  Digital dispatching services study ............................................................. 108§9(a)-(b)
  Permanent registration plates study ........................................................ 96§7
  Special plates development process review .......................................... 96§7
Richmond County
  Rockingham, City of—see that heading
  Special assessments for dam repair .......................................................... 89
Roads and Highways
  Agritourism sign location standards ......................................................... 58§2
  Bridge Program (System Preservation Program) redirected tax proceeds ............................................. 100§34.18(a)-(b)
  Certain bridge constructions authorized ............................................... 115§56.2
  Coal ash use in road/bridge construction study ....................................... 122§14
  DOT signage ........................................................................................ 100§34.14(a)-(b)
  Emergency repair funds alternate criteria .............................................. 58§6
  Energy-related traffic study .................................................................... 4§23(a)-(b)
  Exclude federal lands access funds from STI ........................................... 58§8
  Highway Maintenance Improvement Program ................................... 100§34.11(a)-(m)
  Highway Trust Fund funds ................................................................. 100§4.1
  Historic Bridge Preservation Program clarification ................................ 100§34.27
  Outsourcing of preconstruction activity ............................................... 100§34.13(a)-(d)
  Pavement Preservation Program ............................................................. 100§34.11(a)-(m)
  Ramp meters authorized ....................................................................... 58§10(a)-(f)
  Road improvements petition for Cleveland County .............................. 36
  State parks and trails signage usage study ......................................... 100§34.15(a)-(b)
  Technical corrections, clarifications, and conforming changes .......... 115§11
Traffic offenses—see that heading

1278
Roanoke Island Commission
Appointments and membership ................................................................. 100§19.8(a)-(b); 116§1.33, 2.33
Appropriations and allocations—Current Operations .............................. 100§2.1
Management of Roanoke Island Festival Park ........................................ 100§19.8(a)-(b)

Robeson County
Accept and remove certain land from State nature and historic preserve ................................................................. 62
McDonald, Town of—see that heading
Pembroke, Town of—see that heading
Proctorville, Town of—see that heading

Rockingham, City of—deannexation ............................................................ 48

Rocky Mount, City of
Gas cities PNG tax phase-in ....................................................................... 39§1(a)-(e)
Rocky Mount Children's Museum
Grassroots Science Program grant-in-aid .................................................... 100§15.19
Taxpayer assistance center closed prohibited ............................................. 100§26.2

Rowan County
Kannapolis, City of—see that heading

Rules Review Commission
APA exemptions for oil and gas exploration rules ....................................... 4§2(a)-(h)
Appointments and membership ................................................................. 116§2.34
Hardison Amendment clarification .............................................................. 120§57
Readoption of existing rules process ........................................................... 120§2

Rural Infrastructure Authority—appointments and membership .......... 116§1.34

Rutherford County
Forest City, Town of—see that heading
Rutherfordton, Town of—see that heading
Spindale, Town of—see that heading
Technical corrections, clarifications, and conforming changes .................. 115§8

Rutherfordton, Town of—Kidsenses
Grassroots Science Program grant-in-aid .................................................... 100§15.19

Safety (see also Inspections)
Antineoplastic agents health worker safety .............................................. 76
Commercial Vehicle Safety Alliance North American
Standard Inspection Program participation study ....................................... 103§4
Fixed guideway system safety oversight ...................................................... 58§9
Technical corrections, clarifications, and conforming changes .................. 115§6

Salaries and Benefits
ABC Commission Chair's salary ................................................................. 100§35.2
Adjustment requirement/limit on cumulative increases ............................ 100§35.7
Agency teachers' salaries .......................................................................... 100§35.6A
Agricultural Finance Authority director's salary ....................................... 100§35.2
All State-supported personnel/salary increases ........................................ 100§35.9(a)-(e)
Salaries and Benefits—continued

Alternative health coverage for nonpermanent full-time State employees .......................................................... 100§35.16(a)-(e)
AOC Administrator's salary .............................................................................................................................. 100§35.3(a)
Attorney General's salary .............................................................................................................................. 100§35.1(b)

Board of Review
Chair's salary .................................................................................................................................................. 100§35.2
Members' salaries ......................................................................................................................................... 100§35.2
Clerks of Court salaries ................................................................................................................................. 100§35.3(d)-(e),(h)
Commissioner of Agriculture's salary .......................................................................................................... 100§35.1(b)
Commissioner of Banks' salary .................................................................................................................... 100§35.2
Commissioner of Insurance's salary ........................................................................................................... 100§35.1(b)
Commissioner of Labor's salary .................................................................................................................. 100§35.1(b)
Community college personnel salaries ........................................................................................................ 100§35.5
Council of State salaries .............................................................................................................................. 100§35.1(a)-(c)
Court reporters compensation study ........................................................................................................... 100§18B.3
Differentiated pay for highly effective teachers .......................................................................................... 100§8.41(a)-(b)
District attorneys' salaries ............................................................................................................................. 100§35.3(a)

Dues checkoff elimination for public school employees repealed .................................................................. 115§62(a)-(b)
GA salaries .................................................................................................................................................. 100§35.4(a)-(d)
Governor's salary ......................................................................................................................................... 100§35.1(a)

Higher risk Workers' Compensation salary continuation for certain law enforcement ................................ 100§35.12(a)-(b)
Highway Patrol salaries ................................................................................................................................ 100§35.6B
Indigent Defense Services Director's salary .................................................................................................. 100§35.3(a)
Investment Division compensation ............................................................................................................... 100§33.2(a)-(d)
Judges' salaries ............................................................................................................................................... 100§35.3(a)
Judicial Department staff salaries ................................................................................................................ 100§35.3(b)
Lieutenant Governor's salary .......................................................................................................................... 100§35.11(b)
Lottery Commission limit on certain salary increases ................................................................................. 100§35.12A
Magistrates' salaries ..................................................................................................................................... 100§35.3(f)-(g)
Military service credit clarification for newly hired educators ...................................................................... 100§8.12
Noncertified school personnel salaries ....................................................................................................... 100§9.13

Parole Commission
Chair's salary .................................................................................................................................................. 100§35.2
Members' salaries ......................................................................................................................................... 100§35.2
Public defenders' salaries ............................................................................................................................. 100§35.3(a)
Salary-related contributions ............................................................................................................................ 100§35.13(a)-(c)
School-based administrators salary schedule .............................................................................................. 100§9.11(a)-(i)
School central office salaries .......................................................................................................................... 100§9.12
School employee education-based salary supplements
Date extended .................................................................................................................................................... 100§8.3(a)
Study ............................................................................................................................................................. 100§8.3(b)-(c)
Secretary of State's salary ............................................................................................................................. 100§35.1(b)
Special annual leave bonus ............................................................................................................................ 100§35.10A(a)-(b)
State Auditor's salary ..................................................................................................................................... 100§35.1(b)
State Controller's salary ................................................................................................................................. 100§35.2
State employees' salaries ............................................................................................................................... 100§35.10(a)-(b)
### Index to Session Laws

**Session Law Number**

<table>
<thead>
<tr>
<th>Salaries and Benefits—continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Treasurer’s salary</td>
</tr>
<tr>
<td>Superintendent of Public Instruction's salary</td>
</tr>
<tr>
<td>Teacher salary schedules</td>
</tr>
<tr>
<td>Use of legislatively mandated salary increase funds</td>
</tr>
<tr>
<td><strong>Utilities Commission</strong></td>
</tr>
<tr>
<td>Chair's salary</td>
</tr>
<tr>
<td>Members’ salaries</td>
</tr>
</tbody>
</table>

**Sales and Conveyances** (see also Leasing and Rentals)

<table>
<thead>
<tr>
<th>Property conveyance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academy Heights property conveyance by Moore County Board of Education</td>
</tr>
<tr>
<td>Brevard Road site transfer by Asheville to Henderson County</td>
</tr>
<tr>
<td>DOT aircraft fleet sale</td>
</tr>
<tr>
<td>Oregon Inlet federal property acquisition</td>
</tr>
<tr>
<td>Property conveyance by Greenville</td>
</tr>
<tr>
<td>Sale of certain former NC Railroad properties</td>
</tr>
</tbody>
</table>

**SBI (State Bureau of Investigation)—see Law Enforcement**

**Scholarships**—see Student Loans and Scholarships

**Science and Technology, Board of**—see Science, Technology, and Innovation, Board of

**Science, Technology, and Innovation, Board of**

<table>
<thead>
<tr>
<th>Board appointments and membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointments and membership</td>
</tr>
<tr>
<td>Name change</td>
</tr>
</tbody>
</table>

**Scotland County**—confiscation and disposal of deadly weapons statewide uniformity | 115§61

**Scotland Neck, Town of**—Sylvan Heights Waterfowl Park and Eco-Center Grassroots Science Program grant-in-aid | 100§15.19

**Secretary of State, Office of the**

<table>
<thead>
<tr>
<th>Appropriations and allocations—Current Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations and allocations—Current Operations</td>
</tr>
<tr>
<td>Salary</td>
</tr>
</tbody>
</table>

**Sedimentation Control Commission—APA**

<table>
<thead>
<tr>
<th>APA exemptions for oil and gas exploration rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>APA exemptions for oil and gas exploration rules</td>
</tr>
</tbody>
</table>

**Sentencing** (see also Crimes; Parole and Probation)

<table>
<thead>
<tr>
<th>Residency restrictions for sex offenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residency restrictions</td>
</tr>
<tr>
<td>Treatment for effective community supervision program report</td>
</tr>
</tbody>
</table>

**Sex Offenses**

<table>
<thead>
<tr>
<th>Erin's Law (sexual abuse of children) study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erin's Law (sexual abuse of children) study</td>
</tr>
<tr>
<td>Residency restrictions</td>
</tr>
</tbody>
</table>

**Shallotte, Town of**—deannexation | 68§1(a)-(c)

**Shelby, City of**—Gas cities PNG tax phase-in | 39§1(a)-(e)

**Signs (Billboards and Advertising)**—see Advertising and Marketing

**Signs (Street and Highway)**—see Roads and Highways

**Small Business Contractor Act** | 120§1(a)

**Small Business Contractor Authority**

<table>
<thead>
<tr>
<th>Appointments and membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointments and membership</td>
</tr>
<tr>
<td>Repealed</td>
</tr>
</tbody>
</table>

**Small Businesses**—see Corporations, For-Profit

**Smoke Detectors**—see Alarm Systems

1281
### Social Media—see Information Technology

### Social Services, Departments of (County)

**Child Protective Services**
- Conflict of interest in public guardianship and Child Protective Services study ........................................ 100§12C.1(g)
- Improvement initiative .................................................................................................................. 100§12C.1(a)-(g)
- Pilot program .............................................................................................................................. 100§12C.1(e)
- Statewide evaluation .................................................................................................................. 100§12C.1(f)

**DHHS Block Grants** .................................................................................................................. 100§12J.1

**Eastern Band of the Cherokee assumption of various human services** ........................................ 100§12C.3(a)-(e)

**State-county Special Assistance Program**
- Eligibility ................................................................................................................................. 100§12D.1(a)-(h)
- Share of costs ............................................................................................................................ 100§12D.2

### Soil Scientists, Board for Licensing of—

**appointments and membership** ...................................................................................... 116§§1.13, 2.36

**Soils**—sales tax refunds for soil and water conservation districts ......................................................... 20

### Solid Waste—see Waste Management

### South Carolina and North Carolina Interstate Freight Rail Compact Commission—created ........................................ 121§2

### Southern Dairy Compact Commission

**Appointments and membership** ................................................................................................. 116§1.38
- Repealed .................................................................................................................................. 115§43

### Southport, City of—Tourism Development

**Authority occupancy tax clarification** ....................................................................................... 68§2(a)-(c)

### Spindale, Town of—unpaid sewer fees collection ........................................................................... 98§§1-2

### Spruce Pine, Town of—deannexation ......................................................................................... 55

### Stanly County

- May jointly erect buildings with Stanly Community College ......................................................... 82
- Air rifles and BB guns not "dangerous firearms" ........................................................................... 119§10(a)-(b)

### State Auditor, Department of

**Appropriations and allocations—Current Operations** ................................................................... 100§2.1
- Authority to publish reports and discretion when charging/collecting costs for audits ............... 100§25.2
- Evidence of criminal misconduct reporting .................................................................................. 100§25.3
- Private audit of pension fund ...................................................................................................... 100§25.1(a)-(d)
- Salary ......................................................................................................................................... 100§35.1(b)

### State Budget and Management, Office of—

**see Budget and Management, Office of State**

### State Building Commission—see Building Commission, State

### State Buildings—see Buildings

### State Bureau of Investigation (SBI)—see Law Enforcement

### State Capitol Police—see Law Enforcement

**State Chief Information Officer** (see also Information Technology Services, Office of)

- **Budget and Reporting Information**
  - Technology Expenditures (BRITE) tool ................................................................................ 100§7.18
  - Contract professionals career path ....................................................................................... 100§7.7
State Chief Information Officer—continued
Data center equipment purchasing ................................................................. 100§7.4(a)
Employees exempt from State Human Resources Act ............................... 100§7.17(a)-(b)
Geographic Information System
Data consolidation and feasibility ................................................................. 100§7.16(a)
Feasibility of selling data .............................................................................. 100§7.16(b)
Government Data Analytics Center
Business intelligence ...................................................................................... 100§7.6(a)-(b)
Technical correction ...................................................................................... 115§56.8(a)-(e)
Information Technology Fund appropriations .............................................. 100§7.1(a)-(b)
Information Technology Reserve Fund appropriations .............................. 100§7.3(a)-(b)
Internal Service Fund rate setting ................................................................. 100§7.2
Monitoring use of mobile communications devices .................................... 100§7.12(a)-(c)
Restructuring plan .......................................................................................... 100§7.4(b)
State Commission of Indian Affairs—see
Indian Affairs, State Commission of
State Controller, Office of
Appropriations and allocations
Current Operations ........................................................................................... 100§2.1
Cash balances to meet temporary cash needs ............................................... 100§6.14
Eugenics Program amendments ................................................................. 100§6.13(a)-(f)
Government Data Analytics Center technical correction ........................... 115§56.8(a)-(e)
Improve budgeting of General Fund pilot program ................................. 100§6.7(a)-(g)
Indigent Defense Services fee transparency ............................................... 100§18A.1
Redirection of specified interest, taxes, fees to General Fund ...................... 100§2.2(d)-(l)
Salary ............................................................................................................. 100§35.2
Special Education Tax Credits funds transfer ............................................. 100§8.40
Unspent capital funds transfer to Project Reserve Account .......................... 100§36.14
State Crime Laboratory—see Justice, Department of
State Education Assistance Authority—see
Education Assistance Authority, State
State Education Commission—see Education Commission, State
State Employees
Additional Adjutant General position .............................................................. 100§16B.7
Agency reorganizations and movements of positions report ....................... 100§6.10
Assault/threat/solicitation by inmate of a legislative, executive, or court officer .............................................................. 119§6(a)-(c)
Chief Medical Examiner's Office operational efficiencies .......................... 100§12E.6(a)-(c)
Discontinue use of automatic scoring of State job applications .................. 100§22A.1(a)-(b)
DMV positions funding ................................................................................. 100§34.22
DOT out-of-state travel ................................................................................. 100§34.5
DOT position transfers and elimination ....................................................... 100§34.12(a)-(c)
Experience and education credit for Highway Patrol members with prior law enforcement or military experience study ........................................ 100§35.11A
Human Resources Act changes ....................................................................... 115§55.3(a)-(h)
State Employees—continued
IT contract professionals career path ................................................................. 100§7.7
IT employees exempt from State Human Resources Act ...................... 100§7.17(a)-(b)
Limited authority to reclassify/eliminate
certain positions for Department of Public Safety ........................................ 100§16A.3
Reassignment/no thirty-five-mile radius requirement ......................... 100§35.11(a)-(b)
Receipt-supported retirement system compliance
positions in State Treasurer's Office ................................................................. 100§33.1
Reorganization through reduction program extended ........................ 100§22A.3(a)-(b)
Retired correctional officer firearms safety exemption .............................. 119§7(a)-(c)
Retirement—see that heading
Salaries and benefits—see that heading
Staffing analysis of State agency business functions
and redeployment of resources repealed ....................................................... 100§24.3
Staffing of certain DOT divisions review ................................................ 100§34.16(a)-(b)
State Capitol Police receipt supported positions ................................ 100§16B.6(a)-(b)
State Crime Laboratory personnel .............................................................. 100§17.7(a)-(b)
State Health Plan—see Insurance
Teachers and education administrators—see that heading
Teachers' and State Employees' Retirement System (TSERS)—see Retirement
Temporary Solutions staffing review ........................................................... 100§22A.2(a)-(b)
Vacant position reclassification
authority for Department of Public Safety ................................................ 100§16C.11
State Health Plan for Teachers and State Employees,
Board of Trustees—appointments and membership............................ 116§§1.4, 2.37
State Highway Patrol—see Law Enforcement
State Lottery Commission—see Lottery Commission, State
State Nature and Historic Preserve—see
Parks and Recreation Areas
State Parks—see Parks and Recreation Areas
State Ports Authority—see Ports Authority, State
State Treasurer, Department of
Anti-pension-spiking contribution-based benefit
cap for TSERS and LGERS ..................................................................................... 87
Appropriations and allocations—Current Operations ............................ 100§2.1
Escheat Savings Bond Trust Fund created ......................................................... 93
Escheated unclaimed US savings bonds ......................................................... 93
Investment Division
Compensation .................................................................................... 100§33.2(a)-(d)
Retirement Systems Division
Receipt-supported retirement system compliance positions .......... 100§33.1
Salary ........................................................................................................... 100§35.1(b)
Transfers for closed Legislative Retirement Fund ................................. 97§7
State Water Infrastructure Authority—
water infrastructure grant priority ................................................................. 100§14.16
Statesville, City of—Carolina Raptor Center
Grassroots Science Program grant-in-aid ......................................................... 100§15.19
Stokes County—Camp Sertoma/Moore Springs property reallocation ...... 100§11.7(d)
### Index to Session Laws

<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>115§56.6</td>
<td>Stormwater Systems—see Water and Sewer Systems</td>
</tr>
<tr>
<td>116§1.35, 2.38</td>
<td>Strategic Transportation Investment Act</td>
</tr>
<tr>
<td>100§13.10(a)-(c)</td>
<td>Structural Pest Control Committee - Appointments and membership</td>
</tr>
<tr>
<td>100§11.8</td>
<td>Student Loans and Scholarships</td>
</tr>
<tr>
<td>93</td>
<td>Students</td>
</tr>
<tr>
<td>100§12I.3(a)-(b)</td>
<td>Studies</td>
</tr>
<tr>
<td>100§12E.5</td>
<td>Coal ash - As structural fill</td>
</tr>
<tr>
<td>122§13(c)</td>
<td>Bilateral agreements regarding transfer process study</td>
</tr>
<tr>
<td>100§12H.32</td>
<td>Building and infrastructure needs</td>
</tr>
<tr>
<td>100§11.11</td>
<td>Business Court modernization and General</td>
</tr>
<tr>
<td>100§11.24(a)-(c)</td>
<td>Court of Justice improvements</td>
</tr>
<tr>
<td>100§11.10(a)-(g)</td>
<td>UNC Need-Based Financial Aid Forward Funding Reserve</td>
</tr>
<tr>
<td>100§15.20(a)-(d)</td>
<td>Teaching Fellows Program scholarship loans authority transfer</td>
</tr>
<tr>
<td>49; 101§7.3</td>
<td>Strategic Transportation Investment Act</td>
</tr>
<tr>
<td>100§10.7(a)-(b)</td>
<td>Broughton Hospital facilities future use</td>
</tr>
<tr>
<td>100§15.10B(a)-(b)</td>
<td>Digital dispatching services</td>
</tr>
<tr>
<td>4</td>
<td>Dormant mineral statutes</td>
</tr>
<tr>
<td>4§20</td>
<td>DOT cash management policies</td>
</tr>
<tr>
<td>108§9(a)-(b)</td>
<td>Contaminated property use</td>
</tr>
<tr>
<td>120§56(a)-(b)</td>
<td>Court reporters compensation</td>
</tr>
<tr>
<td>100§18B.3</td>
<td>Contaminated property use</td>
</tr>
<tr>
<td>100§12C.1(g)</td>
<td>Conflict of interest in public guardianship</td>
</tr>
<tr>
<td>27§2</td>
<td>Criminal history checks for firefighters and EMS personnel</td>
</tr>
<tr>
<td>100§15.10B(a)-(b)</td>
<td>Development factors in making development tier designations</td>
</tr>
<tr>
<td>108§9(a)-(b)</td>
<td>Digital dispatching services</td>
</tr>
<tr>
<td>108§9(a)-(b)</td>
<td>Dormant mineral statutes</td>
</tr>
<tr>
<td>4§25(a)-(b)</td>
<td>DOT cash management policies</td>
</tr>
<tr>
<td>100§12H.8(b)</td>
<td>Drug dispensing fees</td>
</tr>
<tr>
<td>18§1.3</td>
<td>Economic development functions contracting plan</td>
</tr>
<tr>
<td>4§20</td>
<td>Energy minerals valuation</td>
</tr>
<tr>
<td>78§2(c)</td>
<td>Energy-related traffic</td>
</tr>
<tr>
<td>4§23(a)-(b)</td>
<td>Drug dispensing fees</td>
</tr>
<tr>
<td>119§4(a)-(b)</td>
<td>Erin's Law (sexual abuse of children)</td>
</tr>
</tbody>
</table>

1285
Studies—continued
Experience and education credit for Highway Patrol members with prior law enforcement or military experience .......... 100§35.11A
Fees, sponsorship, privatization of DOT services ......................... 100§34.17(a)-(c)
Financial aid payment schedule .................................................... 100§11.8
Geographic Information System feasibility of selling data ............. 100§7.16(b)
Health Care Cost Reduction and Transparency Act expansion .............. 100§12G.3
Hemp oil epilepsy treatment ......................................................... 53
Housing programs .............................................................................. 100§14.3(a)-(b)
LNG export terminal siting ................................................................. 4§22(a)-(b)
Long-range State energy policy ......................................................... 4§27
Low-risk coal ash impoundment study ............................................. 122§13(a)
Medicaid 1915(c) waivers ................................................................. 100§12H.5
Midstream infrastructure development ............................................ 4§26
Military training and experience "knowledge gap fulfillment," job development, and college credit ................. 67§4
Mining and Energy Commission rules ............................................. 4§25(a)-(b)
Natural gas-fueled school bus infrastructure ..................................... 4§28(c)
NC Virtual Public School Program revenue ................................... 100§8.18(a)-(b)
New optometry schools ................................................................. 100§11.21(a)-(c)
Oil and gas industry
Effect on property tax ........................................................................ 4§21
Vocational programs ........................................................................ 4§24(a)-(b)
Permanent registration plates .......................................................... 96§7
Personal care services management by contractor ....................... 100§12H.10(c)
Pharmacy benefit management company regulation ..................... 120§20(b)
Pretreatment, Emergency Response and Collection System (PERCS) permitting program pilot study .............. 120§29(f)-(g)
Prison maintenance services contracts ............................................ 100§16C.5
Private well-water testing fee waiver ............................................... 100§12E.3(c)
Public guardianship system improvement ...................................... 100§12D.3(a)-(d)
Read to Achieve diagnostic reading assessments ......................... 100§8.22(a)-(b)
Safe operation of mopeds ................................................................. 114§4
School employee education-based salary supplements ................. 100§8.3(b)-(c)
School transportation fleet manual review ..................................... 100§8.13(a)-(b)
Special plates development process review ..................................... 96§7
Staffing of certain DOT divisions review ....................................... 100§34.16(a)-(b)
State Crime Laboratory/State Medical Examiner Office merger ....... 100§17.3
State parks and trails signage usage ............................................... 100§34.15(a)-(b)
Temporary Solutions staffing review ............................................. 100§22A.2(a)-(b)
UNC tuition study ........................................................................... 100§11.15(a)-(b)
Urban search and rescue program costs ........................................ 27§5
Vocational training for persons with intellectual disabilities .......... 100§10.4(a)-(b)
Substance Abuse
Alcohol and substance abuse education and prevention initiative study ........................................ 100§121.3(a)-(b)
MH, DD, SAS strategies report ....................................................... 100§12F.3(a)-(b)
Substance Abuse Professionals Practice
Board—appointments and membership .................................................. 116§§1.30, 2.39

Supplemental Retirement Board of
Trustees—appointments and membership ........................................... 116§§1.36, 2.40

Surety and Fidelity
Alcohol retailer/wholesaler excise tax changes ........................................... 3§9.1(a)-(c)
Bail bondsmen and runners—shield amendment ..................................... 120§12(a)-(b)

Surry County
Air rifles and BB guns not "dangerous firearms" ..................................... 119§10(a)-(b)
Elkin, Town of—see that heading

Surveyors and Surveying—see Engineers and Surveyors

Swain County—Eastern Band of the Cherokee
assumption of various human services .............................................. 100§12C.3(a)-(e)

T

Tabor City, Town of—NC-SC Rail Compact ........................................... 121

Tax Information Management System
Oversight Committee—see TIMS (Tax Information Management System) Oversight Committee

Taxes and Assessments
Alcoholic beverages
Tax compliance requirement for ABC permit holders .......................... 3§10.1(a)-(e)
Collection
Collecting final judgments against members of county commissions and city councils ................................................. 40
LLC liability for unpaid taxes ................................................................... 3§14.18
Tax locator services cap modification ..................................................... 100§26.1
Credits
Special Education Tax Credits funds transfer ...................................... 100§8.40
Technical corrections, clarifications, and conforming changes ................. 3§§14.2, 14.20(a)-(b)
Deductions
Standard and mortgage deduction clarification ..................................... 3§2.2(a)-(b)
State net loss .......................................................................................... 3§1.1(a)-(d)
Erroneous tax lien release document renamed ......................................... 3§14.17
Excise
Alcohol changes ....................................................................................... 3§9.1(a)-(c)
Controlled substances ........................................................................... 3§14.25
Motor fuel—see Fuels, this heading
Tobacco .................................................................................................. 3§9.2
Vapor products ..................................................................................... 3§15.1(a)-(g); 115§23(a)-(b)

Fire districts
Fire districts petition and election requirements for Henderson County .......... 26§5(a)-(c)
Local Firefighters’ Relief Fund ............................................................ 64§1(a)-(d)
Taxes and Assessments—continued

Franchise
Cape Hatteras Electric Membership
Corporation tax phase-in ............................................................... 39§1(a)-(e)
Gas cities PNG tax phase-in ......................................................... 39§1(a)-(e)

Fuel
Biodiesel ................................................................. 3§9.7(a)-(c)
Excise tax changes ................................................................. 100§34.6(a)-(b)
Gas per gallon equivalent for CNG ............................................. 4§30(a)-(d)
Interstate and intrastate carriers ............................................... 3§9.5(a)-(c)
Local tax clarification ............................................................... 3§§9.6, 9.10(b)
Shipping document requirement .................................................. 3§9.9(a)-(b)
Technical corrections, clarifications, and conforming changes 3§9.10(a)-(b)
Waiving of civil penalties ............................................................ 3§9.8(a)-(b)

Fuels
Taxes redirected to General Fund .............................................. 100§2.2(f)

Highway and use
Dealer administrative fees expansion implementation date ........ 39§3

Income, corporate
Deduction for state net loss .......................................................... 3§1.1(a)-(d)
Reduction trigger clarification ...................................................... 100§37.1(a)-(b)
Section 179 expense correction .................................................... 3§2.1(a)-(d)
Tax cases must be designated
mandatory complex business cases ............................................ 102§3
Technical corrections, clarifications, and conforming changes 3§14.3

Income, individual
Estates and trusts statutory reference update .............................. 3§2.3(a)-(b)
Refund contribution to Education Endowment Fund................. 100§8.11(h)
Section 179 expense correction .................................................... 3§2.1(a)-(d)
Standard and mortgage deduction clarification ........................ 3§2.2(a)-(b)
Technical corrections, clarifications, and conforming changes 3§14.3

IRC reference update ............................................................... 3§14.16(a)-(b)

License—see Privilege, this heading

Motor fuel—see Fuels, this heading

Occupancy
New Hanover County ............................................................... 87
Short-term accommodation rental ............................................. 3§8.1(a)-(d)
Southport Tourism Development Authority clarification ........ 68§2(a)-(c)
Technical corrections, clarifications, and conforming changes 3§14.23

Privilege
Limited authority of local government ...................................... 3§12.1-12.2
Local authority repealed ............................................................. 3§12.3(a)-(f)
Technical corrections, clarifications, and conforming changes 3§14.26

Property
Central assessment of mobile
telecommunications property ................................................... 3§11.1(a)-(h)
Energy minerals valuation study ................................................ 4§20
No recordation of deeds for delinquent taxpayer in Elk Park .... 69
Taxes and Assessments—continued
Nonacceptance of deed transfer due to delinquent taxes for certain counties.................................................. 29
Oil and gas industry effect on property tax study ........................................................................ 4§21
Present-use value program land under conservation easement................................................ 3§14.14(a)-(f)
Site infrastructure land tax deferral ................................................................................................. 392(a)-(b)
Special assessments
  Dam repair ........................................................................................................................................... 89
  Stormwater management for Pinehurst ......................................................................................... 85§2(a)-(c)
Technical corrections, clarifications, and conforming changes ....................................................... 3§§14.19, 14.20(a)-(b), 14.21

Refunds
Contribution to Education Endowment Fund ................................................................. 100§8.11(h)
Sales tax
  Regional jails .................................................................................................................................... 20
  Soil and water conservation districts ......................................................................................... 20
  Utilities disallowed for certain entities .................................................................................... 3§8.2(a)-(c)

Returns
Amended returns under repealed taxes ..................................................................................... 3§14.13(a)-(f)
Public Campaign Fund technical correction ................................................................................. 3§14.15
Sales and use
Admissions .......................................................................................................................................... 3§5.1(a)-(g)
Agricultural exemption certificate ................................................................................................. 3§3.1(a)-(f)
Cape Hatteras Electric Membership
  Corporation tax phase-in ............................................................................................................. 39§1(a)-(f)
  Captive insurance tax return due date ......................................................................................... 3§14.11
Certificate of registration required for facilitators ........................................................................... 3§14.9(a)-(b)
County hold harmless for repealed local taxes modified ............................................................. 100§37.2(a)-(d)
Due date ........................................................................................................................................... 3§14.10
Gas cities PNG tax phase-in ........................................................................................................ 39§1(a)-(d)
Modular/manufactured home ...................................................................................................... 100§37.3(a)-(b)
Newspapers ..................................................................................................................................... 3§8.3(a)-(c)
Prepaid meal plans ......................................................................................................................... 3§4.1(a)-(g)
Refunds for regional jails .................................................................................................................. 20
Refunds for soil and water conservation districts .......................................................................... 20
Retailer contractors ........................................................................................................................ 3§§7.1-7.3
Revenue law enforcement officers
  Jurisdiction for tax zapper software ........................................................................................... 3§14.12
Service contracts .......................................................................................................................... 3§6.1(a)-(j)
Short-term accommodation rental ................................................................................................. 3§8.1(a)-(d)
Tax refund for utilities disallowed for certain entities ................................................................ 3§8.2(a)-(c)
Technical corrections, clarifications, and conforming changes ....................................................... 3§§14.7-14.8, 14.22, 14.27(a)-(b)
Vending machines .......................................................................................................................... 3§8.3(a)
Severance
Oil, gas, and condensates .............................................................................................................. 4§17-19
Taxes and Assessments—continued
Solid waste disposal
Use ................................................................................................... 100§14.24(a)-(b)
Technical corrections, clarifications,
and conforming changes ........................................................................ 3§14.1
Withholding
Technical corrections, clarifications,
and conforming changes ...................................................................... 3§§14.4(b),
14.5(a)-(c), 14.6(a)-(b), 14.28

Taxis and Transportation Services—
digital dispatching services study ................................................................. 108§9(a)-(b)

Taylortown, Town of—Academy Heights
property conveyance by Moore County
Board of Education ........................................................................................ 70

Teachers and Education Administrators
Charter school teachers on board of directors .................................................. 101§1
Dues checkoff elimination for public
school employees repealed ........................................................................ 115§62(a)-(b)
Injury prevention and return to work
programs implementation ........................................................................ 100§8.26
Instructional coaches in Title I schools .......................................................... 100§8.21
Retirement—see that heading
Salaries and benefits—see that heading
School counselors work duties ....................................................................... 100§8.33(a)-(b)
State Health Plan—see Insurance
Teacher contracts ....................................................................................... 115§65

Teachers' and State Employees' Retirement System
(TSERS)—see Retirement

Teachers' and State Employees'
Retirement System (TSERS), Board
of Trustees (see also Retirement)
Immunity of Board members ....................................................................... 112§6(a)
Reports—see that heading

Teaching Fellows Commission
Sunset changed .......................................................................................... 100§11.10(f)
Teaching Fellows Program scholarship
loans authority transfer ............................................................................... 100§11.10(a)-(g)

Telecommunications
Back-up Public Safety Answering Points (PSAP) and plans ......................... 66
Mobile phones and devices—see that heading
Remote testimony for forensic analysts ...................................................... 119§8(a)-(c)
Technical corrections, clarifications, and conforming changes .................. 115§16.1

Telecommunications—continued
Utilities regulatory fee adjustment ............................................................... 59
VIPER radios funds .................................................................................... 100§16B.5

Term Lengths and Limits—mayor and
aldermen terms for certain cities ................................................................. 24; 25
<table>
<thead>
<tr>
<th>Session Law Number</th>
<th>Index to Session Laws</th>
</tr>
</thead>
<tbody>
<tr>
<td>Testing</td>
<td></td>
</tr>
<tr>
<td>Drug screening of Work First applicants delayed .................................. 115§66(a)-(c)</td>
<td></td>
</tr>
<tr>
<td>Educational</td>
<td></td>
</tr>
<tr>
<td>School achievement score methodology .......................................................... 5§§11-15</td>
<td></td>
</tr>
<tr>
<td>Tests not public record .................................................................................. 115§49.2</td>
<td></td>
</tr>
<tr>
<td>Waiver for additional testing days .............................................................. 5§16</td>
<td></td>
</tr>
<tr>
<td>Occupational—see Occupational Testing</td>
<td></td>
</tr>
<tr>
<td>Pre-drilling testing of water supplies ........................................................ 4§11</td>
<td></td>
</tr>
<tr>
<td>Public well-water testing ............................................................................... 100§12E.3(a)-(c)</td>
<td></td>
</tr>
<tr>
<td>Fee waiver study ............................................................................................. 100§12E.3(c)</td>
<td></td>
</tr>
<tr>
<td>TIMS (Tax Information Management System) Oversight Committee—duties .................. 100§7.5(c)</td>
<td></td>
</tr>
<tr>
<td>Titles (Motor Vehicle)—conversion of paper titles ...................................... 100§34.7(a)-(c)</td>
<td></td>
</tr>
<tr>
<td>Tobacco and Tobacco Products</td>
<td></td>
</tr>
<tr>
<td>Assessment referendum on tobacco produced in the State .................................. 115§42.7(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Excise tax changes .......................................................................................... 3§9.2</td>
<td></td>
</tr>
<tr>
<td>Term Sheet Settlement data sharing .................................................................. 3§9.3</td>
<td></td>
</tr>
<tr>
<td>Vapor products</td>
<td></td>
</tr>
<tr>
<td>Excise tax ......................................................................................................... 3§15.1(a)-(g); 115§23(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Prohibited in jails .......................................................................................... 3§15.2(a)-(c); 115§23(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Tobacco Growers Assessment Act ..................................................................... 115§42.7(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Trade Secrets—see Intellectual Property</td>
<td></td>
</tr>
<tr>
<td>Traffic Cameras—see Traffic Control Systems</td>
<td></td>
</tr>
<tr>
<td>Traffic Control Systems</td>
<td></td>
</tr>
<tr>
<td>Ramp meters authorized ................................................................................. 58§10(a)-(f)</td>
<td></td>
</tr>
<tr>
<td>Red light cameras in Fayetteville ................................................................... 84</td>
<td></td>
</tr>
<tr>
<td>Traffic Lights—see Traffic Control Systems</td>
<td></td>
</tr>
<tr>
<td>Traffic Offenses</td>
<td></td>
</tr>
<tr>
<td>DWI (Driving While Impaired)—see that heading</td>
<td></td>
</tr>
<tr>
<td>Ramp meters authorized ................................................................................. 58§10(a)-(f)</td>
<td></td>
</tr>
<tr>
<td>Right turn on red report repealed .................................................................. 58§4</td>
<td></td>
</tr>
<tr>
<td>Speed limit waiver in State parks and forests ............................................ 120§31(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Use of mobile phone while operating motor vehicle ...................................... 115§28.3</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
</tr>
<tr>
<td>NC-SC Rail Compact .......................................................................................... 121</td>
<td></td>
</tr>
<tr>
<td>Private developer reporting ............................................................................ 100§34.2</td>
<td></td>
</tr>
<tr>
<td>Transportation, Board of</td>
<td></td>
</tr>
<tr>
<td>DOT cash management policies study ............................................................ 100§34.23(b)</td>
<td></td>
</tr>
<tr>
<td>DOT signage ..................................................................................................... 100§34.14(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Fees, sponsorship, privatization of services study ...................................... 100§34.17(a)-(c)</td>
<td></td>
</tr>
<tr>
<td>MPO/RPO ethics fines .................................................................................... 58§12(a)-(c); 115§56.6A(a)-(c)</td>
<td></td>
</tr>
<tr>
<td>Transportation, Department of</td>
<td></td>
</tr>
<tr>
<td>Advertising and naming rights on ferries .................................................... 58§11(a)-(b)</td>
<td></td>
</tr>
<tr>
<td>Agritourism sign location standards ................................................................ 58§2</td>
<td></td>
</tr>
<tr>
<td>Appropriations and allocations</td>
<td></td>
</tr>
<tr>
<td>Cash management .............................................................................................. 100§34.23(a)-(d)</td>
<td></td>
</tr>
</tbody>
</table>
Transportation, Department of—continued

Division of Aviation
  Regulation of unmanned aircraft systems............................................100§34.30(k)

Division of Highways
  Highway Fund................................................................................100§3.1

Ferry Operations
  Highway Fund................................................................................100§3.1

Governor's Highway Safety Program
  Highway Fund................................................................................100§3.1

Highway Fund
  Credit reserve..............................................................................100§34.19(a)-(b)
  Multimodal programs ....................................................................100§34.19(a)-(b)

Intermodal Divisions
  Highway Fund................................................................................100§3.1

Motor Vehicles, Division of
  Highway Fund................................................................................100§3.1

State Aid to Municipalities
  Highway Fund................................................................................100§3.1

State Aid to Municipalities baseline................................................100§34.1

Bridge Program (System Preservation Program) redirected tax proceeds...100§34.18(a)-(b)

Certain bridge constructions authorized.........................................115§56.2

Coal ash use
  Products specifications for public procurement.............................122§16
  Road/bridge construction study......................................................122§14

Disadvantaged minority/women business program sunset...............108§7(a)-(b)

Division of Aviation
  Aircraft fleet sale........................................................................100§34.10(a)-(c)
  Regulation of unmanned aircraft systems....................................100§34.30(a)-(l)

Division of Highways
  Staffing review............................................................................100§34.16(a)-(b)

Division of Motor Vehicles—see Motor Vehicles, Division of

Division of Preconstruction
  Staffing review............................................................................100§34.16(a)-(b)

DOT cash management policies study............................................100§34.23(b)

Emergency repair funds alternate criteria......................................58§6

Energy-related traffic study............................................................4§23(a)-(b)

Exclude federal lands access funds from STI....................................58§8

Fixed guideway system safety oversight..........................................58§9

Highway Fund
  Cash management........................................................................100§34.23(a)-(d)
  Credit reserve...............................................................................100§34.19(a)-(b)
  DMV positions funding.................................................................100§34.22
  State Aid to Municipalities baseline.............................................100§34.1

Highway Maintenance Improvement Program
  and Pavement Preservation Program.............................................100§34.11(a)-(m)
Transportation, Department of—continued

Highway Trust Fund

Cash management ................................................................. 100§34.23(a)-(d)

Historic Bridge Preservation Program clarification ...................... 100§34.27

Information technology modernization ........................................ 100§7.14(a)-(d)

Legal services ............................................................................. 100§34.24(a)-(e)

MPO/RPO ethics fines .................................................................. 58§12(a)-(c);
115§56.6A(a)-(c)

Oregon Inlet federal property acquisition ........................................ 100§14.7(h)

Out-of-state travel ............................................................................ 100§34.5

Outsourcing of preconstruction activity ......................................... 100§34.13(a)-(d)

Partnership with private developers ............................................ 58§7

Position transfers and elimination .............................................. 100§34.12(a)-(c)

Private developer reporting ........................................................... 100§34.2

Reports—see that heading

Right-of-way transfers notification ........................................... 108§8(a)-(b)

Secondary Roads Council technical correction ............................. 115§59

Signage ......................................................................................... 100§34.14(a)-(b)

Sponsorships authorized ............................................................. 58§13

Staffing of certain divisions review ........................................... 100§34.16(a)-(b)

State parks and trails signage usage study .................................. 100§34.15(a)-(b)

Stormwater best management practices use by certain entities ...........................................................

Technical corrections, clarifications, and conforming changes .... 115§§11, 56.5

Working job titles review .............................................................. 120§29(h)-(i)

Transportation Oversight Committee,

Joint Legislative—safe operation of mopeds study ......................... 114§4

Transylvania County—accept and remove certain
land from State nature and historic preserve ...................................... 62

Traumatic Brain Injury Advisory Council—

traumatic brain injury waiver ........................................................ 100§12H.6

Travel and Tourism

Certificate of registration required for facilitators ......................... 3§14.9(a)-(b)

Economic development functions contracting
authorized for Commerce Department ........................................... 18; 115§§56.1, 57

Occupancy tax

New Hanover County ................................................................. 87

Southport Tourism Development Authority clarification .............. 68§2(a)-(c)

Technical corrections, clarifications,
and conforming changes .............................................................. 3§14.23

Regulation of vacation rentals by Cornelius .................................. 91

Tourism Development Authorities

Averasboro changes ....................................................................... 83

New Hanover County occupancy tax changes ............................. 87

Southport occupancy tax clarification ........................................... 68§2(a)-(c)

Treasurer, State—see State Treasurer, Department of

Tribal Government

Appropriation from Indian Gaming Education
Revenue Fund to School Technology Fund .................................. 100§5.1

1293
Index to Session Laws

Session Law
Number

Tribal Government—continued
Eastern Band of the Cherokee
assumption of various human services.................................................. 100§12C.3(a)-(e)
Permanent license plate for tribal vehicle.............................................. 108§3(a)-(b)

Trusts—see Estates and Trusts

Tryon Palace Commission—exempt from certain operating
rules for historic sites and museums................................. 100§19.5(a)-(c)

Tuition and Fees (see also Colleges and
Universities; Student Loans and Scholarships)
Faculty tuition waiver................................................................. 100§11.9(a)-(b)
Nonresident tuition rate setting.................................................. 100§11.18
Opportunity scholarship grant clarification.................................. 100§8.25(a)-(m)
Tuition assistance to veterans and families in Yellow Ribbon Program........................................ 100§11.12(a)-(d)

Turnpike Authority, North Carolina
Annual audit date change............................................................. 58§3
Appointments and membership.................................................... 116§2.41
Appropriations and allocations—Highway Trust Fund............. 100§4.1
Unpaid bills collection by Attorney General.............................. 115§58

Two-Thirds Bond Act of 2014...................................................... 100§36.12(a)-(k)

U

Umstead Act......................................................................... 100§19.9;
115§39.4

UNC Board of Governors
Appropriations and allocations
Aid to private institutions................................................................. 100§2.1
Budget reductions exemption..................................................... 100§11.3
Current Operations................................................................. 100§2.1
4-H Camps............................................................................ 100§11.7(e)
North Carolina Research Campus........................................... 100§11.2
Nursing program facilities construction.................................. 100§11.14
Reversions............................................................................ 100§11.17(a)-(c)
Strategic plan funds................................................................. 100§11.19
UNC capital projects funds carried forward........................... 100§36.5
UNC Need-Based Financial Aid Forward
Funding Reserve appropriation.................................................. 100§11.26

Bilateral agreements regarding transfer process study........... 100§10.7(a)-(b)
Chancellor's authority to approve certain
maintenance projects repealed.................................................. 100§36.6

College credit for military training plan..................................... 67§3
Faculty tuition waiver................................................................. 100§11.9(a)-(b)
Leasing authority expanded...................................................... 100§36.7(a)-(b)
Military training and experience "knowledge gap
fulfillment," job development, and college credit study............. 67§4
New optometry schools study.................................................... 100§11.21(a)-(c)
Nonappropriated capital projects................................................. 60
Nonresident tuition rate setting.................................................. 100§11.18
### UNC Board of Governors—continued

Reports—see that heading
- **Salaries** .......................................................... 100§35.6(a)-(b)
- **Strategic plan and Distinguished Professor Fund** ........ 100§11.1(a)-(b)

### Unclaimed Property—see Property

<table>
<thead>
<tr>
<th>Act Title</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniform Deployed Parents Custody and Visitation Act</td>
<td>115§38(a)-(d)</td>
</tr>
</tbody>
</table>

### Union County

<table>
<thead>
<tr>
<th>Act Title</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education expense and capital outlay appropriation requirement ............</td>
<td>8; 9</td>
</tr>
<tr>
<td>Monroe, City of—see that heading</td>
<td></td>
</tr>
<tr>
<td>Moratorium on funding sufficiency actions by Board of Education ..........</td>
<td>8; 9</td>
</tr>
<tr>
<td>Museum of Waxhaw Amphitheater funds</td>
<td>100§24.1</td>
</tr>
</tbody>
</table>

### University of North Carolina

<table>
<thead>
<tr>
<th>Administration</th>
<th>Session Law Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian State University</td>
<td></td>
</tr>
<tr>
<td>Appropriations and allocations—Current Operations</td>
<td>100§2.1</td>
</tr>
<tr>
<td>Health Sciences Building capital appropriation</td>
<td>100§36.1</td>
</tr>
<tr>
<td>Health Sciences Building report</td>
<td>100§36.16(a)-(b)</td>
</tr>
<tr>
<td>Bilateral agreements regarding transfer process study</td>
<td>100§10.7(a)-(b)</td>
</tr>
<tr>
<td>Building and infrastructure needs</td>
<td>42§8(c)</td>
</tr>
<tr>
<td>Chancellor's authority to approve certain maintenance projects repealed</td>
<td></td>
</tr>
<tr>
<td>Coastal Studies Institute</td>
<td>100§36.6</td>
</tr>
<tr>
<td>Commercial shellfish leasing study</td>
<td>100§14.12</td>
</tr>
</tbody>
</table>

| East Carolina University                                                |                   |
| Appropriations and allocations—Current Operations                      | 100§2.1           |
| Hemp oil epilepsy treatment study                                       | 53                |
| New optometry schools study                                             | 100§11.21(a)-(c)  |
| Nonappropriated capital projects                                        |                   |

| Elizabeth City State University                                         |                   |
| Appropriations and allocations—Current Operations                      | 100§2.1           |
| Financial and enrollment concerns study                                 | 100§11.24(a)-(c)  |
| New optometry schools study                                             | 100§11.21(a)-(c)  |

| Fayetteville State University                                          |                   |
| Appropriations and allocations—Current Operations                      | 100§2.1           |
| New optometry schools study                                             | 100§11.21(a)-(c)  |
| Financial aid payment schedule study                                    | 100§11.8          |
| NER facilities and administrative fees                                  | 100§14.2          |
| Nonappropriated capital projects                                        |                   |

<p>| North Carolina Agricultural and Technical State University               |                   |
| Appropriations and allocations—Current Operations                      | 100§2.1           |
| Nursing program facilities construction                                 | 100§11.14         |
| New optometry schools study                                             | 100§11.21(a)-(c)  |</p>
<table>
<thead>
<tr>
<th>University of North Carolina — continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Central University</td>
</tr>
<tr>
<td>Appropriations and allocations — Current Operations ................................ 100§2.1</td>
</tr>
<tr>
<td>New optometry schools study .................. 100§11.21(a) - (c)</td>
</tr>
<tr>
<td>North Carolina Research Campus</td>
</tr>
<tr>
<td>Appropriations and allocations ............... 100§11.2</td>
</tr>
<tr>
<td>North Carolina School of Science and Mathematics</td>
</tr>
<tr>
<td>Appropriations and allocations — Current Operations ................................ 100§2.1</td>
</tr>
<tr>
<td>Budget reductions exemption .................. 100§11.3</td>
</tr>
<tr>
<td>Salaries .................................................. 100§35.6(b)</td>
</tr>
<tr>
<td>North Carolina School of the Arts</td>
</tr>
<tr>
<td>Budget reductions exemption .................. 100§11.3</td>
</tr>
<tr>
<td>North Carolina State University</td>
</tr>
<tr>
<td>Appropriations and allocations</td>
</tr>
<tr>
<td>Current Operations .................................. 100§2.1</td>
</tr>
<tr>
<td>Next Generation Power Electronics</td>
</tr>
<tr>
<td>Innovation Institute matching funds ........ 100§11.25</td>
</tr>
<tr>
<td>IT contract professionals career path ...... 100§7.7</td>
</tr>
<tr>
<td>Nonappropriated capital projects .......... 60</td>
</tr>
<tr>
<td>Plant Sciences Research and Innovation Initiative funds .................. 100§13.1(a) - (b)</td>
</tr>
<tr>
<td>Operation and use of defunct 4-H camps ........ 100§11.7(a) - (c)</td>
</tr>
<tr>
<td>Salaries .................................................. 100§35.6(a) - (b)</td>
</tr>
<tr>
<td>School of Government</td>
</tr>
<tr>
<td>Superior and district court judge training ... 100§18B.5</td>
</tr>
<tr>
<td>School of Science and Mathematics — see North Carolina</td>
</tr>
<tr>
<td>School of Science and Mathematics, this heading</td>
</tr>
<tr>
<td>Strategic plan and Distinguished Professor Fund ................................ 100§11.1(a) - (b)</td>
</tr>
<tr>
<td>Student organization rights and recognition .............................................. 28</td>
</tr>
<tr>
<td>Tuition assistance to veterans and families</td>
</tr>
<tr>
<td>in Yellow Ribbon Program ...................... 100§11.12(a) - (d)</td>
</tr>
<tr>
<td>Tuition study ........................................... 100§11.15(a) - (b)</td>
</tr>
<tr>
<td>UNC-Asheville</td>
</tr>
<tr>
<td>Appropriations and allocations — Current Operations ................................ 100§2.1</td>
</tr>
<tr>
<td>Nonappropriated capital projects .......... 60</td>
</tr>
<tr>
<td>UNC-Chapel Hill</td>
</tr>
<tr>
<td>Appropriations and allocations — Current Operations ................................ 100§2.1</td>
</tr>
<tr>
<td>Hemp oil epilepsy treatment study .......... 53</td>
</tr>
<tr>
<td>New optometry schools study .................. 100§11.21(a) - (c)</td>
</tr>
<tr>
<td>Nonappropriated capital projects .......... 60</td>
</tr>
<tr>
<td>UNC-Charlotte</td>
</tr>
<tr>
<td>Appropriations and allocations — Current Operations ................................ 100§2.1</td>
</tr>
<tr>
<td>Nonappropriated capital projects .......... 60</td>
</tr>
<tr>
<td>UNC-Greensboro</td>
</tr>
<tr>
<td>Appropriations and allocations</td>
</tr>
<tr>
<td>Current Operations .................................. 100§2.1</td>
</tr>
<tr>
<td>Nursing program facilities construction ... 100§11.14</td>
</tr>
<tr>
<td>UNC Hospitals</td>
</tr>
<tr>
<td>Cost settlement ........................................ 100§12H.13A</td>
</tr>
</tbody>
</table>

1296
University of North Carolina—continued
UNC-Pembroke
  Appropriations and allocations—Current Operations................................. 100§2.1
  New optometry schools study ................................................................. 100§11.21(a)-(c)
UNC School of the Arts
  Appropriations and allocations—Current Operations................................. 100§2.1
UNC-Wilmington
  Appropriations and allocations—Current Operations................................. 100§2.1
  Unpublished research data not public record ............................................. 115§52
Western Carolina University
  Appropriations and allocations—Current Operations................................. 100§2.1
  Nonappropriated capital projects ............................................................ 60
Winston-Salem State University
  Appropriations and allocations—Current Operations................................. 100§2.1
  New optometry schools study ................................................................. 100§11.21(a)-(c)

Unmanned Aircraft—see Aviation
Unregulated/Unregistered Vehicles—see Motor Vehicles
Urban Search and Rescue Team Advisory Committee—created .................... 27§4
USS North Carolina Battleship Commission—
  see Battleship Commission, North Carolina

Utilities
  Beneficial use of coal ash study ............................................................... 122§13(c)
  Cape Fear Public Utility Authority unpaid sewer fees collection ............... 98§§3-5
  Cape Hatteras Electric Membership Corporation tax phase-in .................... 39§§1(a)-(e)
  Central assessment of mobile telecommunications property ......................... 3§11.1(a)-(h)
  Coal ash
    Cost recovery moratorium ....................................................................... 122§2(a)-(b)
    Management .......................................................................................... 122§3(a)-(f)
    Moratorium as structural fill ................................................................. 122§4(a)-(c)
    Moratorium on landfills .......................................................................... 122§5(a)
    Recovery of costs for unlawful discharge of prohibited ......................... 122§1(a)-(b)
  Coal ash impoundments
    Closure deadlines review ........................................................................ 122§13(b)
    Fee ........................................................................................................ 122§15(a)-(e)
    Inspections ............................................................................................ 122§10
    Low-risk impoundment study ................................................................. 122§13(a)
  Coal ash use
    As structural fill study ........................................................................... 122§4(d)-(e)
    Products specifications for public procurement ........................................ 122§16
    Road/bridge construction study ............................................................. 122§14
  Energy savings contracts ............................................................................. 115§56.7
  Gas cities PNG tax phase-in ...................................................................... 39§§1(a)-(e)
  Municipal services for annexed property in Durham .................................... 47§2
  Regulatory fee adjustment ......................................................................... 59
  Tax refund for utilities disallowed for certain entities ............................... 3§8.2(a)-(c)
  Unpaid sewer fees collection for Spindale ................................................... 98§§1-2
  Utilities regulatory fees set ......................................................................... 100§15.2B

1297
# Index to Session Laws

## Utilities Commission

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair's salary</td>
<td>§35.2</td>
</tr>
<tr>
<td>Coal ash</td>
<td></td>
</tr>
<tr>
<td>Cost recovery moratorium</td>
<td>§2(a)-(b)</td>
</tr>
<tr>
<td>Impoundment fee</td>
<td>§15(a)-(e)</td>
</tr>
<tr>
<td>Recovery of costs for unlawful discharge prohibited</td>
<td>§1(a)-(b)</td>
</tr>
<tr>
<td>Members' salaries</td>
<td>§35.2</td>
</tr>
<tr>
<td>Outdated statutes and reports repealed</td>
<td>§10(a)-(g)</td>
</tr>
</tbody>
</table>

## Regulatory fees

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment</td>
<td>59</td>
</tr>
</tbody>
</table>

## Vocational Education

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;knowledge gap fulfillment,&quot; job development, and college credit study</td>
<td>§4</td>
</tr>
<tr>
<td>Military training and experience study</td>
<td></td>
</tr>
<tr>
<td>Oil and gas industry vocational programs study</td>
<td>§24(a)-(b)</td>
</tr>
<tr>
<td>Vocational training for persons with intellectual disabilities study</td>
<td>§10.4(a)-(b)</td>
</tr>
</tbody>
</table>

## Victims' Rights and Compensation

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>§2.1(a)-(b)</td>
</tr>
</tbody>
</table>

## Wake County

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garner, Town of</td>
<td></td>
</tr>
<tr>
<td>Raleigh, City of</td>
<td></td>
</tr>
</tbody>
</table>

## Voter Registration

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selective Service Act clarification</td>
<td>§14</td>
</tr>
<tr>
<td>Technical corrections, clarifications, and conforming changes</td>
<td>§4</td>
</tr>
<tr>
<td>Voter registration list maintenance</td>
<td>§16</td>
</tr>
</tbody>
</table>

## Volunteers and Volunteerism

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criminal history checks for firefighters and EMS personnel</td>
<td>§§1-2</td>
</tr>
<tr>
<td>Good Samaritan law clarification</td>
<td>§18</td>
</tr>
<tr>
<td>Volunteer Development Program reinstatement under Home and Community Care Block Grant</td>
<td>§12D.6</td>
</tr>
</tbody>
</table>

## Wake County

<table>
<thead>
<tr>
<th>Topic</th>
<th>Session Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garner, Town of</td>
<td></td>
</tr>
<tr>
<td>Raleigh, City of</td>
<td></td>
</tr>
</tbody>
</table>

Three-judge panel to hear challenges to General Assembly acts | §18B.16(a)-(f) |
### Warren County
- Confiscation and disposal of deadly weapons statewide uniformity .................................................. 115§61

### Washington, City of
- North Carolina Estuarium Grassroots Science Program grant-in-aid ........................................... 100§15.19

### Waste Management
- **Coal ash**
  - Cost recovery moratorium ........................................................................................................ 122§2(a)-(b)
  - Impoundments closure deadlines review ................................................................................. 122§13(b)
  - Impoundments inspections ......................................................................................................... 122§10
  - Landfills evaluation .................................................................................................................... 122§5(b)
  - Low-risk impoundment study .................................................................................................... 122§13(a)
  - Management ............................................................................................................................... 122§3(a)-(f)
  - Moratorium as structural fill ...................................................................................................... 122§4(a)-(e)
  - Moratorium on landfills ............................................................................................................. 122§5(a)
  - Products specifications for public procurement ........................................................................ 122§16
  - Recovery of costs for unlawful discharge of prohibited .......................................................... 122§1(a)-(b)
- Use in road/bridge construction study .......................................................................................... 122§14
- Construction/demolition landfills exempt from minimum financial responsibility requirement .................................................. 120§27
- County solid waste fees use ........................................................................................................ 115§60
- Governor's Waste Management Board rules repealed .............................................................. 120§41(a)-(b)
- Technical corrections, clarifications, and conforming changes .................................................. 115§10
- Transfer solid waste rule-making authority from Public Health Commission to EMC .......................... 122§11(a)-(m)
- Waste management fee cap repealed .......................................................................................... 100§14.24A

### Watauga County
- Boone, Town of—see that heading

### Water and Sewer Systems
- Approved wastewater systems modification ................................................................................. 120§47(a)-(e)
- Cape Fear Public Utility Authority unpaid sewer fees collection ............................................. 98§§3-5
- CDBG infrastructure eligible activities clarification ........................................................................ 100§14.15
- Coastal stormwater grandfather ................................................................................................... 120§25(a)-(e)
- Daily flow design exemption for low-flow fixtures ........................................................................ 120§53
- Forest City water line extension .................................................................................................. 100§14.28
- Minimum design criteria for stormwater runoff permitting reports ........................................... 120§50
- No stormwater permit modification for USPS cluster box units ................................................ 120§46(a)-(b)
- On-site wastewater approval clarification .................................................................................... 120§28(a)-(b)
- Regulation reformed .................................................................................................................... 120§40(a)-(c)
- Pre-drilling testing of water supplies ............................................................................................ 4§13(b)
- Presumptive liability for water contamination .............................................................................. 4§13(a)
- Pretreatment, Emergency Response and Collection System (PERCS) permitting program pilot study .................................................. 120§29(f)-(g)
- Private well-water testing fee ........................................................................................................ 100§12E.3(a)-(c)
- Fee waiver study ......................................................................................................................... 100§12E.3(c)
Index to Session Laws

**Water and Sewer Systems**—continued

Reclaimed water use as drinking water ................................................................. 113
Source water protection plan ............................................................................. 41; 115§55.5
Special assessments for stormwater management for Pinehurst .................. 85§2(a)-(c)
Standardize local well programs ......................................................................... 120§43(a)-(e)
Stormwater impervious surface calculations for redevelopment ......................... 90§§2-3
Technical corrections, clarifications, and conforming changes ...................... 115§10.1
Unpaid sewer fees collection for Spindale ......................................................... 98§§1-2
Wastewater disposal system requirements ......................................................... 95§3
Water infrastructure
  Grant priority .................................................................................................. 100§14.16
  Improvements grants to municipalities ......................................................... 100§14.17A
Well development as criteria for agricultural water resources assistance funding .................................................. 100§13.3(a)-(b)

**Water Resources**

Aquatic weed control ...................................................................................... 100§14.19(a)-(c)
Coal ash management ....................................................................................... 122§3(a)-(f)
Compliance boundary and corrective action provisions review ...................... 122§12(c)
Compliance boundary provisions ..................................................................... 122§12(a)-(c)
Interbasin transfer process for certain reservoirs ............................................. 120§37
Natural Heritage Program online access fees ................................................. 100§14.13A(a)-(b)
Reclaimed water use as drinking water ............................................................. 113
Sales tax refunds for soil and water conservation districts ................................. 20
Stormwater management fees uses .................................................................. 14
Wastewater discharges reporting and notification strengthened ....................... 122§6(a)-(c)
Wastewater disposal system requirements ....................................................... 95§3
Water quality remediation funds ..................................................................... 100§14.8A
Water Resources Development Projects capital appropriation ...................... 100§36.2(a)-(c)
Well development as criteria for agricultural water resources assistance funding .................................................. 100§13.2(a)-(c)

**Watha, Town of**—deannexation ................................................................. 80§2(a)-(c)

**Weapons**

Air rifles and BB guns not "dangerous firearms" in certain counties .................. 119§10(a)-(b)
Carrying a concealed weapons second offense penalty ................................. 119§12(a)-(b)
Concealed handgun permits forms .................................................................. 115§24(a)-(b)
Confiscation and disposal of deadly weapons statewide uniformity .................. 115§61
Detention officer may carry weapon on educational property ......................... 119§9(a)-(b)
Disposal of unclaimed firearm technical correction ....................................... 115§2
Disposition of seized firearms .......................................................................... 115§24.5
Durham County firearms registration repealed ............................................. 11
Pistol permit issuance ....................................................................................... 115§23.5(a)-(e)
Retired correctional officer firearms safety exemption .................................... 119§7(a)-(c)

1300
Weaverville, Town of—extraterritorial
jurisdiction authority repealed ................................................................. 26§1(a)-(c)

**Welfare**
Summer Food Service Program transferred to DPI .................................. 100§12E.9(a)-(b)
TANF (Temporary Assistance for Needy Families)
Child care subsidy rates/copayments/eligibility .................................... 100§12B.1
DHHS Block Grants ..................................................................................... 100§12J.1
Early childhood education and development
initiatives local partnership spending ......................................................... 100§12B.2(b)

**Work First**
DHHS Block Grants ..................................................................................... 100§12J.1
Drug screening delayed ........................................................................ 115§66(a)-(c)
Family assistance income levels clarified ........................................ 100§12C.2

**Well Contractors Certification Commission**
Appointments and membership ................................................................. 116§1.37
Continuing education requirements ........................................................... 2
Licensing changes ...................................................................................... 120§42(a)-(c)
Oil and gas well exemption ...................................................................... 4§16

**Wells (Oil and Gas)—see Mining and Mineral Exploration**

**Wells (Water)—see Water and Sewer Systems**

**Wetlands—see Lakes and Rivers**

**Whiteville, Town of—NC-SC Rail Compact** ................................................. 121

**Wildlife Resources Commission**
Appropriations and allocations—Current Operations ................................ 100§2.1
Aquatic weed control ................................................................................ 100§14.19(a)-(c)
Hunting trials ............................................................................................ 120§36(a)-(b)
Licensing changes ...................................................................................... 100§14.25(a)-(e)
Oversight of cervids .................................................................................. 100§14.26(a)-(f)

**Wilkes County—Investing in Innovation**
Grant participation ..................................................................................... 100§8.27

**Wills and Estates—see Estates and Trusts**

**Wilmington, City of**
Annexation ............................................................................................... 45
Cape Fear Museum Grassroots Science
Program grant-in-aid .................................................................................. 100§15.19
UNC-Wilmington—see University of North Carolina
USS North Carolina hull repairs authorized ........................................ 100§36.10
Wilmington Children's Museum Grassroots Science
Program grant-in-aid .................................................................................. 100§15.19

**Wilson, City of**
Closure of certain Division of Veterans Affairs offices prohibited ............. 100§30.2
Gas cities PNG tax phase-in ....................................................................... 39§1(a)-(e)
Imagination Station Grassroots Science
Program grant-in-aid .................................................................................. 100§15.19

**Wilson County**
Main trial court administrator .................................................................. 100§18B.13
Wilson, City of—see that heading
Wineries and Breweries—community
college brewing course waiver ......................................................... 120§17(a)-(d)

Winston-Salem, City of
Sci Works Science Center and
Environmental Park Grassroots Science
Program grant-in-aid ........................................................................ 100§15.19
UNC School of the Arts—see
University of North Carolina
Winston-Salem State University—see
University of North Carolina

Women
Paragard reimbursement ................................................................. 100§12H.33(a)-(b)
Women's shelter for Macon and Jackson County ............................... 100§24.2

Workforce Development, Commission on—
common follow-up/costs shared by agencies plan ............................... 100§15.6(a)-(c)

Wrightsville Beach, Town of—deannexation ...................................... 45

Y

Yanceyville, Town of—ATV use by city employees on certain highways ........................................ 32

Youth Organizations—operation and use
of defunct 4-H camps ........................................................................ 100§11.7(a)-(e)

Z

Zoos and Aquariums
Aquariums Fund fees transfer ......................................................... 100§14.2C
Food services at aquariums and museums technical correction .............. 115§7(a)-(b)
INDEX TO RESOLUTIONS
2013 GENERAL ASSEMBLY
REGULAR SESSION 2014

A

Adjournment ................................................................................................................ 8
Allen, Charlton ........................................................................................................... 7
Alley, Zeb .................................................................................................................. 4

Appointments

Confirm Charlton Allen to Industrial Commission ...................................................... 7
Confirm Linda Combs as State Controller ................................................................. 6

Armed Forces

Military Appreciation Day ......................................................................................... 2

B

Baker, Buck
Honoring NASCAR inductees.................................................................................... 1

C

Calendar
Military Appreciation Day ......................................................................................... 2

Combs, Linda............................................................................................................ 6
Controller, State—see State Controller

E

Earnhardt, Dale
Honoring NASCAR inductees.................................................................................... 1

Evans, Richie
Honoring NASCAR inductees.................................................................................... 1

F

Flock, Tim
Honoring NASCAR inductees.................................................................................... 1

France, Bill, Jr.
Honoring NASCAR inductees.................................................................................... 1

France, Bill, Sr.
Honoring NASCAR inductees.................................................................................... 1

G

General Assembly
Confirm Charlton Allen to Industrial Commission ...................................................... 7
Confirm Linda Combs as State Controller ................................................................. 6

1303
### General Assembly—continued

**Deceased former members**
- Alley, Zeb ................................................................. 4
- Mercer, Leo .............................................................. 3
- Nesbitt, Martin Luther, Jr .............................................. 5

### I

**Industrial Commission**
- Confirm Charlton Allen ................................................... 7

### M

**Mercer, Leo** ...................................................................................... 3

**Motor Vehicles**
- Honoring NASCAR inductees ........................................ 1

**Museums**
- Honoring NASCAR inductees ........................................ 1

### N

**Nesbitt, Martin Luther, Jr.** ...................................................... 5

### O

**Owens, Cotton**
- Honoring NASCAR inductees ........................................ 1

### P

**Petty, Lee**
- Honoring NASCAR inductees ........................................ 1

### R

**Racing**
- Honoring NASCAR inductees ........................................ 1

**Roberts, Fireball**
- Honoring NASCAR inductees ........................................ 1

### S

**State Controller**
- Confirm Linda Combs .................................................... 6

### T

**Thomas, Herb**
- Honoring NASCAR inductees ........................................ 1

1304